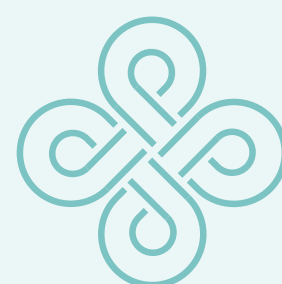




# ANNUAL REPORT and FINANCIAL STATEMENTS

31 March 2024



THE  
**RS MACDONALD**  
CHARITABLE TRUST



# CHAIRMAN'S INTRODUCTION

Since our last report, the board of trustees have helped to oversee further grant allocation of £2.8M across our funding themes, and I have every confidence this will support excellent work that makes a meaningful difference to those living in Scotland. We have maintained our commitment to prioritise three-year grants within our Main Grant programme, as we know the importance of giving charities assurance in increasingly uncertain environments. I am pleased to report, therefore, that 84% of our Main Grants this year were for three years, the majority of which built in annual uplifts which we were happy to support in recognition of continued economic pressures bearing on charity budgets.

Application numbers rose slightly compared with last year and I remain grateful to our valued volunteer assessors who help our board make decisions around how to distribute the funding. Along with our small staff team, this collective effort ensures we can offer applicants a meaningful assessment of their proposal and its fit with our priorities. Working to support charities at both application and through the life of a grant gives us a strong overview of the landscape into which they are operating. I know that, as services become more stretched, there is greater expectation put upon the third sector to 'do more' and often with less. Where possible we will offer support at the level asked for, reassured that this gives charities an opportunity to recoup full costs for their work.

Behind the scenes, our board has undertaken a refresh of our investment policy and added an Audit and Risk panel to our governance, in the knowledge that the stewardship of our resources is an important responsibility. This May we said goodbye, and thank you, to longstanding trustee John Paterson, as he ended his term of office on our board. We will now move forward and plan for our next strategic period with a committed team of trustees, staff and volunteers. Meanwhile, I encourage those seeking our funding to be assured that we remain open to fund excellence in contribution to beneficiaries under our funding themes, whether that is through longstanding, well tested work, or emerging models of practice.

Finally, I give thanks to my fellow trustees, for their commitment and their support.

*James Baird*

**James Baird**  
Chairman

Date: 27/09/2024



# REPORT OF THE TRUSTEES

# REPORT OF THE TRUSTEES

The Trustees present their report with the financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the financial statements and comply with the Trust Deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting standard applicable in the UK and Republic of Ireland (effective for periods commencing 1 January 2019).

## ABOUT THE R S MACDONALD CHARITABLE TRUST

We were founded in 1978 by Roderick Stewart Macdonald with funds inherited from his father. Our Trust Deed sets out our purpose, which is to financially support the charitable objects and purposes of six nominated charities. We grant to other charities resident, based in or operating in Scotland which provide benefits under the following purposes:

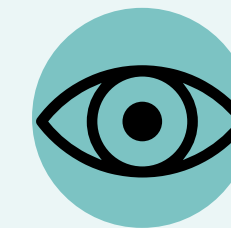
1. The care and welfare of individuals suffering from neurodevelopmental or neurodegenerative disorders of genetic or other aetiology or from disorders affecting the nervous system resulting from trauma, poison or infection which result in damage to motor control, behaviour, communication or personality or a combination of these.
2. The care and welfare of individuals who are either blind or suffering from visual impairment.
3. Research into the causation, or prevention, or treatment and/or management of the conditions set out in 1. and 2. above.
4. The care and welfare of children and young persons under the age of 18 years who have been, or are in danger of being, abused physically, sexually or mentally.

5. The care and welfare of young persons who have been or are in danger of being abused sexually or mentally, who are also eligible for after care services as set out in s.29 of the Children (Scotland) Act 1995 as amended.
6. The encouragement and promotion of welfare conditions for children whereby the likelihood of physical, sexual or mental abuse is reduced.
7. The care and welfare of non-human living creatures which are either in danger, facing danger, the victims of, or in danger of being the victims of, physical abuse.
8. The encouragement of welfare conditions for non-human living creatures with a view to the reduction of the likelihood of physical abuse.

### THESE PURPOSES ALIGN TO OUR STATED FIVE FUNDING THEMES, NAMELY:



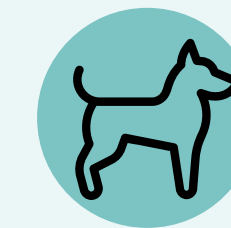
Neurological  
Conditions



Visual  
Impairment



Tackling  
Child Abuse  
and Neglect



Animal  
Welfare



Medical  
Research

But for the RNLI, the nominated charities all work towards at least one of the benefits listed above.

## REPORT OF THE TRUSTEES (continued)

### WHAT WE DO

Our principal activity is grant-making and to achieve our objects we work thematically, investing in registered charities that deliver services aligned to our funding themes. We work with those we fund, who offer a host of different models of support. In following the progress of our awards, we strive to learn about the impact of our funding and understand the different approaches charities are taking within each of our funding themes.

