



Financial Statements for the  
year ended  
31 December 2013

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

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## Review of 2013 by the Chair

I am delighted to report that 2013 has been another successful year for the Bank of Scotland Foundation across all of our Programmes.

Our Small Grants Programme provided over £550,000 to charities in Scotland that specifically look to develop and improve their communities or support financial inclusion and financial literacy. We have also produced our second Small Grants Programme Impact Report using evaluation and feedback we gathered from our 2012 funded charities. Our Impact Report clearly highlights that our Small Grants Programme continues to achieve positive change in communities throughout Scotland.

The Matched Giving Programme had another great year with just under 1,900 applications received from Lloyds Banking Group plc employees across Scotland. Over 350 charities shared over £675,000 in 2013, a 48% increase on 2012. The Matched Giving Programme supports a wide range of charities, with some employees selecting small, local charities and others applying for Matched Giving for some of Scotland's large national charities.

2013 was the second year of our Volunteering Grants Programme, a joint initiative with Lloyds Banking Group plc 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. Ten charities shared over £100,000 through this initiative in 2013 and we look forward to seeing the real difference that will be made to the lives of people and communities through volunteering. The Trustees have agreed to another Joint Initiative Programme with Lloyds Banking Group plc in 2014 that will focus on addressing issues around financial education and inclusion.

Our work in Scotland is not possible without the support of our sole funder, Lloyds Banking Group plc (the "Group") who donated £1,100,000 to the Foundation in 2013. The Trustees are delighted that the Group has increased its annual donation to £2,000,000 per annum for 2014. This increase in funding will enhance our existing programmes and 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 and commitment 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 again in 2014.

I would like to thank Jillian Baillie, Head of Bank of Scotland Foundation and her team for their continued hard work which has ensured another successful year.

For 2014, we look forward to supporting a wide range of charities and supporting charities to make positive change to communities across Scotland.

Kate Guthrie  
Chair

## 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 plc  
The Mound  
Edinburgh  
EH1 1YZ

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

**Independent Auditors:** PricewaterhouseCoopers LLP  
Atria One  
144 Morrison Street  
Edinburgh  
EH3 8EX

**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 Graham Lindsay, Group Responsible 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 continued to flourish in 2013:

**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 in excess of £550,000 through our Small Grants programme to charities across Scotland in 2013 and have continued to provide funding for essential core costs. Our funding helps to improve the lives of many people across Scotland addressing areas such as mental health, debt management, increased community engagement and supporting job creation in some of Scotland's most deprived areas.

**Volunteering Grants** – through our joint initiative with Lloyds Banking Group plc we accept applications of between £1,000 and £20,000 from charities registered in Scotland to fund new or existing projects that are aimed at increasing community volunteering. We distributed in excess of £100,000 through this programme to ten charities across Scotland in 2013 and the Group then engaged colleagues in volunteering with the successful projects. This collaboration of both funding and volunteering enables us to provide benefits to charities beyond funding alone.

## Trustees' Report (continued)

**Matched Giving** – charities supported by the fundraising and volunteering efforts of Lloyds Banking Group plc employees shared over £675,000 in 2013. With just under 20,000 Lloyds Banking Group plc employees across Scotland, our programme encourages employees to become involved in their community by providing Matched Giving of up to £1,000 per employee per year.

The top 10 charities who received funding through Matched Giving in 2013 were;

<b>Charity</b>	<b>Amount (£)</b>
Alzheimer Scotland	220,287
Macmillan Cancer Support	27,015
Maggies	25,964
Marie Curie Cancer Care	20,542
Cancer Research	15,955
CHAS	11,510
St Columba's Hospice	10,453
Prostate Cancer UK	10,206
Sick Kids Friends Foundation	7,115
Aberlour Childcare Trust	6,809

## 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 2013, the Foundation received a donation of £1,100,000 from Lloyds Banking Group plc. During the year £1,334,341 was awarded to charities working in Scotland via the Small Grants Programme, Volunteering Grants Programme and Matched Giving Programme.

