

# **BANK OF SCOTLAND** **Foundation**

## Financial Statements for the year ended 31 December 2012

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A Company Limited by Guarantee Registered in Scotland Number SC229825  
Scottish Charity Number SC032942

# Financial Statements for the year ended 31 December 2012

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## Review of 2012 by the Chair

I'm pleased to report that 2012 has been another successful year for the Bank of Scotland Foundation across all of our Programmes.

Our Small Grants Programme provided almost £830,000 to charities in Scotland that specifically look to develop and improve their communities or support financial inclusion and financial literacy. In 2012 we produced our first Small Grants Programme Impact Report using evaluation and feedback we gathered from our 2011 funded charities. Our Impact Report has clearly demonstrated that our Small Grants Programme is achieving positive change in communities across Scotland.

The Matched Giving Programme continues to be a great success with over 1,150 applications received from Lloyds Banking Group employees across Scotland. Over 300 charities shared over £455,000 in 2012. We continue to support a diverse mix of charities through this programme, with some employees applying for Matched Giving for small, local charities and others applying for Matched Giving for some of Scotland's large national charities.

In 2012 we launched a joint initiative with Lloyds Banking Group - our Volunteering Grants Programme aimed at boosting community volunteering. The Foundation made funding available to charities for projects aimed at new volunteering opportunities and the Group then ensured the successful charities were given access to a network of employee volunteers to deliver the projects. Six charities shared almost £100,000 through this initiative in 2012 and I am pleased that the Trustees have agreed to continue the Volunteering Grants Programme in 2013. We look forward to receiving applications from a range of charities and will be looking again to support those who demonstrate they can make a real difference to the lives of people and communities through volunteering.

Our work in Scotland is not possible without the support of our sole funder, Lloyds Banking Group (the "Group") who donated £1,050,000 to the Foundation in 2012. The Trustees are delighted that the Group has increased its annual donation to £2,000,000 per annum from 2014. This increase will allow our existing programmes to grow and also allow the development of new programmes.

The Trustees continue to give freely of their time to the Foundation and I would like to thank them for their support over the last year. The achievements of the Foundation would not have been possible without their effort and I look forward to working with them in 2013.

The feedback we receive continues to be extremely positive and I would like to thank Jillian Baillie, Head of Bank of Scotland Foundation and her team for their hard work which ensures our ongoing success.

We look forward with confidence to supporting a wide range of charities in 2014 and helping communities across Scotland to flourish.



Kate Guthrie  
Chair

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## Trustees' Report

### Reference and Administrative Information

The names of the Trustees who were in office during the year and up to the date of signing the financial statements were:

Kate Guthrie (Chair)  
Jim Coyle  
Sarah Deas  
Alasdair Gardner  
Paul Grice  
Peter Navin

**Company Secretary:** Lysanne Black

**Bankers:** Bank of Scotland  
The Mound  
Edinburgh  
EH1 1YZ

**Legal Advisors:** Tods Murray LLP  
Edinburgh Quay  
133 Fountainbridge  
Edinburgh  
EH3 9AG

**Independent Auditors:** PricewaterhouseCoopers LLP  
Erskine House  
68-73 Queen Street  
Edinburgh  
EH2 4NH

**Registered Office:** The Mound  
Edinburgh  
EH1 1YZ

**Registered Company No:** SC229825 (Company limited by guarantee)

**Scottish Charity No:** SC032942

## **Trustees' Report (continued)**

### **Structure, Governance and Management**

#### **Incorporation**

The Foundation was incorporated in Scotland on 2 April 2002 as a company limited by guarantee and is registered as a charity. The Foundation was originally established by HBOS plc to provide a focus for its charitable donations and to act as a focal point for the group's community investment activities.

Following the acquisition of HBOS plc by Lloyds TSB plc the charity is now the focal point of charitable donations within Scotland of Lloyds Banking Group plc.

