



**QUEEN'S AND LORD TREASURER'S REMEMBRANCER**

**Annual Report and Accounts**

**For the Year ended 31 March 2018**

Laid before the Scottish Parliament by the Scottish Ministers on 31 July 2018

Reference: SG/2018/114

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## QUEEN'S AND LORD TREASURER'S REMEMBRANCER

### ANNUAL REPORT

This report and accounts are for the year ended 31 March 2018.

#### Introduction

1. The Office of Queen's and Lord Treasurer's Remembrancer (QLTR) is held by the Crown Agent.
2. The post of QLTR was created in 1837 by the amalgamation of two existing posts created in 1707 - the King's/Queen's Remembrancer and the Lord Treasurer's Remembrancer.
3. The Treasury established the Exchequer Office for Scotland in Edinburgh, essentially as a revenue collecting office, and the QLTR was at its head. As the opportunities for collecting revenue on behalf of the Crown in Scotland increased so did the functions of the QLTR, particularly in the 19th century. Among other duties, the QLTR was made responsible for collecting fines and for supervising the funding of the Scottish court system.
4. However in the 1970s, the function of financing the court system was transferred to the Secretary of State for Scotland, and in 1981 the QLTR's functions of paying judicial salaries and funding the prosecution service were transferred to the Lord Advocate.
5. The Exchequer Office was itself therefore closed in 1981, but the post of QLTR was retained for the specific purpose of dealing, on behalf of the Crown, with matters of bona vacantia, ultimis haeres and Treasure Trove, all three of which are based on the common law principle relating to ownerless goods - Quod nullius est fit domini regis - which means - That which belongs to no one becomes the King's.
6. In 1981, the Treasury Commissioners decided that the post of QLTR should, in future, be held by whoever held the position, in Scotland, of Crown Agent. This dual appointment still operates, although since devolution the QLTR has been under the direction of Scottish Ministers rather than the Treasury Commissioners.
7. In terms of the Scotland Act 1998, the Crown's property rights in ownerless goods and the revenues raised from them were devolved. Consequently all net receipts of the QLTR have, since devolution, been paid into the Scottish Consolidated Fund, rather than being transferred to the Treasury in London, as used to be the case.

#### **Bona Vacantia**

8. The expression "bona vacantia" means ownerless goods. In Scots law, ownerless goods fall to the Crown, whose representative in Scotland is the QLTR. The

expression is applied within the QLTR Office to the assets of dissolved companies, the assets of missing persons and lost or abandoned property. The realised value of such assets is paid by the QLTR into the Scottish Consolidated Fund for use of the Scottish Government on behalf of the people of Scotland.

9. Assets of dissolved companies fall to the QLTR, in terms of the Companies Acts, when a company has been dissolved but at the date of dissolution it continues to own assets. The QLTR discovers that he owns such assets when somebody approaches him wishing to buy an asset (usually land) or if he is informed of its existence by a bank, legal firm or insurance company. The QLTR has 3 years from the date upon which he discovers that he "owns" such assets to disclaim them - in which case a notice of disclaimer is published in the appropriate Gazette.
10. The QLTR has no liability for any outstanding debts of the company at the date of dissolution, but if the asset is heritable property (land or a building), then the QLTR takes ownership subject to any "fixed charge" (usually a Standard Security) which may exist over it. Where there is a Standard Security over a dissolved company asset, the creditor can issue a Calling Up notice which allows the creditor to recover the amount of his loan from sale of the property, with any net surplus going to the QLTR.
11. Assets of missing persons are usually land or a building, or cash in a bank or building society account. If the owner cannot readily be found that asset may fall to the Crown as *bona vacantia*. From time to time the QLTR advertises to remind banks, insurance companies, legal firms etc. that if they are holding ownerless cash funds, these should be forwarded to the QLTR.