The Trustees are of the opinion that 2013 has been another successful year.

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

### **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.

### **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 2013 Bank of Scotland Foundation held £11,926 in unrestricted funds reserves (equal to total free reserves).

The Foundation aims to hold free reserves to cover current 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 are maintained at a level appropriate to the Foundation's current commitments.

### **Plans for Future Periods**

The Foundation plans to continue to award grants to charities working across Scotland through its Grant Programmes and provide Matched Giving to charities supported by Lloyds Banking Group plc employees. This is made possible by the continuing support of Lloyds Banking Group plc through their annual donation of £2,000,000 in 2014.

The Trustees are delighted to be launching a new Medium Grants Programme in 2014 that will increase the funding available to charities across Scotland who strive to make a difference to the communities they serve.



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

### **Independent 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  
19 May 2014

## Statement of Trustees' responsibilities

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 judgments 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 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**  
**Report on the financial statements**

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**Our opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2013 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 requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

This opinion is to be read in the context of what we say in the remainder of this report.

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**What we have audited**

The financial statements, which are prepared Bank of Scotland Foundation, comprise:

- the balance sheet as at 31 December 2013;
- the statement of financial activities and the summary income and expenditure account for the year then ended;
- the cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the Trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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**What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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

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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.

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## Other matters on which we are required to report by exception

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### Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

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### Trustees' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Trustees' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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### Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Trustees were not entitled to: prepare financial statements in accordance with the small companies' regime; take advantage of the small companies' exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.

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## Responsibilities for the financial statements and the audit

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### Our responsibilities and those of the Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 10, the Trustees 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 ISAs (UK & 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 company's 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.

Stephanie Cowie (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Atria One,  
144 Morrison Street,  
Edinburgh  
EH3 8EX  
9 June 2014

- (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

## Audited Financial Statements

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

For the year ended 31 December 2013

	Note	Unrestricted Funds 2013 £	Total 2013 £	Total 2012 £
<b>Incoming Resources</b>				
Incoming resources from generated funds				
Voluntary Income		1,100,000	1,100,000	1,050,000
Investment Income		4,223	4,223	6,951
Other Incoming Resources	2.4	293,694	293,694	219,357
<b>Total incoming resources</b>		<b>1,397,917</b>	<b>1,397,917</b>	<b>1,276,308</b>
<b>Resources expended</b>				
Charitable Activities	3	1,573,884	1,573,884	1,536,608
Governance Costs	4	49,279	49,279	50,867
<b>Total resources expended</b>		<b>1,623,163</b>	<b>1,623,163</b>	<b>1,587,475</b>
<b>Net movement in funds / net (expenditure) for the year</b>		<b>(225,246)</b>	<b>(225,246)</b>	<b>(311,167)</b>
<b>Fund balance brought forward at 1 January</b>		<b>237,172</b>	<b>237,172</b>	<b>548,339</b>
<b>Fund balance carried forward at 31 December</b>		<b>11,926</b>	<b>11,926</b>	<b>237,172</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 21 form part of these financial statements

# Financial Statements for the year ended 31 December 2013

## BALANCE SHEET

As at 31 December 2013

	Note	2013 £	2012 £
<b>Current Assets</b>			
Cash at Bank and in hand		70,883	306,786
<b>TOTAL CURRENT ASSETS</b>		<u>70,883</u>	<u>306,786</u>
Creditors: amounts falling due within one year	6	<u>(58,957)</u>	<u>(69,614)</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>(58,957)</u>	<u>(69,614)</u>
<b>NET CURRENT ASSETS</b>		11,926	237,172
<b>NET ASSETS</b>		<u>11,926</u>	<u>237,172</u>
<b>The funds of the charity:</b>			
Unrestricted Income Fund		<u>11,926</u>	<u>237,172</u>
<b>Total Charity Funds</b>		<u>11,926</u>	<u>237,172</u>

The financial statements on pages 13 to 15 were approved by the Board of Trustees on 19 May 2014 and signed on its behalf by:

Kate Guthrie, Chair of Bank of Scotland Foundation

Jim Coyle, Trustee of Bank of Scotland Foundation

The notes on pages 16 to 21 form part of these financial statements.