The purposes for which the Foundation has been established are laid out in a Charter which specifies two priorities namely – developing and improving communities and financial inclusion and financial literacy.

#### **Organisation**

Bank of Scotland Foundation is governed by a Board of Trustees, with Kate Guthrie as Chair. The day to day operations of the Bank of Scotland Foundation are delegated to Jillian Baillie, Head of the Bank of Scotland Foundation and her team. The Head of Bank of Scotland Foundation reports to Paul Turner, Group Community & Sustainable Business Director who reports into the Director of Group Corporate Affairs of Lloyds Banking Group plc.

The Trustees meet quarterly. Meetings are chaired by Kate Guthrie and are formally minuted. At each meeting of the Foundation, the Trustees determine overall policy, review and agree all donations made in the previous quarter, note financial reports, review the budget position and decide on all grants which are submitted for approval. All decisions taken by the Trustees are in compliance with the Foundation Charter.

The Trustees have an agreed Investment Policy and Reserves Policy.

#### **Trustees**

The Trustees who served during the year are listed on page 4. Each Trustee, except Sarah Deas and Paul Grice, is an employee of Lloyds Banking Group plc.

The Trustees may appoint a Trustee provided that such person has first been recommended for appointment in accordance with the Trustee Appointment Policy. Trustees may only hold office for a maximum period of six years though in exceptional circumstances may be re-appointed for a second term of three years. Trustees appointed to the Foundation are Members of the company.

New Trustees are given induction training and regular updates are provided to all Trustees on all matters relating to their role as Trustees.

There is no maximum to the number of Trustees, but the minimum is three. Trustees may be paid expenses but may not be remunerated.

## **Trustees' Report (continued)**

### **Risk Policy**

The Trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

The Trustees regularly review the governance and activities of the Foundation at quarterly board meetings through the review of a risk matrix and risk register to ensure any risks are identified and that actions can be implemented to mitigate the risks in early course.

### **Objectives and Activities**

The Foundation's policy is to make awards of grants in accordance with its charitable objectives:

- developing and improving communities; and
- financial inclusion and financial literacy

The Foundation meets these objectives through awarding grants to various organisations.

### **Achievements and Performance**

Designed to make a genuine, tangible difference to individuals and their communities, the programmes of Bank of Scotland Foundation have flourished in 2012:

**Small Grants** – our programme accepts applications of between £1,000 and £20,000 from charities registered in Scotland that meet the funding criteria of the Foundation. We distributed almost £830,000 through our Small Grants Programmes to charities across Scotland in 2012 and have continued to provide support towards essential core costs. Our funding is helping to improve life for many people across Scotland addressing areas such as housing, mental health, job creation and money advice.

**Volunteering Grants** – our innovative joint initiative with Lloyds Banking Group accepts applications of between £1,000 and £20,000 from charities registered in Scotland to fund new or existing projects that are aimed at boosting community volunteering. We distributed almost £100,000 through this programme to six charities across Scotland in 2012 and the Group then engaged colleagues in volunteering with the successful projects. Our collaboration of funding and Lloyds Banking Group employee volunteers puts us in an exceptional position where we can provide significant benefits for charities beyond funding alone

**Matched Giving** – charities supported by the fundraising and volunteering efforts of Lloyds Banking Group's employees shared over £455,000 in 2012. With just under 20,000 Lloyds Banking Group employees across Scotland, our programme encourages employees to become active in their community by providing Matched Giving of up to £1,000 per employee per year.

## **Trustees' Report (continued)**

### **Funding and Investment**

Bank of Scotland Foundation is a registered charity and is funded by Lloyds Banking Group plc.

The Foundation's funds are directed towards charitable donations with all its administrative costs borne by Lloyds Banking Group plc. In meeting its commitment to the Foundation, the Group provides:

- All staff costs plus related office and administration overheads.
- Considerable support from Group Corporate Affairs on the marketing and promotion of activities.