### **Ultimus Haeres**

12. Where a person dies intestate (i.e. does not leave a will) and has no spouse, civil partner or blood relative or none who can be easily traced, the estate both moveable and heritable (i.e. cash, shares, pension etc. and land or buildings), is claimed for the Crown by the QLTR as ultimus haeres (last heir). Those assets are ingathered by the QLTR Office and, after the deceased person's debts, including the funeral account have been paid, the remainder falls to the QLTR. As explained below, however, heirs often do later appear and, provided that they prove a relationship, the net assets of the estate can be paid to them.
13. Where there has been a death and there is apparently no spouse, civil partner or blood relative, the death should be reported immediately to the National Ultimus Haeres Unit. The death can be reported by members of the public, the police and any government organisation. The contact details for the National Ultimus Haeres Unit are as follows:

**National Ultimus Haeres Unit, Procurator Fiscal's Office, Cameronian House, 3/5 Almada Street, Hamilton, ML3 0HG. Telephone number: 0300 0204196**  
**Fax number - 0300 0204196**  
**Email - [\\_NationalUltimusHaeresUnit@copfs.gsi.gov.uk](mailto:_NationalUltimusHaeresUnit@copfs.gsi.gov.uk)**

14. The National Ultimus Haeres Unit, prior to reporting an Ultimus Haeres (UH) estate to the QLTR office makes preliminary enquiries as to whether there is a will or known spouse, civil partner or blood relative and investigates the assets and debts of the estate.
15. On receipt of a potential UH estate, the QLTR Office adds it to their appropriate list of estates on the QLTR website. The QLTR Office will not normally commence administration of an estate before 12 weeks have elapsed from the date the estate is reported to them. That period is to allow a further opportunity for an entitled party to claim the estate before administration commences, as once commenced, it is administered to completion even if an entitled party appears in the course of that work. This results in many estates being claimed before administration has commenced. Once administration of an estate is complete (all known debts are paid and all known funds ingathered and fees deducted) the QLTR Office shows the estate (with details of the names, last known addresses and dates of birth and death of persons together with the value of the Estate) on their "Estates available for claim" list on their website. These estates are advertised as "having fallen to the Crown", but in fact the great majority will subsequently be paid to blood relatives on production of a document known as Confirmation. Genealogists, on their own initiative, may have traced the nearest blood relative and drawn the advertisement to his or her attention.
16. Confirmation is the document issued by the Commissary Department of the Sheriff Court in the area in which the deceased lived at the time of death. Confirmation appoints the blood relative as "executor-dative". When this document is presented to the QLTR Office, with other supporting papers, it enables the relative to uplift the net assets held by the Office.
17. The address of the QLTR Office is: **Scottish Government Building, 1B-Bridge, Victoria Quay, Edinburgh, EH6 6QQ. Telephone number: 0300 0203512 (General Enquiries). E-mail: COQLTR@copfs.gsi.gov.uk**

#### **Treasure Trove**

18. The Crown has a right to Treasure Trove. There is no statutory definition of Treasure Trove, but it may be described as a "portable antiquity" - and can cover virtually anything (stone, wood, metal, woven material) which was humanly manufactured or modified, has been taken out of the ground and which is thought, on the basis of its age or rarity, to be worth preserving for the nation.

19. The finder of Treasure Trove has no legal claim to a reward, but in practice the QLTR will arrange for payment of an ex-gratia award for chance finds. This is normally based on the market value of the find but can be subject to adjustment as a result of the finder's behaviour such as inappropriate treatment of the find. The QLTR, supported by the Treasure Trove Unit, and with advice from the Scottish Archaeological Finds Allocation Panel, decides on the allocation of Treasure Trove to museums and, for chance finds, not found as part of organised fieldwork, the amount of an ex-gratia award payable to the finder (and funded by the museum allocated the find).

## Performance Report

### *Aim and Objectives*

20. To achieve effective administration of the Queen's and Lord Treasurer's Remembrancer functions so that public enquiries and transactions are promptly and satisfactorily dealt with.

