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DR BRUCE FUND

FINANCIAL STATEMENTS

31 MARCH 2024

Charity Number SC019149

DR BRUCE FUND
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2024

CONTENTS	PAGE
Trustees' Annual Report	1-4
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
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2024

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	Mark Ferris Senior Audit Manager Audit Scotland 8 Nelson Mandela Place Glasgow G2 1BT
Investment Advisers	Investec Wealth & Investment Limited 2 Gresham Street London EC2V 7QN

DR BRUCE FUND
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2024

The trustees present their report and the financial statements of the charity for the year ended 31 March 2024.

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 2023/24 the trust reviewed the extent of funds available for charitable purposes and increased the extent of funds made available for grants. For 2023/24 a total of £1,465 was awarded, constituting £40 awarded to 7 individuals as part of the annual Christmas distributions, and an award of £1,185 to an individual to assist with flood damage restoration. This compared to grants of £80 in 2022/23 (two awards of £40).

FINANCIAL REVIEW

For the first half of the year the investment portfolio from which the trust is allocated a proportion of assets, income, and expenditure continued to be adversely affected by the economic effects of volatile market conditions which affected the previous year (2022/23). The latter half of the year however saw improvement. The market value of the whole portfolio increased by £0.243m in the year to 31st March 2024, with a modest element of unrealised fair value gains arising. The Dr Bruce fund share of realised gains from sales was £938, with dividends and interest (on investments and the Trust's cash holdings) being a total of £596.

Full details of the trust's financial transactions during the year ended 31st March 2024 are shown on the attached financial statements.

The trust incurred operational expenditure, including grant awards, of £2,611, against income, excluding investment sales and gains, of £1,596. Together with gains related to investment assets of £950, this resulted in a small deficit for the year of £65. At 31 March 2024, the trust had unrestricted funds of £20,246.

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 have worked to improve the process for awarding grants to enable the Trust to fulfil its intended objectives which has increased the grant awards made. The Trust intends to continue to make annual awards as funds allow. This includes taking consideration of the volatility of investment returns and the fact that returns in the year include unrealised gains (or losses) which have not been converted into available cash holdings.

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:

Ruaridh Bennett
Cher Cassini
Andrew Forrest
Shona McIntosh

Signed on behalf of the trustees



A S Forrest

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

20 June 2024

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 20 June 2024 and signed on their behalf by:



Councillor A Forrest
Trustee

Note: The Independent auditor's report will be included following the conclusion of the external audit process and the signing of the accounts.

Space for audit report (1)

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Space for audit report (2)

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Space for audit report (3)

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DR BRUCE FUND

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2024

	Note	Total Funds 2023/24 £	Total Funds 2022/23 £
Income From			
Donated services	2	1,000	1,000
Income from Investments	3	596	499
Total Income and Endowments		1,596	1,499
Expenditure On			
Management Fees	4	(146)	(143)
Charitable Activities	5	(1,465)	(80)
Audit Fees	2	(1,000)	(1,000)
Total Expenditure		(2,611)	(1,223)
Net Income (Expenditure)		(1,015)	276
Net (Losses) Gains on Investments	7	950	(851)
Net Movement In Funds		(65)	(575)
Reconciliation Of Funds			
Total funds brought forward		20,311	20,886
Total Funds carried forward		20,246	20,311

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 9 providing an equivalent analysis.

All of the above amounts relate to continuing activities.

DR BRUCE FUND

BALANCE SHEET

AS AT 31 MARCH 2024

	Note	2023/24 £	2022/23 £
FIXED ASSETS			
Investments	7	13,631	12,758
CURRENT ASSETS			
Debtors	8	7,800	7,553
CURRENT LIABILITIES			
Creditors		(1,185)	0
TOTAL NET ASSETS		<u>20,246</u>	<u>20,311</u>
THE FUNDS OF THE CHARITY			
Unrestricted funds	9	(20,246)	(20,311)
TOTAL CHARITY FUNDS		<u>(20,246)</u>	<u>(20,311)</u>

These financial statements were approved by the members of the committee and authorised for issue on 20 June 2024 and are signed on their behalf by:

Councillor Andrew Forrest
Trustee
John Muir House
Haddington
EH41 3HA
20 June 2024

A S Forrest

DR BRUCE FUND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31st MARCH 2024

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.

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 2023/24, the external annual audit fee was a donated service of £1,000 from East Lothian Council.

3 INVESTMENT INCOME

	Unrestricted Funds 2023/24	Unrestricted Funds 2022/23
	£	£
Dividends - equities	324	330
Interest on cash deposits	272	169
	596	499

4 INVESTMENT MANAGEMENT COSTS

	Unrestricted Funds 2023/24	Unrestricted Funds 2022/23
	£	£
Investment and ELC management fees	146	143

5 COSTS OF CHARITABLE ACTIVITIES

	Grant Funding activities 2023/24	Grant Funding activities 2022/23
	£	£
Grants of £40 made to 7 individuals, and one grant of £1,185 for flood damage restoration. (22/23: 2 individuals £40 each)	1,465	80

6 STAFF COSTS AND EMOLUMENTS

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

7 INVESTMENTS

Movement in market value

	2023/24	2022/23
	£	£
Market Value at 1 April	12,758	13,714
Profits (Losses) from Sales	938	1,284
Net (loss)/gain on fair value revaluations	12	(2,135)
Gains (Losses) on Investments	950	(851)
Management Fees deducted from investments	(77)	(105)
Market Value at 31 March	13,631	12,758

	Total Funds 2023/24	Total Funds 2022/23
	£	£
Investments at fair value comprised:		
Quoted shares	13,631	12,758

8 DEBTORS

	2023/24	2022/23
	£	£
Other Debtors	7,800	7,553
Other debtors primarily constitute cash held by East Lothian Council on the Trust's behalf.		

9 ANALYSIS OF CHARITABLE FUNDS

	Balance at 1st April 2023	Gain/(Loss) in Investments (Note 7)	Profit/(Loss) for Period (excluding Gain/ (Loss) in Investments	Balance at 31st March 2024
	£	£	£	£
General Funds	20,311	950	(1,015)	20,246

Management of the General Funds balance should 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.