### **Financial Review**

In 2012, the Foundation received a donation of £1,050,000 from Lloyds Banking Group. During the year £1,379,414 was awarded to charities working in Scotland through the Small Grants Programme, Volunteering Grants Programme and Matched Giving Programme.

The Trustees believe that 2012 has been another successful year.

### **Investment Policy**

The Trustees adopt an investment policy that is prudent, cautious and practical. In general, Trustees are under a duty to obtain the best investment performance without undue risk to the investment funds. For Bank of Scotland Foundation, the key requirements are:

Liquidity - there is a need to have funds available to distribute to the charitable projects agreed by the Trustees in accordance with project timetables.

Convenient and Efficient Services - prompt and accurate advice and information about the account and its management is required.

Risk Aversion - the purpose of the Foundation is to contribute to charitable projects that meet the necessary investment criteria. The Foundation should prudently manage their funds and it would be inappropriate therefore to seek to invest money for capital growth or to adopt any strategy that would attract risk or impact adversely on the ability of the Trustees to achieve its objectives.

## **Trustees' Report (continued)**

### **Reserves Policy**

It is the policy of the Foundation to maximise charitable giving whilst maintaining unrestricted funds at such a level to allow the charity to fulfil its existing obligations. This policy is reviewed at least annually as part of the approval of the budget for the following year.

As at 31 December 2012 Bank of Scotland Foundation held £237,172 in unrestricted funds reserves (equal to total free reserves).

The Foundation aims to hold free reserves to cover two to three months of programme funding and running costs at any one time. The current reserves will be used to fund future donations in line with the Foundation's charitable objectives such that free reserves do not drop below £50,000.

### **Plans for Future Periods**

The Foundation plans to continue to award grants to charities working across Scotland through the Small Grants Programme, Volunteering Grants Programme and provide Matched Giving to charities supported by Lloyds Banking Group employees in 2013. This is made possible by the continuing support of Lloyds Banking Group through their annual donation of £1,000,000 in 2013.

As Lloyds Banking Group's annual donation increases to £2,000,000 per annum from 2014, the Foundation will progress plans that will allow our existing programmes to grow and also allow the development of new programmes.

## **Disclosure to Trustees**

### **Auditors**

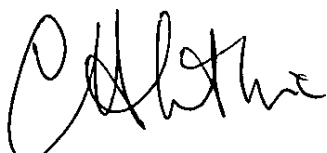
Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

### **Disclosure of information to auditors**

The Trustees who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Foundation's auditors are unaware; and each Trustee has taken all the steps that he/she ought to have taken as a Trustee to make himself/herself aware of any relevant audit information and to establish that the Foundation's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

On behalf of the Trustees



Kate Guthrie  
Chair  
Bank of Scotland Foundation  
15 May 2013

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

The Trustees (who are also directors of Bank of Scotland Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 charitable company 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

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**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND  
MEMBERS OF BANK OF SCOTLAND FOUNDATION**

We have audited the financial statements of Bank of Scotland Foundation ("the charitable company") for the year ended 31 December 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**Respective responsibilities of Trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the charity's Trustees and members as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and regulations made under those Acts (regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and Chapter 3 of Part 16 of the Companies Act 2006)) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2012 and of its incoming resources and application of resources, including its income and expenditure and cash flows, 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND  
MEMBERS OF BANK OF SCOTLAND FOUNDATION (CONTINUED)**

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion 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.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Karyn Lamont*

**Karyn Lamont (Senior Statutory Auditor)**  
**for and on behalf of PricewaterhouseCoopers LLP**  
Chartered Accountants and Statutory Auditors  
Erskine House  
68-73 Queen Street  
Edinburgh  
EH2 4NH

20 May 2013

PricewaterhouseCoopers LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

a) The maintenance and integrity of the Bank of Scotland Foundation website is the responsibility of the Trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# Financial Statements for the year ended 31 December 2012