### *Principal Activities*

21. As outlined above, the principal activities are:

- administration of estates which have fallen to the Crown as *ultimus haeres* – ingathering funds, paying debts, disposing of heritage and advertising (where appropriate) for blood relatives;
- disposing of *bona vacantia* falling to the Crown either under the Companies Acts or the property of missing persons or where an owner cannot be identified;
- administration of *treasure trove* finds, ingathering award payments and making payments to finders.

### *Financial Performance*

22. QLTR had net receipts from operations in 2017-18 of £4.6m (2016-17: £6.5m). Net receipts after all payments and administration costs were £4.2m (2016-17: £6.2m). In 2017-18, £6.8m was paid to the Scottish Consolidated Fund (2016-17: £6.3m). The receipts in any year reflect what is raised from time to time with the QLTR as *bona vacantia* and the receipts will therefore vary from year to year in consequence.

### *Operational Performance*

23. The table below provides highlights of QLTR's operational performance for the financial years from 2016-17 to 2017-18:

	2017-18	2016-17
Treasure Trove Cases received	180	256
Treasure Trove Rewards Payable	150	197
Ultimus Haeres (UH) Cases Received	33	51
UH estates paid out within year	15	25
Funds paid out for estate claims	£320,626	£390,924
Bona Vacantia Enquiries	3,582	3,916
Funds paid to Scottish Consolidated Fund	£6,750,323	£6,288,988

24. The nature of QLTR's business, which relies on cases being reported to it so that it may act, accounts for the variance between years and in performance. In effect, this means that in each year QLTR's performance is unique.
25. There has been a decrease in the period from 2016-17 to 2017-18 in treasure trove cases received. The number of *ultimus haeres* cases received has also decreased in the period to 2017-18. The number of *ultimus haeres* estates paid out in each year has decreased. The funds paid out for estates claims have fluctuated throughout the period, this is reflective of the nature of the business of QLTR. *Bona vacantia* enquiries have remained relatively stable at around 4,000 throughout the period.
26. During 2017-18 there was one significant Treasure Trove receipt, £1.9m was paid by National Museums of Scotland for the Galloway Hoard.
27. The payments made to the Scottish Consolidated Fund and how the figure to be transferred is arrived at is discussed in paragraphs 29 and 30.

### ***Key Risk***

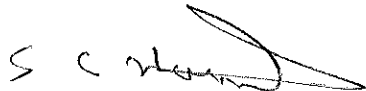
28. The key risk for QLTR relates to having sufficient funds available to settle claims in year. The arrangements to secure this are detailed below.
29. For *ultimus haeres* estates (i.e. a person has died with no will or traceable relatives) QLTR holds the estate realised for 5 years after administration has been completed - that is based upon their experience that the estates are very often claimed within that period as genealogists trace relatives in return for a share of the estate. The QLTR's experience is that a claim after more than 5 years is rare. Only after that period has expired without a claim would the estate held be included in what is handed over to the SCF.
30. For all other *bona vacantia* (and any unexpected claim of an *ultimus haeres* estate beyond 5 years) the QLTR retains accrued resources of £2 million against claims (so for example if a dissolved company is restored to the Companies Register then the QLTR would repay such sums that are held from its bank account). Therefore, the amount paid over to the SCF after each quarter end is only the excess over the £2m balance.
31. QLTR has no financial liabilities arising from his involvement with *Treasure Trove*. The amounts paid to finders of *Treasure Trove* that is allocated to a museum are found by the museum itself. The QLTR's role is limited to acting as the conduit for passing the funds to the finder.

### **Payment policy**

32. QLTR requires that all suppliers' invoices not in dispute are paid within the terms of the relevant contract. QLTR aims to have 100% of invoices, including disputed invoices once the dispute has been settled, paid on time in these terms. Moreover, the Scottish Government has set a 30 day payment performance target with an aspiration



to pay within 10 working days of receipt. Suppliers' invoices are paid by the Crown Office and Procurator Fiscal Service which then recharges QLTR (see Note 5). In 2017-18, performance against the 30 day target was 95% (2016-17: 98%). QLTR aspires to pay all undisputed invoices within 10 days. During 2017-18 QLTR paid 87% within the 10 day aspiration period (2016-17: 93%). In 2017-18, in line with the government policy, no interest was paid under the terms of the Late Payment of Commercial Debt (Interest) Act.



