

DR BRUCE FUND

FINANCIAL STATEMENTS

31 MARCH 2022

Charity Number SC019149

DR BRUCE FUND
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

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DR BRUCE FUND

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

Registered Charity Name	Dr Bruce Fund
Charity Number	SC019149
Trustees	The elected Councillors of Musselburgh
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 9DH
Investment Advisers	Investec Wealth & Investment Limited 2 Gresham Street London EC2V 7QN

DR BRUCE FUND
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2022

The trustees present their report and the financial statements of the charity for the year ended 31 March 2022.

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.

Each year, the Trustees meet and consider the provision of small grants to nominated residents of the town.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE

During the year 2021/22 the trust made two awards totalling £70 (2020/21: £70).

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 whole portfolio increased by £0.2m in the year to 31st March 2022, and the income earned by the portfolio increased by 2% in the same period.

Full details of the trust's financial transactions during the year ended 31st March 2022 are shown on the attached financial statements.

The trust incurred operational expenditure of £1,174, against income of £1,400. Together with gains related to investment assets of £717, this resulted in an increase in reserves of £943. At 31 March 2022, the trust had unrestricted funds of £20,886.

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 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). 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

Following the council election in May 2022, the elected councillors for Musselburgh who serve as trustees are:

Ruaridh Bennet
Cher Cassini
Andrew Forrest
Shona McIntosh

Signed on behalf of the trustees

Councillor Andrew Forrest

Councillor Andrew Forrest
Trustee
John Muir House
Haddington
East Lothian
EH41 3HA

01 November 2022

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 1 November 2022 and signed on their behalf by:

Councillor Andrew Forrest

Councillor A Forrest
Trustee

01 November 2022

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

Reporting on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements of the Dr Bruce Fund for the year ended 31 March 2022 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Financial Activities, the Balance Sheet and Notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the Dr Bruce Fund as at 31 March 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of The Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the 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 concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of 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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 the trustees intend to discontinue the Dr Bruce Fund's operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Dr Bruce Fund's controls, and the nature, timing and extent of the audit procedures performed.

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

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

Reporting on other requirements

Other information

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

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge

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

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

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

In my opinion, based on the work undertaken in the course of the audit, the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Charities SORP (FRS 102).

Matters on which I am required to report by exception

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

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

I have nothing to report in respect of these matters.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Esther Scoburgh

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

01 November 2022

DR BRUCE FUND

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2022

	Note	Total Funds 2021/22 £	Total Funds 2020/21 £
Income From			
Donated services	2	1,000	1,000
Income from Investments	3	330	328
Refunds received	4	70	0
Total Income and Endowments		1,400	1,328
Expenditure On			
Management Fees	5	(104)	(84)
Charitable Activities	6	(70)	(70)
Audit Fees	2	(1,000)	(1,000)
Total Expenditure		(1,174)	(1,154)
Net Income		226	174
Net (Losses) Gains on investments	8	550	2,506
Gain in Investments Revaluation Reserve	9	167	
Net Movement In Funds		943	2,680
Reconciliation Of Funds			
Total funds brought forward		19,943	17,263
Total Funds carried forward		20,886	19,943

The Statement of Financial Activities includes all gains and losses in the year and therefore a Movement in Reserves Statement has not been prepared, with Note 11 providing an equivalent analysis.

All of the above amounts relate to continuing activities.

DR BRUCE FUND

BALANCE SHEET

AS AT 31 MARCH 2022

	Note	2021/22 £	2020/21 £
FIXED ASSETS			
Investments	8	13,714	13,164
CURRENT ASSETS			
Debtors	10	7,172	6,884
CURRENT LIABILITIES			
Creditors		0	(105)
TOTAL NET ASSETS		<u>20,886</u>	<u>19,943</u>
THE FUNDS OF THE CHARITY			
Investments Revaluation Reserve	11	0	(6,112)
Unrestricted funds	11	(20,886)	(13,831)
TOTAL CHARITY FUNDS		<u>(20,886)</u>	<u>(19,943)</u>

These financial statements were approved by the members of the committee and authorised for issue on 1 November 2022 and are signed on their behalf by:

Councillor Andrew Forrest

Councillor Andrew Forrest
Trustee
John Muir House
Haddington
EH41 3HA

01 November 2022

DR BRUCE FUND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st MARCH 2022

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 2021/22, the external annual audit fee was a donated service of £1,000 from East Lothian Council.

3 INVESTMENT INCOME

	Unrestricted Funds 2021/22	Unrestricted Funds 2020/21
	£	£
Dividends - equities	306	310
Interest on cash deposits	24	18
	330	328

4 REFUNDS RECEIVED

During 2021/22 the Trust received refunds as a result of uncashed cheques totalling £70. The refunded cheques related to the 2020/21 grants distribution.

5 INVESTMENT MANAGEMENT COSTS

	Unrestricted Funds 2021/22	Unrestricted Funds 2020/21
	£	£
Investment and ELC management fees	104	84

6 COSTS OF CHARITABLE ACTIVITIES

	Grant Funding activities 2021/22	Grant Funding activities 2020/21
	£	£
Grants of £35 made to 2 individuals(20/21: £35 each)	70	70
	70	70

7 STAFF COSTS AND EMOLUMENTS

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

8 INVESTMENTS

Movement in market value

	2021/22	2020/21
	£	£
Market Value at 1 April	13,164	10,774
Profits (Losses) from Sales	577	2,241
Net (loss)/gain on revaluation	(27)	149
Market Value at 31 March	13,714	13,164

	Total Funds 2021/22	Total Funds 2020/21
Investments at fair value comprised:	£	£
Quoted shares	13,714	13,164

9 GAIN IN INVESTMENTS REVALUATION RESERVE

During 2021/22 the identification of the Dr Bruce Fund's Investment Revaluation Reserve balance, which is derived from information provided by the investment manager for the pooled trust funds administered by East Lothian Council, was refined. This resulted in a relatively minor gain to the Dr Bruce Fund of £167. No comparable amendment arose in 2020/21.

10 DEBTORS

	2021/22	2020/21
	£	£
Other Debtors	7,172	6,884

11 ANALYSIS OF CHARITABLE FUNDS

	Balance at 1st April 2021	Gain in Investments Revaluation Reserve (Note 9)	Investment Revaluation Reserve Transferred to General Funds	Profit (Loss) for Period (excluding Gain in Investments Revaluation Reserve)	Balance at 31st March 2022
	£	£	£	£	£
Investments Revaluation Reserves	6,112	167	(6,279)	0	0
General Funds	13,831	-	6,279	776	20,886
	19,943	167	0	776	20,886

In 2021/22 the role, status and basis for the Investments Revaluation Reserve was reviewed. It was concluded that it was not appropriate to continue to maintain a separate Investments Revaluation Reserve.

Accordingly the balance in the reserve has been transferred into General Funds. Management of the General Funds balance should however continue to recognise that fair value gains on investments are not realised in cash terms until the investments are sold.

The extent of unrealised gains in the General Funds will therefore continue to inform Trustees' decisions regarding the utilisation of reserves.