## Audited Financial Statements

### STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income & Expenditure Account)

For the year ended 31 December 2012

	Note	Unrestricted Funds 2012 £	Total 2012 £	Total 2011 £
<b>Incoming Resources</b>				
Incoming resources from generated funds				
Voluntary Income		1,050,000	1,050,000	1,000,000
Investment Income		6,951	6,951	-
Other Incoming Resources	2.4	219,357	219,357	166,384
<b>Total incoming resources</b>		<b>1,276,308</b>	<b>1,276,308</b>	<b>1,166,384</b>
<b>Resources expended</b>				
Charitable Activities	3	1,536,608	1,536,608	1,504,931
Governance Costs	4	50,867	50,867	58,114
<b>Total resources expended</b>		<b>1,587,475</b>	<b>1,587,475</b>	<b>1,563,045</b>
<b>Net movement in funds / net (expenditure) in the year</b>		<b>(311,167)</b>	<b>(311,167)</b>	<b>(396,661)</b>
<b>Fund balance brought forward at 1 January 2012</b>		<b>548,339</b>	<b>548,339</b>	<b>945,000</b>
<b>Fund balance carried forward at 31 December 2012</b>		<b>237,172</b>	<b>237,172</b>	<b>548,339</b>

There were no recognised gains and losses other than those disclosed above. There is no difference between the net expenditure for the financial years and the historical cost equivalent.

All activities are derived from continuing operations.

The fund balances brought forward and carried forward are unrestricted and are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

The notes on pages 16 to 22 form part of these financial statements

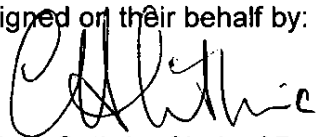
# Financial Statements for the year ended 31 December 2012

## BALANCE SHEET

As at 31 December 2012

	Note	2012 £	2011 £
<b>Current Assets</b>			
Cash at Bank and in hand		306,786	806,527
<b>TOTAL CURRENT ASSETS</b>		<u>306,786</u>	<u>806,527</u>
Creditors: amounts falling due within one year	6	(69,614)	(258,188)
<b>TOTAL CURRENT LIABILITIES</b>		<u>(69,614)</u>	<u>(258,188)</u>
<b>NET CURRENT ASSETS</b>		237,172	548,339
<b>NET ASSETS</b>		<u>237,172</u>	<u>548,339</u>
<b>The funds of the charity:</b>			
Unrestricted Income Fund		237,172	548,339
		<u>237,172</u>	<u>548,339</u>

The financial statements were approved by the Trustees on 15 May 2013 and signed on their behalf by:

  
Kate Guthrie, Chair of Bank of Scotland Foundation

  
Jim Coyle, Trustee of Bank of Scotland Foundation

The notes on pages 16 to 22 form part of these financial statements.

A Company Limited by Guarantee Registered in Scotland Number SC229825

# Financial Statements for the year ended 31 December 2012

## CASH FLOW STATEMENT

For the year ended 31 December 2012

	2012 £	2011 £
<b>Reconciliation of net (outgoing) / incoming resources to net cash flow from operating activities</b>		
Net (outgoing) resources	(311,167)	(396,661)
Interest receivable	6,951	-
Decrease in current assets	-	965,000
(Decrease)/increase in current liabilities	(188,574)	238,188
<b>Net cash (outflow) / inflow from operating activities</b>	<b>(492,790)</b>	<b>806,527</b>
<b>Return on investment and servicing of finance</b>		
Interest received	(6,951)	-
<b>(Decrease)/increase in cash</b>	<b>(499,741)</b>	<b>806,527</b>

	2012	2011
<b>Reconciliation of net cash flow to movements in net funds</b>		
(Decrease)/increase in cash in year	(499,741)	806,527
Net funds at 1 January	806,527	-
Net funds at 31 December	306,786	806,527

The notes on pages 16 to 22 form part of these financial statements.