**Stephen Woodhouse FCA**  
**Accountable Officer**

5 July 2018

## Accountability Report

### **Remuneration and Staff Report**

#### *Employment Policies*

33. The QLTR does not employ staff directly; all staff are seconded to QLTR from either Crown Office and Procurator Fiscal Service (COPFS) or the Scottish Government.
34. The QLTR does not have its own policies on the employment of people with disabilities, staff relations or equal opportunities but follows the practices in force in COPFS. These are set out in the annual report and accounts of COPFS which can be found on the COPFS website <http://www.copfs.gov.uk>.

#### *Remuneration*

35. Staff who are seconded to the QLTR are paid at the rates in force for COPFS or the Scottish Government (as appropriate) during the time of their secondments.

#### *Senior Officials*

36. The Queen's and Lord Treasurer's Remembrancer is a Non-Ministerial office-holder in the Scottish Administration. This post is currently held by David Harvie. A recharge of 5% of his time has been made to reflect his time associated with his role as the Queen's and Lord Treasurer's Remembrancer.
37. Stephen Woodhouse, (Director of Finance, ex-officio of COPFS) is the Accountable Officer. The Accountable Officer is on secondment from the Scottish Government but only 5% of his time is associated with QLTR. The recharge from COPFS for the Crown Agent's time was £8,264 (2016-17: £7,886) and the Accountable Officer's time was £4,599 (2016-17: £4,553) for the year 2017-18.

38. The Senior Officials' salaries are detailed below:

Officials	Salary £000s		Benefits in Kind Nearest £100		Pension Benefits £000s		Total £000s	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
<b>David Harvie</b> – The Queen's and Lord Treasurer's Remembrancer / COPFS Crown Agent	115-120	115-120	-	-	61	130	180-185	245-250
<b>Stephen Woodhouse</b> – Accountable Officer	65-70	65-70	-	-	8	-	70-80	65-70

**Note:** The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

### *Pensions*

39. COPFS and the Scottish Government are the employers for QLTR staff and as such administer their pensions.

40. The Senior Officials' pensions are detailed below:

Office	Accrued pension at pension age as at 31 March 18 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31 March 2018	CETV at 31 March 2017	Real increase in CETV	Employer contribution to partnership pension account
	£000s	£000s	£000s	£000s	£000s	Nearest £100
<b>David Harvie</b> – The Queen's and Lord Treasurer's Remembrancer / COPFS Crown Agent	35 - 40 plus lump sum of 80 - 85	2.5 - 5 plus lump sum of 0 - 2.5	559	493	31	-
<b>Stephen Woodhouse</b> – Accountable Officer	30 - 35	0 - 2.5	625	579	8	-

### *Staff Numbers and Costs*

41. Total staff costs charged for the QLTR are split as follows:

	2017-18 £000s	2016-17 £000s
Salaries and Wages	174	168
NI	20	16
Pensions	37	36
Total Staff Costs	231	220

These costs are recharged by COPFS annually in arrears, thus the costs shown in 2017-18 are the actual staff costs for 2016-17.

### *Fair Pay*

42. As at 31 March 2018, QLTR employed 5 Whole Time Equivalent (WTE) staff (2016-17: 4 WTE). Three WTE are female and two WTE are male (2016-17: 2 WTE female, 2 WTE male). The Median pay for QLTR is £36,678 (2016-17: £37,833).
43. In the year to 31 March 2018, QLTR lost 0.9% of total available working days to sickness (2016-17: 2.3%).
44. There was no expenditure on consultancy during 2017-18 or 2016-17.
45. There were no exit packages in 2017-18 or 2016-17.
46. There was no recharge from COPFS for Non-Executive Directors, who were all members of the COPFS/QLTR Audit and Risk Committee.