We work to a Strategic Plan, and this report covers the second year of our strategic period 2022/23 - 2024/25. The Plan continues to focus on supporting beneficiary charities to achieve their purpose and, through active relationship management we seek to be a supportive and approachable funder, making connections across our portfolio if and when this may be helpful.

Under each of our funding themes, we have taken time to prioritise the type of work we will fund. This was in response to research we commissioned and to effectively meet areas of need. Our grant assessment takes these priorities into account.



### DISTRIBUTION OF FUNDS

We always fund thematically, and run three grant programmes, Main Grants, Small Grants and Strategic Grants. The distribution of funding across each of our funding themes is determined by a number of factors, including the numbers of applications received.

The summary of our applications, and awards, across our three grant programmes, are listed below:

	2023/24			2022/23		
	Applications received	Awards Made	Value of Awards	Applications received	Awards Made	Value of Awards
Small Grants	43	24	£247,069	38	21	£172,612
Main Grants	100	56	£2,304,757	85	53	£2,331,438
Strategic Awards	2	2	£288,982	3	3	£400,295
<b>TOTAL</b>	<b>145</b>	<b>82</b>	<b>£2,840,808</b>	<b>126</b>	<b>77</b>	<b>£2,904,345</b>

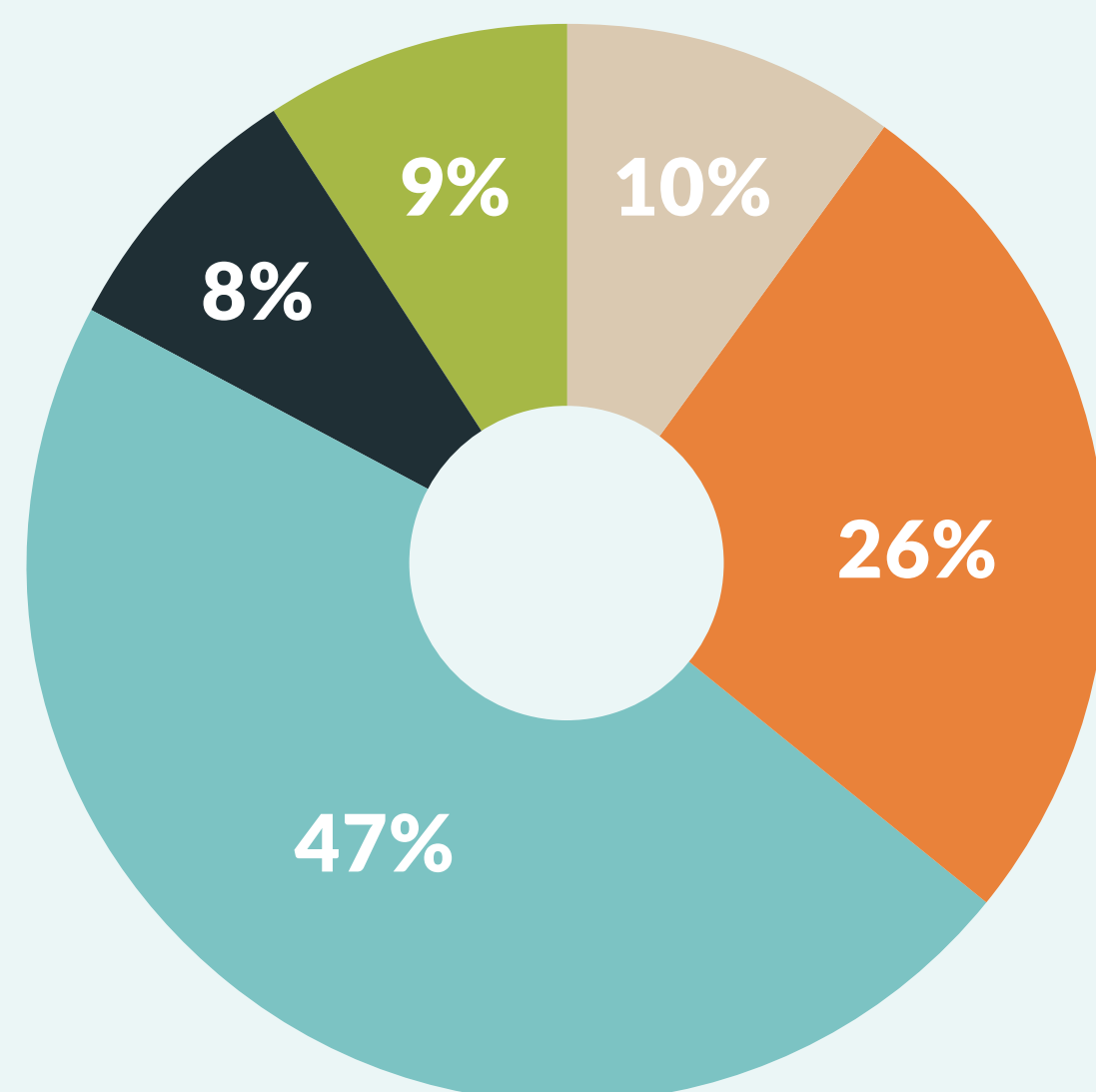
This year, the percentage of awards made from the total number of applications (application 'success rate') was 57% (61% 2022/23).