## Notes to the financial statements

### 1. Guarantee company

The Foundation is a charitable company limited by guarantee and does not have any share capital. The liability of the members is limited by the Memorandum of Association to £1 each. At 31 December 2012 there were six Trustees each of whom was also a Director and member.

### 2. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material to the financial statements.

#### 2.1 Basis of preparation

The financial statements have been prepared under the historical cost accounting rules and in accordance with applicable accounting standards, the Statement of Recommended Practice, Accounting and Reporting by Charities, issued in February 2005, the Companies Act 2006, Charities Accounts (Scotland regulations 2006) and the Charities and Trustee Investment (Scotland) Act 2005. Accordingly, the arrangements and headings have been adapted as provided for in the Companies Act 2006.

The Trustees have considered 2013 and beyond and based on discussions with Lloyds Banking Group who provide funding to the Foundation and administrative support services, the Trustees have prepared the financial statements on a going concern basis.

#### 2.2 Fund accounting

The Foundation's funds are all unrestricted and are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

#### 2.3 Income

All income is recognised in the SOFA when the Foundation is legally entitled to the income, receipt is certain and the amount can be quantified with reasonable accuracy.

## Financial Statements for the year ended 31 December 2012

### Notes to the financial statements (continued)

#### 2.4 Other incoming resources

All costs incurred by the Foundation, including staff costs, are paid by Lloyds Banking Group plc. Where this expenditure is readily quantifiable, it is recognised as income to, and expenditure of, the Foundation. The split is detailed in the table below.

	Other incoming resources		Total 2012	Total 2011
	Staff Costs	Office Costs		
	£	£	£	£
Developing & Improving Local Communities	113,895	32,284	146,179	91,242
Money Advice	18,703	5,302	24,005	17,028
Corporate Governance	34,111	15,062	49,173	58,114
	<u>166,709</u>	<u>52,648</u>	<u>219,357</u>	<u>166,384</u>

#### \* Staff costs

	£
Salaries	132,253
Social security costs	14,219
Pensions	16,991
Other staff costs	<u>3,246</u>
Total	<u>166,709</u>

#### 2.5 Resources expended

Charitable activities include grants payable which are charged in the year when the offer is conveyed and a valid expectation created with the recipient that the grant will be paid. Where the grant is conditional, such grant will not be recognised as expenditure until the conditions attached are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Other expenditure included within charitable activities are shown in Note 3.

Governance costs comprise the audit fee, legal fees and staff costs associated with the strategic management of the charity. This is shown in Note 4.

#### 2.6 Allocation of costs

Charitable activities include the direct costs of the grant awards and the indirect support costs of delivering the grant programmes. Support costs are allocated between charitable programmes and governance on the basis of estimated time spent by staff. Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice.

#### 2.6 Taxation

Bank of Scotland Foundation is recognised as a charity. As a result the charity is exempt from taxation on its charitable activities.

# Financial Statements for the year ended 31 December 2012

## Notes to the financial statements (continued)

### 3. Charitable Activities

	Grants Payable (3a) £	Matched Funding (3b) £	Support Costs £	Total 2012 £	Total 2011 £
Developing and improving local communities	726,041	447,651	146,180	1,319,872	1,268,243
Money advice and financial literacy	192,732	-	24,004	216,736	236,688
	<u>918,773</u>	<u>447,651</u>	<u>170,184</u>	<u>1,536,608</u>	<u>1,504,931</u>

During 2012 the Foundation made 92 grants to developing and improving local communities ranging from £2,000 to £20,000 and 19 grants to money advice and financial literacy causes ranging from £4,000 to £19,800.

Support costs primarily include other staff costs that are paid for by Lloyds Banking Group plc. Staff costs relate to employees of Lloyds Banking Group plc who carried out certain administrative duties of the Foundation during the year.

The Foundation did not have any employees during the year.