## **Statement of the Accountable Officer's Responsibilities**

47. Under the accounts direction issued under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 the Queen's and Lord Treasurer's Remembrancer is required to prepare accounts for each financial year detailing the resources acquired, held or disposed of during the year and the use of resources by the QLTR during the year.
48. The accounts are prepared on a receipts and payments basis and must properly present the state of affairs of QLTR.
49. In preparing the accounts the Accountable Officer is required to comply with the Scottish Public Finance Manual and in particular to:
  - observe the accounts direction issued by the Scottish Ministers in accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
  - make judgements and estimates on a reasonable basis;
  - state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed and disclose and explain any material departures in the accounts; and
  - prepare the accounts on a receipts and payments basis.
50. The Principal Accountable Officer for the Scottish Government has appointed the Director of Finance at COPFS as Accountable Officer.
51. The responsibilities of an Accountable Officer, including responsibility for the propriety and regularity of the public finances for which the Accountable Officer is answerable, for keeping proper records and for safeguarding the QLTR's assets, are set out in the 'Memorandum to Accountable Officers' from the Principal Accountable Officer.
52. I confirm that as far as I am aware, there is no relevant audit information of which the auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the auditors were aware of that information.
53. I confirm that the annual report and accounts as a whole is fair, balanced and understandable and take responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

## Parliamentary Accountability Report

### *Receipts & Payments*

54. Receipts arise from the ingathering of funds in relation to *ultimus haeres* estates and disposal of heritable assets of such estates, and disposal of assets which fall to the Crown under the Companies Acts or the common law which can include both heritable and moveable property. Due to increases in claims of *ultimus haeres* estates gathered in previous years, from 2011-12 onwards balances are only being classified as Accrued Income (previously Crown Share) after 5 years rather than 2, at which point the net receipts for any unclaimed estate are transferred to the Accrued Income account. A reserve of £2 million is retained in the Accrued Income account against other potential liabilities and any surplus over that figure is surrendered quarterly to the Scottish Consolidated Fund.
55. All receipts and subsequent transfers to the Scottish Consolidated Fund or beneficiaries are made in accordance with our Accounts Direction by the Scottish Ministers.

### *Financial Performance*

56. The financial performance of QLTR is considered at paragraph 22 of these financial statements.

## **Governance Statement**

### ***Scope of Responsibility***

57. As Accountable Officer for the Queen's and Lord Treasurer's Remembrancer, I have responsibility for maintaining an adequate and effective system of internal control, which supports the achievement of the Queen's and Lord Treasurer's Remembrancer's aims, objectives and policies, whilst safeguarding the public funds and the Queen's and Lord Treasurer's Remembrancer's assets for which I am personally responsible, in accordance with the responsibilities assigned to me.
58. The Scottish Public Finance Manual (SPFM) is issued by the Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling of public funds. It sets out the relevant statutory, parliamentary and administrative requirements, emphasises the need for economy, efficiency, effectiveness and equality, and promotes good practice and high standards of propriety.

### ***Purpose of the Governance Framework***

59. QLTR's Governance Framework comprises the systems, processes, culture and values by which it is directed and controlled. It enables the organisation to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.
60. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of QLTR's policies aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.
61. The process within the organisation accords with guidance from Scottish Ministers in the SPFM and has been in place for the financial year to which the annual report and accounts relate and up to the date of their approval.

### ***Audit and Risk Committee***

62. The QLTR has an Audit and Risk Committee, whose members are all Non-Executive Members. The Audit and Risk Committee supports the Accountable Officers (COPFS and QLTR) in their responsibilities for issues of risk, control and governance over their respective organisations. This includes reviewing the comprehensiveness of assurances in meeting the Accountable Officer's assurance needs and reviewing the reliability and integrity of these assurances. In formal terms, the Audit and Risk Committee reports annually to the overarching Scottish Government Audit and

Assurance Committee (SGAAC). As at the 31 March 2018, The Audit and Risk Committee had three Non-Executive Members. During 2017-18 there was a change in overall membership of the Committee and those who served as NXDs during 2017-18 are detailed below:

- Douglas Hutchens was appointed as a NXD of the Audit and Risk Committee from 1 September 2012 by the Permanent Secretary. He was appointed as Chair of the Audit and Risk Committee from 1 September 2013. He ceased to be a NXD on 31 March 2018.
- Stuart Smith was appointed as a NXD of the Audit and Risk Committee from 1 September 2012 by the Permanent Secretary. He ceased to be a NXD in January 2018.
- Morag McNeill was appointed as a NXD by the Permanent Secretary on 1 April 2017 and attended the Audit and Risk Committee. She resigned as an NXD on 7 February 2018.
- Annie Gunner Logan was appointed as a NXD by the Permanent Secretary on 1 April 2017 and attends the Audit and Risk Committee.
- Robert Tinlin MBE, was appointed as a NXD by the Crown Agent on 1 January 2018. He was appointed as Chair of the Audit and Risk Committee in May 2018.
- David Watt was appointed as a NXD by the Crown Agent on 1 January 2018 and attends the Audit and Risk Committee.

The Committee met five times during 2017-18. No relevant interests require to be disclosed.

63. The QLTR operates risk management strategies in accordance with the Scottish Public Finance Manual.
64. During 2017-18, a review of QLTR practices to ensure compliance with the General Data Protection Regulation (GDPR) was carried out. Our privacy statement is available online at [http://www.qltr.gov.uk/content/privacy-statement](http://www qltr.gov.uk/content/privacy-statement) and was published on 15 May 2018.
65. The QLTR is committed to a process of continuous development and improvement as we continue to develop our systems and respond to developments in best practice in this area.

#### *Review of Adequacy and Effectiveness*

66. As Accountable Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by:
  - the work of the internal auditors, who submit reports which include Internal Audit's independent opinion on the adequacy and effectiveness of the systems of internal control together with recommendations for improvement and from QLTR's utilisation of COPFS systems and processes;



- comments made by the external auditors in their management letter and other reports;
- reports from managers on the steps they are taking to manage risks in their areas of responsibility including progress reports on key objectives; and
- monthly meetings with appropriate QLTR staff to discuss relevant issues.

67. Appropriate action is in place to address any weaknesses identified and to ensure the continuous improvement of the system.

*Significant Governance Issues*

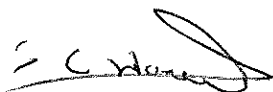
68. There were no significant governance issues during 2017-18 or 2016-17.

69. There were no significant personal data related incidents reported in 2017-18 or 2016-17.

*Conclusion*

70. During the financial year, no significant control weaknesses or issues have arisen, and no significant failures have arisen in the expected standards for good governance, risk management and control. As Accountable Officer, I am satisfied with the adequacy of the internal control and governance arrangements of QLTR.

71. The Accountable Officer authorised these financial statements for issue on the 6 July 2018.



**Stephen Woodhouse FCA**  
Accountable Officer

S 5 July 2018

## **Independent auditor's report to the Queen's and Lord Treasurer's Remembrancer, the Auditor General for Scotland and the Scottish Parliament**

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice approved by the Auditor General for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

### **Report on the audit of financial statements**

#### **Opinion on financial statements**

I have audited the financial statements in the annual report and accounts of the Queen's and Lord Treasurer's Remembrancer for the year ended 31 March 2018 under the Public Finance and Accountability (Scotland) Act 2000. The financial statements comprise the Receipts and Payments Account, Summary Note of Balances Held and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and the receipts and payments basis.

In my opinion the accompanying financial statements:

- properly present in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers the receipts and payments of the body for the year ended 31 March 2018 and the balances held at that date; and
- have been prepared in accordance with the requirements of the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

#### **Basis of opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Responsibilities of the Accountable Officer for the financial statements**

As explained more fully in the Statement of the Accountable Officer Responsibilities, the Accountable Officer is responsible for the preparation and proper presentation of financial statements in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditor's responsibilities for the audit of the financial statements**

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

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

## **Other information in the annual report and accounts**

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration and Staff Report, and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Auditor General for Scotland to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the annual report and accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

## **Report on regularity of receipts and payments**

### **Opinion on regularity**

In my opinion in all material respects the receipts and payments in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers, the Budget (Scotland) Act covering the financial year and sections 4 to 7 of the Public Finance and Accountability (Scotland) Act 2000.