## REPORT OF THE TRUSTEES (continued)

21 of the awards were intended to bring Scotland-wide benefits, while others served a more local geographical area across 19 of our local authorities.

### WHERE FUNDING WAS ALLOCATED 2023/24

- Animal Welfare
- Tackling Child abuse and Neglect
- Neurological Conditions
- Visual Impairment/Sight Loss
- Medical Research



19 Board and Panel meetings were held to help us distribute and manage our funds, supported by the staff team. Our Panel structure for the assessment of grants ensures applications are considered by a number of people with expertise relevant to each funding theme. Those panels reach a collective view on each proposal which helps form a recommendation for Trustee consideration. Those applications which carry a recommendation to approve a grant were for a wide range of high calibre initiatives. Our panellists considered they would best meet the Trust's objects and our strategic priorities.

Over the year 2023/24, our assessment continued to recommend most of our Main Grants should be awarded for two or three years, as we know the value of a longer-term funding arrangement and the leverage opportunities which can arise from our initial commitment. Where awards are made and circumstances change, we remain very willing to vary grant awards to better fit the environment into which services are being delivered.

Within the allocation of funding, a diverse range of charities and project types have been supported, as listed in Note 22 to the accounts.

Our main grants programme awarded £2.3M with an average award value of £41K (in 2022/23 this programme awarded £2.3M, average value £44K). We see a wide range of applications from charities small and large in this programme, with a funding round twice a year. The programme welcomes both revenue and capital funding applications. Charities who work wholly to our objects can also apply for core cost/unrestricted funding, as we recognise how important this can be to help with running costs. We received 25 applications for core cost funding in the year (15 in 2022/23). Outwith Medical Research, 60% of awards funded specific projects and services and 40% funded core costs.

## REPORT OF THE TRUSTEES (continued)

Here is where our main grants were awarded:

	Number of Applications	Number of Awards	Value of Awards	Success Rate
Animal Welfare	9	7	£249,254	78%
Tackling Child abuse and Neglect	34	17	£736,436	50%
Neurological Conditions	40	20	£835,730	50%
Visual impairment/ Sight Loss	9	6	£225,109	66%
Medical Research	8	6	£258,228	75%
<b>TOTAL</b>	<b>100</b>	<b>56</b>	<b>£2,304,757</b>	<b>56%</b>

11% of all Main Grant awards were for a one-year period, 14% were for a two-year period and 75% were for a three-year period.

Our small grants programme awarded £247K, with an average award value of £10K (in 2022/23 this programme awarded £173K, average value £8K). This is for charities who require up to £15K, and we consider the applications on a rolling basis. This programme helps charities achieve all sorts of different aims, including: a one-off piece of work (e.g. an evaluation or a pilot project); running costs for a small charity; and the purchase of equipment or technology which will enhance service delivery.

Here is where our small grants were awarded:

	Number of Applications	Number of Awards	Value of Awards	Success Rate
Animal Welfare	3	2	£24,808	67%
Tackling Child abuse and Neglect	6	1	£8,932	17%
Neurological Conditions	29	19	£201,864	66%
Visual impairment/ Sight Loss	5	2	£11,465	40%
<b>TOTAL</b>	<b>43</b>	<b>24</b>	<b>£247,069</b>	<b>56%</b>

This year, two strategic grants were considered and approved by Trustees:

- Alzheimer Scotland secured funding to expand 'Return Discussions' in Scotland, to help reduce the number of people living with dementia who go missing.
- Playlist for Life will use the strategic funding to help integrate personalised music into care systems within Lanarkshire, to help improve the quality of care to people living with dementia.

# SPOTLIGHT ON SMALL GRANTS

**24 SMALL GRANTS AWARDED**

THESE RANGED IN SIZE FROM £2,465 TO £15,000

“ THIS GRANT HAS ALLOWED OUR VITAL DEMENTIA SERVICE TO DEVELOP A PLACE FOR VOLUNTEERS, WHO CAN TAKE MUSIC TO PEOPLE AT HOME WHEN THEY CAN’T ATTEND OUR GROUP. THIS HAS QUICKLY BECOME KEY TO OUR COMMUNITY AND WE WOULDN’T BE WITHOUT OUR WONDERFUL VOLUNTEERS AND ALL THEY HAVE TO OFFER.”