#### 3a. Reconciliation of Grants Payable

	2012 £	2011 £
Grants awarded in the year	924,273	912,840
Grants returned	(5,500)	-
	<u>918,773</u>	<u>912,840</u>

#### 3b. Reconciliation of Matched Funding

	2012 £	2011 £
Matched Funding awarded in the year	455,141	483,807
Matched Funding cancelled	(7,490)	-
	<u>447,651</u>	<u>483,807</u>

### 4. Governance Costs

	2012 £	2011 £
Staff Costs	34,111	32,188
Audit remuneration	8,256	5,400
Legal Fees	8,500	20,526
	<u>50,867</u>	<u>58,114</u>

## Financial Statements for the year ended 31 December 2012

### Notes to the financial statements (continued)

#### 5. Trustees' expenses

No Trustees received remuneration, travel or accommodation expenses during the year from Bank of Scotland Foundation.

#### 6. Creditors: amounts falling due within one year

	2012 £	2011 £
Grants payable	62,920	204,417
Other creditors	6,694	53,771
	<u>69,614</u>	<u>258,188</u>

Grants payable relate to applications received for colleague matched funding prior to 31 December 2012 but had not been paid at the year end and Small Grants that had been approved by the Trustees but were not paid at the year end.

#### 7. Related party transactions

The Foundation is related to Lloyds Banking Group plc as it derives its revenue solely from the Group. In October 2011 the Foundation entered into a Funding Covenant with Lloyds Banking Group plc, where the Group will provide annual funding of £1m.

The following transactions took place with Lloyds Banking Group plc during the year, and with which there were the following balances at the year end:

The Foundation received £1,000,000 (2011: £1,000,000) under the terms of the funding covenant and a further donation of £50,000 (2011: nil) in the year. The Group also paid costs of £219,357 (2011: £166,384) on behalf of the Foundation. These costs have been paid in accordance with the terms of the funding covenant.

The costs of £219,357 includes £169,672 (2011: £110,528) for three staff members who work for the Foundation but are employed by Lloyds Banking Group plc and one temporary staff member who worked for the Foundation but was contracted to Lloyds Banking Group plc.

Each Trustee, except Sarah Deas and Paul Grice, is an employee of Lloyds Banking Group plc.

At 31 December 2012 Lloyds Banking Group plc was due nil (2011: £48,771) from the Foundation.

At 31 December 2012 a balance of £306,786 (2011 - £806,527) was held at Bank of Scotland plc and received interest of £6,951 (2011 - nil) in the year.

#### 8. Controlling party

The Trustees are of the opinion that there is no controlling party.

# Financial Statements for the year ended 31 December 2012

## Notes to the financial statements (continued)

### 9. Analysis of charitable expenditure

The following table lists all Small Grants made during the year and the amount disclosed represents the amount which is recorded in the Statement of Financial Activities for the year ended 31 December 2012. No grants to individuals were approved in the period.

	£
Samaritans of Dunfermline	2,000.00
Columcille Centre	2,000.00
Active Seniors	2,000.00
Upper Annandale Youth Support Group	2,500.00
Home-Start Kincardine	2,600.00
Linktown Playgroup	2,710.00
Lung Ha's Theatre Company	3,000.00
Home-Start East Fife	3,200.00
Cancer Support Scotland	3,297.94
Whitecraig Community Centre Association	3,343.05
Tollcross Community Trust	4,000.00
The Hospital Broadcasting Service	4,196.00
Clydebank Special Needs Forum	4,200.00
Carers Forum Stirling Area t/a Stirling Carers Centre	4,500.00
Promote YT (Scotland)	4,554.00
Home-Start Dunfermline	4,802.00
The Pregnancy and Parents Centre	4,904.00
Helensburgh & Lomond Carers	4,919.42
Getting Better Together (GBT)	5,000.00
Spectrum	5,000.00
The Kaimes Special School Association	5,000.00
Penumbra	5,000.00
Dr Bell's Family Centre	5,000.00
Mindroom	5,000.00
North Merchiston Club	5,000.00
Glasgow Marriage Care Services	5,000.00
Project Ability	5,000.00
Fostering Network Scotland	5,000.00
Geeza Break	5,000.00
Govan Home and Education Link Project (Govan HELP)	5,000.00
Ocean Youth Trust Scotland	5,000.00
Mayfield & Easthouses Development Trust	5,000.00
Food on Friday	5,000.00
Shoot for Success	5,000.00
Badenoch & Strathspey Community Transport Company	5,000.00
Lomond Mountain Rescue Team	5,000.00
Bannockburn Group of Riding for the Disabled	5,000.00
Scottish Borders Community Development Company	5,291.00
Abused Men in Scotland	5,608.00
Stirling Users Network (StUN)	5,984.00
Drumchapel Caravan Project	6,000.00
North Glasgow Community Food Initiative	6,000.00
Financial Fitness Resource Team	6,340.00

