

THE JOHN DOBBIE FOUNDATION

Annual Report and Financial Statements

For the period 18 July 2011 to 31 July 2012

Registered Company Number: SC403655

Recognised Charity Number: SC042464

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THE JOHN DOBBIE FOUNDATION
Annual Report and Financial Statements
For the period 18 July 2011 to 31 July 2012

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Directors

Adrian T Flatman
Doreen A K Flatman
Sabrina J C Flatman
Fenella A C Letham

Bankers

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P O Box 1000
BX2 1LB

Principal address

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Dunbartonshire
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Auditors

Scott-Moncrieff
Chartered Accountants
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Charity No: SC042464

THE JOHN DOBBIE FOUNDATION

Directors' Report

For the period 18 July 2011 to 31 July 2012

The Directors have pleasure in presenting their report for the period 18 July 2011 to 31 July 2012. This report is prepared in accordance with the founding document and the recommendations of Statement of Recommended Practice – Accounting and Reporting by Charities and complies with applicable law.

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 18 July 2011 and registered as a charity on 27 July 2011. The company was established under a Memorandum of Association which establishes the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

The memorandum provides for a minimum of 3 Directors, but not subject to any maximum number. The trustees have the power to remove an individual as a director, by way of a resolution passed at a meeting of the Directors provided at least two thirds of the Directors vote in favour of the resolution. An individual holding office as a director may retire by giving notice in writing to that effect to the secretary of the Foundation.

A meeting of the Directors is held at least once a year. The Directors agree the broad strategy and areas of activity for the Foundation including consideration of the grant making, investment, reserves and risk management policies and performance.

Induction and Training

All Directors are familiar with the work of the charity. If there are any areas where additional training is required, this will be discussed at a Directors' meeting and a solution identified.

Objectives and aims

The objectives of the Foundation are the prevention or relief of poverty, the advancement of citizenship or community development and the relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage.

Achievements and Performance

This was the Foundation's first period of activity. It is the Directors' intention to distribute funds in subsequent years.

Reserves Policy

The Directors do not require reserves to be held given that the intention is to distribute all free income of the Foundation. The actual level of reserves at 31 July 2012 was £64,923.

Investment Policy

The Foundation holds property, from which rental income is derived.

Grant making Policy

The Directors discuss the potential grants having examined the track record of the charity involved and the end result of any proposed projects.

THE JOHN DOBBIE FOUNDATION

Directors' Report - continued

For the period 18 July 2011 to 31 July 2012

Risk Management

The Directors have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Foundation and are satisfied that systems are in place to mitigate their exposure to the major risks.

Future Plans

It is the intention of the Directors to continue to generate rental income from the properties held by The Foundation.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' annual report and the 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 Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources of the Fund for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

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

THE JOHN DOBBIE FOUNDATION

Directors' Report - continued

For the period 18 July 2011 to 31 July 2012

Statement of disclosure of information to independent examiner

To the knowledge and belief of each of the persons who are Directors at the time the report is approved:

- so far as the Director is aware, there is no relevant information of which the Foundation's independent examiner is unaware;
and
- he/she has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information, and to establish that the Foundation's independent examiner is aware of the information.

Approved by the Directors and signed on their behalf by:

29 March 2013

D. K. Flatman Director
Doreen A K Flatman

THE JOHN DOBBIE FOUNDATION

Independent Examiner's Report to the Directors

For the period 18 July 2011 to 31 July 2012

I report on the accounts of The John Dobbie Foundation for the period 18 July 2011 to 31 July 2012, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes.

This report is made solely to the charity's Directors, as a body, in accordance with section 44 of the Charities and Trustee Investment (Scotland) Act 2005. My examination has been undertaken so that I might state to the charity's Directors those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Directors as a body, for my examination, for this report, or for the opinions I have formed.

Respective responsibilities of Directors and examiner

The charity's Directors are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity Directors consider that the audit requirement of Regulation 10(1) (a) to (c) of the Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

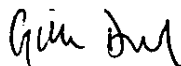
Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the Directors concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations (as amended), and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations (as amended)have not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Gillian Donald
Chartered Accountant
Scott-Moncrieff
Chartered Accountants
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

29 March 2013

THE JOHN DOBBIE FOUNDATION

Statement of Financial Activities

For the period 18 July 2011 to 31 July 2012

	Notes	Unrestricted Funds £	Endowment Funds £	Total £
Incoming resources				
Voluntary income	2			
Donation		98,890	-	98,890
Capital donation		-	1,436,152	1,436,152
Rental income		67,808	-	67,808
Total incoming resources		<u>166,698</u>	<u>1,436,152</u>	<u>1,602,850</u>
Resources expended	3			
Cost of generating funds		93,741	-	93,741
Charitable activities		4,087	-	4,087
Governance costs		3,947	-	3,947
Total resources expended		<u>101,775</u>	<u>-</u>	<u>101,775</u>
Net movement in funds		64,923	1,436,152	1,501,075
Total funds brought forward		-	-	-
Total funds carried forward		<u>64,923</u>	<u>1,436,152</u>	<u>1,501,075</u>

All the results relate to continuing activities.