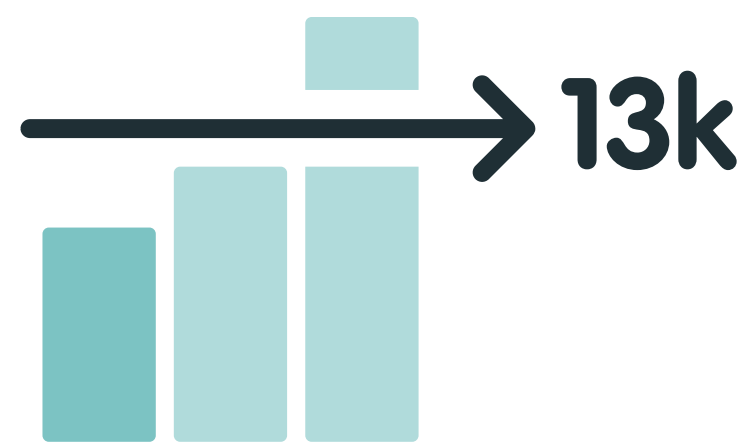
FORGET ME NOTES

ONE QUARTER OF SMALL GRANTS AWARDED TO PROJECTS IN RURAL SCOTLAND

INCLUDING:  
1. HIGHLAND  
2. FIFE  
3. SCOTTISH BORDERS  
4. DUMFRIES AND GALLOWAY



**7 WERE FOR CORE COSTS**



**4 HELPED CAPITAL PROJECTS**



replacing a delivery van for a social enterprise

improving facilities in horticulture projects



**13 WERE FOR PROJECT COSTS**



- 1 grant to support volunteers
- 7 to provide direct help to beneficiary groups
- 1 grant to provide CPD to charity staff



2 charities to develop a toolkit/evaluation materials

1 grant for investment in IT systems





## REPORT OF THE TRUSTEES (continued)



### GRANT MANAGEMENT

This year, we have continued to offer active grant management to charities all the way through the grant cycle – from pre-application advice through to discussions around what our work has funded and what difference this has made. We continue to appreciate open and transparent dialogue across the sector. Within our conversations we build a working knowledge of the charities, their staff and the wider issues impacting them or their community.

We seek an annual monitoring report for each of the awards made. This helps us reflect on what has worked, and what the charity has achieved through the work we have funded. This year the 'lessons learned' section of our report has brought many insights, including highlighting the greater pressure on the third sector in general and the need for each charity to carefully manage their response according to staffing and financial parameters. We have learned that more charities are inviting those with lived experience to play a role in the decision-making processes in running services with which they are involved.



### SUPPORT FOR BENEFICIARY CHARITIES

We are continually looking to 'add value' to the funded relationships we hold, and are proud of the support we provide which helps develop and sustain the work of our beneficiary charities. Having had consistently positive feedback about our beneficiary support, we maintained the programme of support this year. Our partners offered a variety of training and development opportunities to the charities we fund, who then elected to join the ones that they felt would bring them most benefit. 449 places were taken up (2022/23: 591) across different topics, including evaluation, sustainability, practice, leadership and digital knowhow.

Feedback from both attendees and our partners who delivered the programme has been positive, particularly at a time when organisations have more restricted training budgets. Charity staff have been able to meet others and to share thinking and learning together.



### OTHER ACTIVITIES

We enjoy a collaborative approach with other Trusts and Foundations, understanding best practice and policy initiatives which are relevant to the third sector and its funding. We have been active members of the Scottish Grantmakers and Association of Charitable Foundations through the year.

## FINANCIAL REVIEW

The Trust is funded from income and capital growth from our investment portfolio. This had a fair market value as at 31 March 2024 of £106.9M (2023: £97.6M). Income of £2.2M (2023: £2.1M) was generated during the year. Grant awards of £2.7M (2023: £2.6M) were paid out in the year. The total resources expended amounted to £3.6M (2023: £3.5M) as detailed in Note 5 to the financial statements. Cash at bank as at 31 March 2024 amounted to £565K (2023: £542K).

The financial statements have been prepared under the assumption that the Trust will continue as a going concern. £106.9M (2023: £97.6M) of unrestricted reserves are held within investments. Annual expenditure of £3.6M (2023: £3.5M) is financed by the investment portfolio which can be readily drawn upon to meet grant commitments and the running costs of the Trust.

## INVESTMENT POLICY

Trustees wish to balance the interests of present and future beneficiaries and seeking to grow or at least retain the capital value of the investments whilst allowing for payment of grants of up to £3M per year, increasing with inflation, and meeting the running costs of the Trust. The Investment Policy of the Trust is to deliver a long-term total return, net of investment management costs, of 3.5% per annum in excess of inflation (as measured by the CPI) and the investment strategy implemented by the Trustees reflects this return objective. The Policy, refreshed in May 2023, incorporates an agreement to consider grant spending over rolling three-year periods, to allow flexibility which may be required year-to-year.

## REPORT OF THE TRUSTEES (continued)

The investment structure, in which day to day management of the assets is delegated to two professional investment managers, was implemented in early 2020. Each manager has different risk and return parameters.

Trustees actively encourage their investment managers to take account of social, ethical or environmental considerations where possible and appropriate, subject to consideration of any potential adverse effects on investment performance, risk or the trust's fulfilment of its objectives.

## INVESTMENT PERFORMANCE

The fair value of the Trust's investments at 31 March 2024 was £106.9M (2023: £97.6M).

For each of the funds in which the Trust invests, performance is compared against a benchmark, which is typically a representative index return for the respective asset class. The performance of the Trust's total assets is also compared against a composite benchmark, weighted by the target weight to each of the asset classes. These benchmarks are used to assess the performance of each of the funds, with the focus on medium to longer term (e.g. 3 to 5 years) relative performance, all within the overall context of ensuring the Trust's assets are achieving the stated Investment Policy return objective.