### **Responsibilities for regularity**

The Accountable Officer is responsible for ensuring the regularity of receipts and payments. I am responsible for expressing an opinion on the regularity of receipts and payments in accordance with the Public Finance and Accountability (Scotland) Act 2000.

## Report on other requirements

### Opinions on matters prescribed by the Auditor General for Scotland

In my opinion, the audited part of the Remuneration and Staff Report has been properly prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

In my opinion, based on the work undertaken in the course of the audit

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

### Matters on which I am required to report by exception

I am required by the Auditor General for Scotland to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration and Staff Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.



Gillian Woolman  
Audit Scotland  
102 West Port  
Edinburgh  
EH3 9DN

6 July 2018

## FINANCIAL STATEMENTS

### Receipts and Payments Account

For the year ended 31st March  
2018

	Notes	2017-18 £000s	2017-18 £000s	2016-17 £000s	2016-17 £000s
<b>Receipts</b>					
Ultimus Haeres		596		511	
Company Bona Vacantia		4,746		5,469	
Non-Company Bona Vacantia		1,586		2,353	
Other amounts received		-		235	
Treasure Trove		2,027		121	
<b>Total Receipts</b>			<b>8,955</b>		<b>8,689</b>
<b>Payments</b>					
Meeting debts and obligations of estates, including discretionary payments		(337)			
Ultimus Haeres		(375)		(488)	
Company Bona Vacantia		(1,498)		(1,389)	
Non-Company Bona Vacantia		(107)		(158)	
Treasure Trove payments		(2,027)		(121)	
<b>Total Payments</b>			<b>(4,344)</b>		<b>(2,156)</b>
<b>Net receipts from operations</b>			<b>4,611</b>		<b>6,533</b>
<b>Administrative Costs</b>					
Staff Costs	*	(231)		(220)	
Office & administration costs	2	(137)		(143)	
Case related costs		(1)		(1)	
<b>Total Administrative Costs</b>			<b>(369)</b>		<b>(364)</b>
<b>Net (Payments)\ Receipts</b>			<b>4,242</b>		<b>6,169</b>
Payments to the Scottish Consolidated Fund			(6,750)		(6,289)
<b>Total Net (Payments)\ Receipts</b>			<b>(2,508)</b>		<b>(120)</b>

\*Staffing and Remuneration Report (pages 9-11).

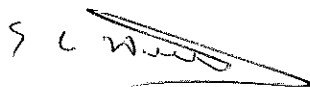
The above statement has been prepared on a cash basis. Audit fees of £3,870 (2016-17: £3,820) are notional/non cash and therefore are in addition to the administrative costs outlined above.

**Summary Note of Balances Held at 31<sup>st</sup> March 2018**

	2017-18		2016-17	
	Assets £000s	Liabilities £000s	Assets £000s	Liabilities £000s
Funds in Bank	2,772		5,281	
Sundry Estate		1,639		1,826
Accrued income account		1,133		3,455
<b>Total</b>	<b>2,772</b>	<b>2,772</b>	<b>5,281</b>	<b>5,281</b>

The notes on pages 22-24 form part of these accounts.

The Accountable Officer authorised these financial statements for issue on the 6 July 2018.



**Stephen Woodhouse FCA  
Accountable Officer**

5 July 2018

## Notes to the Accounts

### 1. Statement of Accounting Policies

In accordance with the accounts direction issued by the Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 these accounts have been prepared in compliance with the relevant principles and disclosure requirements of the Scottish Public Finance Manual. The particular accounting policies adopted by the QLTR are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

The accounts are prepared using accounting policies, and, where necessary, estimation techniques, which are selected as the most appropriate for the purpose of properly presenting the expenditure and receipts in accordance with the principles, set out in International Financial Reporting Standard (IFRS) 18 *Accounting Policies*.