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Broxburn United Sports Club	6,500.00
The Dove Centre	6,665.00
Health Opportunities Team	6,690.00
Mearns and Coastal Healthy Living Network	7,000.00
3D Drumchapel	7,000.00
MND Scotland	7,000.00
S.H.I.P. (Support, Help & integration in Perthshire)	7,000.00
Muirfield Riding Therapy	7,500.00
The Borders Forest Trust	7,500.00
Scottish Refugee Council	7,500.00
Made4U in ML2	7,500.00
Strathmore Centre for Youth Development (SCYD)	7,500.00
Tullochan	7,920.00
Deaf Connections	7,965.00
Livingston Youth Foundation Limited	7,977.00
Befriend a Child	8,000.00
Support in Mind	8,250.00
Citizens Advice and Rights Fife	8,472.00
Perth & Kinross Association of Voluntary Service	8,820.00
RAMH	8,868.00
Venture Scotland	8,887.00
Pilton Youth & Children's Project	8,948.00
The Scottish Youth Theatre Limited	9,000.00
PEEK (Possibilities East End Kids)	9,000.00
Interest Link Borders	9,014.00
MediCinema	9,101.00
East Ayrshire Carers Centre	9,250.00
Saheliya	9,328.00
Cowal Elderly Befriending Scheme	9,468.00
Lochaber Hope	9,500.00
Central Carers Association Falkirk & Clackmannan	9,568.00
Fairway Fife	9,828.00
International Resources and Recycling Institute	9,844.00
Whitlawburn Community Resource Centre	9,953.00
Bield Housing & Care	9,975.00
Airdrie Citizens Advice Bureau	9,988.00
Angus Citizens Advice Bureau	10,000.00
Caithness Voluntary Group	10,000.00
Irvine Housing Association Ltd	10,000.00
Columba 1400	10,000.00
CCLASP	10,000.00
Sick Kids Friends Foundation	10,000.00
Muirhouse Youth Development Group	10,000.00
Central Advocacy Partners	10,000.00
Kingsridge Cleddans Housing Association	10,000.00
Scottish Epilepsy Initiative	10,000.00
Scottish Drugs Forum	10,000.00
Marie Curie Cancer Care	10,000.00
Highland Disability Sport	10,000.00
Garvald Glenesk	10,000.00
Craigmillar Community Arts	10,400.00
Upward Mobility Limited	12,500.00
Crossroads Youth & Community Association	12,664.00
Gorgie City Farm	14,317.00

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Rape & Abuse Line	15,000.00
Fresh Start (Edinburgh)	16,223.00
Orkney Alcohol Counselling & Advisory Service	16,500.00
Pilton Community Health Project	18,839.23
Maryhill Citizens Advice Bureau	18,850.00
Argyll & Bute Citizens Advice Bureau	19,528.00
Citizens Advice Edinburgh	19,800.00
North United Communities Limited	20,000.00