The Trust's assets returned 12.8%, on a net of fee basis, over the year to 31 March 2024, underperforming the total benchmark return by 1.1%.

Over the last three years the average asset return of 5.9% p.a. underperformed the CPI plus 3.5% target of 9.1% p.a.

## RISK MANAGEMENT

Trustees consider the main areas of risk to which the Trust is exposed on a regular basis. The Risk Register sets out key operational, reputational and financial risks, and each is scored in terms of their likelihood and impact. Where necessary, mitigating actions are also detailed.

Principal risks relate to investment management, financial control (including fraud) and grant management:

- The investment strategy provides for a mix of asset classes and an investment management mandate to help mitigate market volatility. Trustees regularly monitor both the investment mandate and investment performance, drawing in expertise from the Investment Panel as necessary.
- The Trustees are satisfied that internal controls for authorisation of transactions and reviews of key management reports are appropriate to mitigate risks of fraud and irrecoverable error.
- Grant management is shared across a number of staff members, whose work is reviewed regularly and who use a cloud-based database so that all work is recorded and can be monitored centrally.

## RESERVES POLICY

The balance held as unrestricted funds as at 31 March 2024 was £107.9M (2023: £98.6M) of which £104.2M (2023: £95.1M) is regarded as free reserves, £0.5M (2023: £0.5M) is tied up in tangible fixed assets and £3.1M (2023: £3.0M) is allocated for future grant commitments. The Trust is able to draw down investment assets to meet commitments and also to meet the investment policy of maintaining the capital value of the endowment in real terms.

## REPORT OF THE TRUSTEES (continued)

### PLANS FOR THE FUTURE

We will continue to consider all grant applications received and assess them according to merit and fit with our strategic priorities. As set out in our Strategic Plan 2022/23-2024/25, in the coming year we plan to continue to grant under three programmes, to a level of approximately £3M. We will continue to identify opportunities to develop relationships with the charities we are granting to and bring them together for collaborative opportunities should the opportunity to do so arise. We will build on the beneficiary support programme to help those charities we fund to develop and strengthen.

Within the current financial year, our trustees will be reviewing strategic progress and meeting to review plans for our next strategic period, 2025/26 - 2027/28. We recognise the important contribution of our grants and their added value within the third sector in Scotland, and so this review will be considering how we can make best use of our resources in an environment which has both significant constraints – financial and operational – but also opportunities to work creatively and collaboratively to ensure charity objects, and values remain in scope and focus.

Our trustees have also reviewed our governing document and plan to refresh the Trust Deed in 2024/25. This will not make any material changes to the work of the Trust but will clarify and renew our charitable activities and governance in line with good practice.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### GOVERNING DOCUMENT

The Trust is constituted in terms of a Deed of Trust by Roderick Stewart Macdonald dated 7 November 1978 and registered in the Books of Council and Session on 17 November 1978, as amended by an Interlocutor of the Court of Session dated 13 August 2008 and registered in the Books of Council and Session on 3 November 2008. The Deed of Trust was further amended using the reorganisation scheme provisions contained in the Charities and Trustee Investment (Scotland) Act 2005 with the approval of the Office of the Scottish Charity Regulator granted on 26 September 2018,

with the result that a new Deed of Trust dated 28 November 2018 and registered in the Books of Council and Session on 31 January 2019 was put in place (hereafter referred to collectively as the "Deed of Trust" or the "Trust Deed").

#### APPOINTMENT AND RECRUITMENT OF TRUSTEES

The Trust is governed by a board of Trustees. The power to appoint Trustees rests with the Trustees themselves. One trustee was appointed during the period under review. Trustees are appointed for an initial period of four years after which there is an option to stand for re-appointment for a further four-year term. By exception, the Chair can be appointed for up to a 12- year term and, in addition, one Trustee from the Macdonald family has no fixed term of office. Recruitment of Trustees is an active process, whereby interested parties are appointed by the full board, subject to appropriate due diligence. The board seeks to ensure the recruitment of any new Trustee is aligned to the Trust's values, brings appropriate skills and experience, and ensures diversity and fit with the needs of the Trust. The Chair of the Trustees is elected by the board.

#### TRUSTEE INDUCTION AND TRAINING

The Trustees are provided with opportunities for ongoing training to ensure that they remain fully aware of their responsibilities as Trustees and are sufficiently briefed both in relation to the management of the Trust's funds and those areas of charitable work in which the Trust has a remit in terms of its Deed of Trust. When Trustees are appointed, arrangements are made to ensure that they are provided with an appropriate induction. The board is kept updated on matters of strategic importance to the Trust through a combination of formal papers and verbal briefings from professional advisors where appropriate. There are quarterly meetings where financial and operational information is presented and this gives the opportunity for Trustees to consider key aspects of the organisation in more detail. Trustees are also encouraged to attend appropriate training events where these will facilitate the undertaking of their role.