#### 1.1 *Accounting Convention*

These accounts have been prepared in accordance with the historic cost convention. As in previous years, income and expenditure are recognised on the basis of cash received and paid out.

#### 1.2 *Going Concern*

A going concern approach has been adopted in the preparation of these financial statements.

#### 1.3 *Basis of Accounting*

These accounts reflect the receipts and payments and a summary of the balances held for the year of the QLTR.

#### 1.4 *Tangible Fixed Assets*

The only tangible assets utilised by the QLTR are computer equipment and these are accounted for by the COPFS.

#### 1.5 *Foreign Exchange*

Transactions which are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the date of each transaction.

#### 1.6 *Value Added Tax (VAT)*

The majority of services provided by the QLTR fall out-with the scope of VAT. The QLTR is not separately registered for VAT but recovers VAT on certain contracted-out services via the COPFS.

## 2. Office and Administration Costs

	2017-18 £000s	2016-17 £000s
Travel & Subsistence	1	0
Advertising	4	4
Telecommunications	0	0
Practising Certificates & Publications	0	0
Accommodation	42	54
Equipment Hire & Maintenance	1	6
Printing & Stationery	2	2
Consultancy	0	0
Other Staff & Office Costs	3	3
Payment for NUHU (Staff & Admin)	67	63
Computer Costs	17	11
<b>Total Office &amp; Admin Costs</b>	<b>137</b>	<b>143</b>

These costs are recharged by the COPFS annually in arrears, thus the costs shown in 2017-18 are the actual costs for 2016-17.

## 3. Disposal of Assets

Disposal of assets falling to the Crown either at common law or statute has been in a manner consistent with the Scottish Public Finance Manual, for the benefit of the Scottish Consolidated Fund.

## 4. Contingent Liabilities

The QLTR receives claims for which, due to their nature, no figure can be disclosed. These payments are accounted for when the payments are made. Liabilities may also arise for bona vacantia property where a disclaimer of the Crown interest is no longer available and a disposal has not proved possible. Due to their nature it is not possible to show a figure of what the liability might be and they will be accounted for if and when any payment is made.

## 5. Related Party Transactions

COPFS, which is headed by the QLTR in his capacity as Crown Agent, processes administrative payments on behalf of QLTR.

COPFS then recharge QLTR for all payments made on their behalf.

The National Ultimus Haeres Unit in Glasgow (which is part of COPFS) undertakes initial investigation work on behalf of QLTR, the costs of which are then recovered by COPFS.



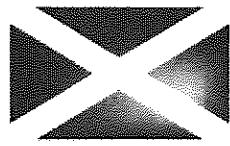
None of the Senior Officers or staff entered into transactions with QLTR during the year.

#### 6. Audit fee

The accounts of QLTR are audited by auditors appointed by the Auditor General for Scotland. Audit Scotland carried out the audit of QLTR's accounts for the financial year ended 31 March 2018.

The following notional audit fees applied for services during the year.

	2017-18 £	2016-17 £
Notional Fee to audit these accounts	3,870	3,820
Other services – advisory	0	0
Total	3,870	3,820



**The Scottish  
Government**

Queen's & Lord Treasurer's Remembrancer

**DIRECTION BY THE SCOTTISH MINISTERS**

in accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000

1. An account of the Queen's & Lord Treasurer's Remembrancer for the year ended 31 March 2013 and subsequent years shall be prepared, in the form of an Annual Report, and shall include a receipts and payments account and a summary note of balances held.
2. The accounts shall comply with the relevant accounting principles and disclosure requirements of the edition of the Scottish Public Finance Manual in force for that period.
3. This direction shall be reproduced as an appendix to the statement of accounts.

Signed by the authority of the Scottish Ministers .

Dated 29 August 2013