**A Company Limited by Guarantee Registered in Scotland Number SC229825**

# Financial Statements for the year ended 31 December 2013

## CASH FLOW STATEMENT

For the year ended 31 December 2013

	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
<b>Reconciliation of net (outgoing) / incoming resources to net cash flow from operating activities</b>		
Net (outgoing) resources	(225,246)	(311,167)
Interest receivable	4,223	6,951
(Decrease) in current liabilities	(10,657)	(188,574)
<b>Net cash (outflow) / inflow from operating activities</b>	<u>(231,680)</u>	<u>(492,790)</u>
<b>Return on investment and servicing of finance</b>		
Interest received	(4,223)	(6,951)
<b>(Decrease) in cash</b>	<u>(235,903)</u>	<u>(499,741)</u>

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

For the year ended 31 December 2013

	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
(Decrease) in cash in year	(235,903)	(499,741)
Net funds at 1 January	<u>306,786</u>	<u>806,527</u>
Net funds at 31 December	<u>70,883</u>	<u>306,786</u>

The notes on pages 16 to 21 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 2013 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 in the United Kingdom, 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 2014 and beyond and based on discussions with Lloyds Banking Group plc 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.



**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 2013	Total 2012
	Staff Costs	Office Costs		
	£	£	£	£
Developing & Improving Local Communities	132,561	102,071	234,632	146,179
Money Advice	5,527	4,256	9,783	24,005
Corporate Governance	35,578	13,701	49,279	49,173
	<u>173,666</u>	<u>120,028</u>	<u>293,694</u>	<u>219,357</u>

**\* Staff costs**

	£
Salaries	127,692
Social security costs	14,203
Pensions	22,250
Other staff costs	9,521
Total	<u>173,666</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.

**Notes to the financial statements (continued)**

**3. Charitable Activities**

	Grants Payable (3a) £	Matched Funding (3b) £	Support Costs £	Total 2013 £	Total 2012 £
Developing and improving local communities	600,592	675,546	234,760	1,510,898	1,319,872
Money advice and financial literacy	53,203	-	9,783	62,986	216,736
	<u>653,795</u>	<u>675,546</u>	<u>244,543</u>	<u>1,573,884</u>	<u>1,536,608</u>

During 2013 the Foundation made 63 grants to developing and improving local communities ranging from £1,496 to £16,170 and 6 grants to money advice and financial literacy causes ranging from £3,000 to £15,346.

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**

	2013 £	2012 £
Grants awarded in the year	658,795	924,273
Grants returned	(5,000)	(5,500)
	<u>653,795</u>	<u>918,773</u>

**3b. Reconciliation of Matched Funding**

	2013 £	2012 £
Matched Funding awarded in the year	675,546	455,141
Matched Funding cancelled	-	(7,490)
	<u>675,546</u>	<u>447,651</u>

**4. Governance Costs**

	2013 £	2012 £
Staff Costs	35,578	34,111
Audit remuneration	6,775	8,256
Legal Fees	6,926	8,500
	<u>49,279</u>	<u>50,867</u>

**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**

	2013 £	2012 £
Grants payable	52,135	62,920
Other creditors	6,822	6,694
	58,957	69,614

Grants payable relate to applications received for colleague matched funding prior to 31 December 2013 but had not been 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 2012 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 (2012: £1,000,000) under the terms of the funding covenant and a further donation of £100,000 (2012: £50,000) in the year. The Group also paid costs of £293,694 (2012: £219,357) on behalf of the Foundation. These costs have been paid in accordance with the terms of the funding covenant.