## REPORT OF THE TRUSTEES (continued)

### ORGANISATION

The Trustees serving the Trust bring a range of professional, business and other areas of expertise. The Trustees meet regularly during the course of the year to provide strategic direction and oversight.

The board is supported by seven panels, none of which have delegated decision making powers. Five panels support each of our funding themes and assist Trustees to assess of grant applications. This year, the Audit and Risk panel was established, the role of which is to help oversee the financial reporting and management of the Trust, the risk register, Trust policies, and the review process of charity applicants' governance and risk. The Investment Panel supports the Trustees in monitoring fund and manager performance. Each panel is chaired by a Trustee and represented by volunteers with relevant expertise. Around 548 hours of volunteer time was provided by our board members and volunteers this year.

## REFERENCE AND ADMINISTRATIVE DETAILS

### KEY MANAGEMENT PERSONNEL REMUNERATION

The key management personnel of the Trust comprise the Trustees and the Director to whom the day to day running of the Trust has been delegated. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses are disclosed in Note 2 to the financial statements.

The pay of the Trust's Director is reviewed annually by Trustees and any changes are considered in the context of benchmark average earnings. The remuneration of all posts is bench-marked against similar roles in comparable charities to ensure that the remuneration set is fair and in line with the sector.

#### Registered Charity Number

SC012710 The R S Macdonald Charitable Trust

#### Address

21 Rutland Square, Edinburgh, EH1 2BB

### Trustees

Fiona Averil Patrick BA Com  
John Paterson MA, MBA, CQSW, DipSW (resigned 23 May 2024)  
Robert David Ross LLB (Hons), Dip LP, NP  
James Walter Forrester Baird  
Francis Michael Sullivan FRSE, FRCP, FRCGP  
Stephen Corr (appointed 25th May 2023)

### Director

Rachel Campbell

### Solicitors

Anderson Strathern LLP, 58 Morrison St, Edinburgh EH3 8BP

### Auditors

Whitelaw Wells, 9 Ainslie Place, Edinburgh EH3 6AT

### Principal Bankers

Santander UK PLC, Bridle Road, Bootle, L30 4GB

### Investment Managers

Mercer Limited, 1, New Park Square, 1 Airborne Pl, Park, Edinburgh EH12 9GR  
Mayfair Capital Investment Management Limited, 2 Cavendish Square, London, W1G 0PU

### Investment Consultants

Mercer Limited, 1, New Park Square, 1 Airborne Pl, Park, Edinburgh EH12 9GR

## REPORT OF THE TRUSTEES (continued)

### STATEMENT AS TO DISCLOSURE TO AUDITORS

So far as the Trustees are aware, there is no relevant audit information of which the charity's auditors are unaware, and each Trustee has taken all the steps they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

### TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing a Trustees' annual report and financial statements in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland 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 Trust at the end of the year and of the profit or loss for the year then ended. In preparing those 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

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

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

The Trustees confirm that the accounts comply with the above requirements.

Approved by the Trustees and signed on their behalf:

*James Baird*  
**James Baird**  
**Chairman** **Date:** 27/09/2024

# INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE R S MACDONALD CHARITABLE TRUST

## OPINION

We have audited the financial statements of The RS Macdonald Charitable Trust for the year ended 31 March 2024, which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), 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, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

### In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024 and of its income and expenditure 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 Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs UK) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE R S MACDONALD CHARITABLE TRUST (continued)

### OTHER INFORMATION

The other information comprises the information in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are 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 we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- The information given in the financial statements is inconsistent in any material respect with the trustees' annual report; or
- Proper accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records; or
- We have not received all the information and explanations we require for our audit

### RESPONSIBILITIES OF THE TRUSTEES

As explained more fully in the Trustees' responsibilities statement set out on page 15, the Trustees are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees intend to liquidate the Trust or cease operations, or has no realistic alternative but to do so.

### OUR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain 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 our 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE R S MACDONALD CHARITABLE TRUST (continued)

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error.

From enquiries of those charged with governance, it was determined that the risk of material misstatement from fraud was low with little scope for fraud to occur. Our audit testing is designed to detect material misstatements from fraud where there is not high level collusion.

Our audit testing was designed to detect material misstatements from other irregularities that result from error where there is not high level concealment of the error. In this regard the following audit work was undertaken: applicable laws and regulations were reviewed and discussed with management; senior management meeting minutes were reviewed; internal controls were reviewed; and journals were reviewed. From this audit testing it was determined that the risk of material misstatement in this regard was low.

We carried out income testing and grants payable testing which was designed to identify any irregularities as a result of simple mistakes or human error. From this audit testing it was determined that the risk of material misstatement in this regard was low.

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

This description forms part of our Report of the Auditors.