THE JOHN DOBBIE FOUNDATION

Balance Sheet

As at 31 July 2012

	Notes	2012	
Fixed Asset Investments	4	£	£
			1,690,000
Current assets			
Debtors	5	-	
Cash at bank		49,744	
		<u>49,744</u>	
Creditors: amounts falling due within one year	6	34,304	
		<u>34,304</u>	
Net current assets			15,440
Total assets less current liabilities			<u>1,705,440</u>
Creditors: Amounts falling due after more than one year-Loans	7		204,365
			<u>204,365</u>
Net assets			<u>1,501,075</u>
Funds	9		
Unrestricted funds			64,923
Endowment funds			1,436,152
			<u>1,501,075</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the financial period 18 July 2011 to 31 July 2012. The members have not required the company to obtain an audit of its financial statements for the period 18 July 2011 to 31 July 2012 in accordance with Section 476 of the Companies Act 2006.

The Directors acknowledge their responsibility for:

- (a) ensuring that the Foundation keeps accounting records which comply with Section 386 and 387 of the Companies Act 2006; and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its surplus for the financial period in accordance with the requirements of Section 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements were authorised for issue by the Directors on 29 March 2013 and signed on their behalf by:


Doreen A K Flatman Director

THE JOHN DOBBIE FOUNDATION

Notes to the Financial Statements

For the period 18 July 2011 to 31 July 2012

1. Accounting Policies

Basis of accounting

The accounts have been prepared in accordance with applicable accounting standards in the United Kingdom, with Charities and Trustee Investment (Scotland) Act 2005 and Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005).

Going concern

The Directors are of the opinion that the charity can continue to meet its obligations as they fall due for the foreseeable future. As a consequence the directors have prepared the financial statements under the going concern basis.

Investment property

Investment properties are shown at market value at the balance sheet date. Realised gains and losses are recognised in the income and expenditure account and statement of financial activities in the year in which they arise. Unrealised gains are recognised in the statement of financial activities in the year in which they arise.

Investment Income - rents

Rental income is credited in the year in which it is received.

Expenditure allocation

Expenditure has been charged direct to cost of generating funds, charitable expenditure or governance costs.

Cost of generating funds consists of factor's fees and expenses relating to the properties.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Foundation and include the audit fees and costs linked to the strategic management of the charity.

Taxation

The Foundation is a charity and is recognised as such by the HMRC for taxation purposes. As a result there is no liability to taxation on any of its income.

VAT

The Foundation is not registered for VAT and accordingly expenditure includes VAT where appropriate.

THE JOHN DOBBIE FOUNDATION

Notes to the Financial Statements

For the period 18 July 2011 to 31 July 2012

2. Voluntary Income

	£	Total Period 18 July 2011 to 31 July 2012 £
Donation from The John Dobbie Trust		
Property		
At valuation	1,690,000	
Less outstanding loans	(253,848)	
		1,436,152
Cash		98,890
		<u>1,535,042</u>

3. Resources expended

	Cost of Generating Funds £	Charitable Activities £	Governance Costs £	For the period 18 July 2011 to 31 July 2012 £
Factor's fees	10,432	-	-	10,432
Property costs	79,588	-	-	79,588
Loan interest payments	3,702	-	-	3,702
Bank charges	19	-	-	19
Administration charges	-	3,973	-	3,973
Travel expenses	-	114	-	114
Legal fees	-	-	2,867	2,867
Independent examiner's fee	-	-	1,080	1,080
	93,741	4,087	3,947	101,775

4. Investment property

	2012 £
Market value at 18 July 2011	-
Additions	1,690,000
Market value at 31 July 2012	<u>1,690,000</u>

5. Debtors

	2012 £
Accrued income	-

THE JOHN DOBBIE FOUNDATION

Notes to the Financial Statements

For the period 18 July 2011 to 31 July 2012

6. Creditors: Amounts falling due within one year

	2012 £
Loans	33,224
Accruals	1,080
	<u>34,304</u>

7. Creditors: Amounts falling due after more than one year

	2012 £
Loans	<u>204,365</u>
Maturity of debt	
In one year or less	33,224
Within two to five years	143,375
In five years or more	60,990
	<u>237,589</u>

The rental properties are the subject of 2 charges securing 2 loans from the Bank of Scotland. Each loan runs for a period of 15 years, the interest rate being reviewed annually and carry an interest rate of Bank of England base rate plus 2.5%, currently 3 %. The loans will be fully repaid in August 2020. The Loan to Value of the assets charged is 14.0%.

8. Related parties

The named Directors are members of the same family. Adrian Flatman is the husband of Doreen Flatman and father of Sabrina Flatman and Fenella Letham.

One director received administration fees and travel expenses during the year amounting to £3,973 and £114 respectively.

9. Funds

	Unrestricted funds £	Endowment funds £	Total funds £
Investments	-	1,436,152	1,436,152
Net current assets	64,923	-	64,923
	<u>64,923</u>	<u>1,436,152</u>	<u>1,501,075</u>

10. Commitments, guarantees and contingent liabilities

There were no specific commitments, guarantees or contingent liabilities at the balance sheet date.

11. Non-audit services

In common with many other charities of our size, we use our auditors to assist in the preparation of the financial statements.