The costs of £293,694 includes £173,666 (2012: £169,672) 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 2013 a balance of £70,883 (2012 - £306,786) was held at Bank of Scotland plc and received interest of £4,223 (2012 - £6,951) in the year.

In 2013 a grant of £13,280 was made to National Youth Choir of Scotland (NYCOS), Jim Coyle acted as a Trustee for both organisations during the year.

**8. Controlling party**

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

**Notes to the financial statements (continued)**

**9. Analysis of charitable expenditure**

The following table lists all 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 2013. No grants to individuals were approved in the period.

	£
Burntisland Playgroup	1,496
Moray Fresh Start	2,062
Hearts & Minds	2,388
CAB Westhill and District	3,000
Arden House Projects	3,495
Almond Mains Initiative	4,000
Signpost	4,700
Little Steps Baby and Toddler Group	4,800
Falkirk & District Association of Mental Health	5,000
Deaf Action	5,000
Dr Bell's Family Centre	5,000
St Matthews Centre	5,000
Mearns and Coastal Healthy Living Network	5,000
Home-Start Leith and North East Edinburgh	5,060
Islay & Jura Community Enterprises Limited	5,085
Parkhead Youth Project	5,490
The Marie Trust	5,496
Association of Local Voluntary Organisations	5,517
Reidvale Adventure Play Association	5,590
Helenslea Community Hall Committee	5,660
The Village Storytelling Centre	5,700
Interest Link Borders	6,000
The Hollies Day Centre for the Elderly	6,720
Bield Housing & Care	6,749
Upward Mobility Ltd	7,200
The DASH Club	7,300
North Argyll Volunteer Car Scheme	7,500
Changing Faces Scotland	7,500
Comas	7,695
3D Drumchapel	7,713
Elgin Youth Development Group	7,800
Gorebridge Opportunities Ltd	7,820
Riding for the Disabled Glasgow Group	8,000
MND Scotland	8,000
Wigtownshire Community Transport	8,100
Cancer Link Aberdeen & North (CLAN)	8,189
The PBC Foundation	8,248
Maryhill & Possilpark CAB	8,293
Haldane Youth Services	8,518
The Haven	8,775
Covey Befriending	8,775
Royston Youth Action	9,000
Parent to Parent	9,190
RAMH	9,265
The Yard Adventure Centre	9,488

## Financial Statements for the year ended 31 December 2013

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### Notes to the financial statements (continued)

Engross Theatre Group	9,519
Bield Housing & Care	9,547
Children's Hospice Association Scotland	9,761
Music in Hospitals	9,880
South Glasgow Childcare Partnership Forum	9,890
Fresh Start (Edinburgh)	9,895
ENABLE Scotland	9,960
Dundee International Women's Centre	9,991
Buchan Dial-a-Community Bus	10,000
Starter Packs Inverclyde	10,000
Hillhouse	10,000
Edinburgh International Science Festival (EISF)	10,000
St. Columba's Hospice	10,000
Home-Start Caithness	10,000
Barnardo's Scotland	10,000
Maggies	10,000
Ocean Youth Trust Scotland	10,000
Breast Cancer Care Scotland	10,000
Sick Kids Friends Foundation	10,000
The Lynton Centre	10,000
Children 1st, working name of the RSSPCC	10,000
Coatbridge Citizens Advice Bureau	10,376
Saje Scotland LTD	10,600
East Sutherland Citizens Advice Bureau	10,692
Breast Cancer Care Scotland	11,003
Royston Youth Action	11,350
Falkirk and District Association for Mental Health	11,550
Afasic Scotland	12,000
Wiston Lodge	12,850
National Youth Choir of Scotland (NYCOS)	13,280
CKUK	13,882
Edinburgh Headway Group	14,877
Citizens Advice Bureau West Lothian	15,346
Alzheimer Scotland (Forget-me-not project)	16,170