### USE OF OUR REPORT

This report is made solely to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Whitelaw Wells**  
**Statutory Auditor**  
**9 Ainslie Place**  
**Edinburgh**  
**EH3 6AT**

*Whitelaw Wells*

**Date:** 27/09/2024

Whitelaw Wells is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006



# FINANCIAL STATEMENTS

## STATEMENT OF FINANCIAL ACTIVITIES

for the Year Ended 31 March 2024

All funds are unrestricted			
	Note	Total Year Ended 31 March 2024 £000	Total Year Ended 31 March 2023 £000
<b>Income from:</b>			
Income from Investments:			
Investment Income	3	2,252	2,125
Interest Receivable	4	16	5
<b>Total Income</b>		<b>2,268</b>	<b>2,130</b>
<b>Expenditure on:</b>			
Cost of Raising Funds:			
Investment Management Costs		560	511
Cost of Charitable Activities		3,070	2,967
<b>Total Expenditure</b>	5	<b>3,630</b>	<b>3,478</b>
<b>Net Expenditure on Operating Activities</b>		<b>(1,362)</b>	<b>(1,348)</b>
Realised (Losses)/gains on Investments			
		274	(102)
Unrealised (Losses)/gains on Investments			
	12	10,333	(5,436)
<b>Total Net Investment (Losses)/gains</b>	15	<b>10,607</b>	<b>(5,538)</b>
Net (expenditure)/income and net movement in funds			
	18	9,245	(6,886)
<b>Reconciliation of Funds</b>			
Funds Brought Forward		98,607	105,493
<b>Total Funds Carried Forward</b>		<b>107,852</b>	<b>98,607</b>

## BALANCE SHEET

as at 31 March 2024

	Note	Total Year Ended 31 March 2024 £000	Total Year Ended 31 March 2023 £000
<b>Fixed Assets</b>			
Tangible Assets	11	526	543
Investments	12	106,866	97,632
<b>Total Fixed Assets</b>		<b>107,392</b>	<b>98,175</b>
<b>Current assets</b>			
Debtors	13	70	65
Cash at Bank		565	542
<b>Total Current Assets</b>		<b>635</b>	<b>607</b>
Current Liabilities			
Creditors: Amounts Falling Due Within One Year	14	(175)	(175)
<b>Net Current Assets Less Current Liabilities</b>		<b>460</b>	<b>432</b>
<b>Net Assets</b>		<b>107,852</b>	<b>98,607</b>
<b>Represented by the Funds of the Charity:</b>			
<b>Unrestricted Funds</b>			
Designated Funds		3,652	3,537
Free Funds		104,200	95,070
<b>Total Unrestricted Funds</b>	15	<b>107,852</b>	<b>98,607</b>

Approved by the Trustees and signed on their behalf by:

*James Baird*

James Baird  
Chairman

Date: 27/09/2024

## STATEMENT OF CASH FLOWS

as at 31 March 2024

	Note	Total Funds Year Ended 31 March 2024 £000	Total Funds Year Ended 31 March 2023 £000
<b>Cash Flows from Operating Activities:</b>			
<b>Net Cash used in Operating Activities</b>	18	<b>(3,602)</b>	<b>(3,356)</b>
<b>Cash Flows from Investing Activities:</b>			
Dividends and interest from investments	3	2,252	2,125
Purchase of investments	12	(3,941)	(2,304)
Proceeds from sale of investments		5,314	3,557
<b>Net Cash Provided by Investing Activities</b>		<b>3,625</b>	<b>3,378</b>
<b>Change in Cash and Cash Equivalents in the Reporting Period</b>		<b>23</b>	<b>22</b>
<b>Cash and Cash Equivalents at the Beginning of the Reporting Period</b>		<b>542</b>	<b>520</b>
<b>Cash and Cash Equivalents at the End of the Reporting Period</b>		<b>565</b>	<b>542</b>
<b>Analysis of Cash and Cash Equivalents</b>			
Cash at Bank		542	534
Short-term Deposits (less than 3 months)		23	8
<b>Total Cash and Cash Equivalents</b>		<b>565</b>	<b>542</b>

## NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2024

### 1. ACCOUNTING POLICIES

#### (a) Basis of Preparation and Assessment of Going Concern

The financial statements have been prepared under the historical cost convention with the exception of investments which are included at fair value, their market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective for accounting periods commencing 1 January 2019, the Charities SORP (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

All financial information has been presented to the nearest thousand pound Sterling.

The Trust constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern as there are sufficient free reserves available to cover annual expenditure. The Trust has £106.9M (2023: £97.6M) of unrestricted investments to draw upon if required. With respect to the next reporting period, 2024/25, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets (see the investment policy and performance and risk management sections of the Trustees' annual report for more information).

#### (b) Fund Accounting

All funds are unrestricted and are either free or designated reserves and comprise those funds which the Trustees are free to use at their discretion in accordance with the charitable objects of the Trust. Designated funds are those set aside for particular purposes. The nature and purpose of each fund is stated in Note 15.

#### (c) Income Recognition

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment managers of the dividend yield of the investment portfolios.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31 March 2024

### 1. ACCOUNTING POLICIES (CONTINUED)

#### (d) Expenditure Recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Trust to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

General overheads and governance costs: All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to Note (f) below.

Grants: Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust as follows:

- Unconditional grants are accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the award.
- In the case of single or multi-year conditional grant award offers that are subject to the recipient fulfilling certain conditions, and the related approval by the Trust of those conditions having been fulfilled, those grants are only accrued when the recipient has been notified of the grant and any remaining unfulfilled conditions attaching to that grant, including the approval of the Trust, have been satisfied. Those unaccrued amounts are considered to be contingent liabilities and recognised as payable as soon as there is a legal or constructive obligation committing the Trust to the expenditure. The total potential commitments for those conditional awards are included in the designated fund 'Funds earmarked for future commitments'. Disclosure is made in Note 6 and fully analysed in Note 21 to the financial statements.

#### (e) Value Added Tax

Value added tax is not recoverable by the Trust, and is consequently charged to the relevant costs in the Statement of Financial Activities or capitalised as part of the cost of the fixed assets as appropriate.

#### (f) Allocation of Support and Governance Costs

Support costs are allocated between governance costs and other support costs attributable to grant making activities and beneficiary support, being the main charitable activities of the Trust, where apportionment applies. Note 6 gives further information on what support costs include and the basis of apportionment to cost categories. Support costs relating to charitable activities have been apportioned on a time basis on the administrative costs of (a) awarding, monitoring and assessing grants and (b) beneficiary support.

Governance costs comprise all costs involving the public accountability of the Trust and its compliance with regulation and good practice. These costs include costs related to statutory audit and professional fees together with an apportionment of overhead and support costs.

The allocation of support and governance costs is analysed in Notes 6 and 7.

#### (g) Cost of Raising Funds

The costs of raising funds consist of investment management costs and, when appropriate, certain professional fees.

#### (h) Charitable Activities

Costs of charitable activities include grants made, governance costs and an apportionment of support costs as shown in Note 5 and 6 to the financial statements.

#### (i) Tangible Fixed Assets and Depreciation

Tangible fixed assets costing £1,000 or more are capitalised on initial acquisition and included in the balance sheet at cost including costs attributable to bringing the assets into working condition for their intended use. Expenditure which enhances the tangible fixed assets is capitalised at cost. Fixed assets donated for the Trust's own use and which cost £1,000 or more are capitalised at their current value.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Freehold property over	50 years straight line
Furniture and furnishings	over 15 years straight line
Office equipment	over 4 years straight line

Depreciation on tangible fixed asset additions and disposals during the year is calculated on a pro-rated basis according to the month of purchase or disposal.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### (j) Revaluation of Tangible Fixed Assets

In line with FRS 102 the Trust has elected not to adopt a policy of revaluation of tangible freehold property. The Trust will retain the book value of the property which will be reviewed annually for impairment.

#### (k) Fixed Asset Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing market prices as valued by the Trust's appointed investment managers. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31 March 2024

### 1. ACCOUNTING POLICIES (CONTINUED)

#### (l) Gains and Losses on Investments

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are recognised in the Statement of Financial Activities.

#### (m) Financial Instruments

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' to all of its financial instruments. Financial instruments are recognised in the Trust's balance sheet when the Trust becomes party to the contractual provisions of the instrument. The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Further details are disclosed in Note 20 to the Financial Statements. The Trust does not enter into any hedging or derivative financial instruments.

##### Basic Financial Assets

Debtors and cash and bank balances are initially measured at the balance sheet date at transaction price including transaction costs and are subsequently measured at their market or settlement value with the exception of investments which are unquoted and subsequently measured at fair value, their market value, using the investment managers' valuations.

##### Basic Financial Liabilities

Basic financial liabilities comprise creditors which are initially recognised at transaction price where the Trust has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured reliably. Financial liabilities are derecognised when the Trust's contractual obligations expire or are discharged or cancelled.

#### (n) Pensions

The Trust contributes to Personal Pension Plans for its eligible employees. The contributions are accounted for on a defined contribution basis in accordance with FRS 102. The amounts are charged as expenditure and represent the contributions payable to those plans in respect of the accounting period. There were outstanding contributions at the year-end of £0.8K (2023: £0.8K).

#### (o) Key Judgements and Estimates

Preparation of the financial statements requires management to make some key judgements and estimates. The key area of judgement relates to the allocation of staff time not directly attributable to the Trust's charitable activities. The allocation of staff time affects both the staff costs allocated to the individual charitable activities and governance.

#### (p) Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand and deposits held at call with banks.

#### (q) Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

### 2. RELATED PARTY TRANSACTIONS AND TRUSTEES' REMUNERATION AND EXPENSES

#### • Trustees' remuneration and expenses

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2023: £nil). During the year, one (2023: none) Trustee was reimbursed for £17 (2023: £nil) of expenses incurred on behalf of the Trust.

There are no other related party transactions that require to be disclosed in accordance with FRS 102.

### 3. INVESTMENT INCOME

Investment income is derived from investment funds which the Trust is entitled to receive during the period of the accounts.

	Value 2024 £000	Value 2023 £000	Income 2024 £000	Income 2023 £000
<b>Unlisted Investments:</b>				
UK:				
- Open ended investment companies	8,774	9,402	566	513
Overseas:				
- Open ended investment companies	98,092	88,230	1,686	1,612
	<b>106,866</b>	<b>97,632</b>	<b>2,252</b>	<b>2,125</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31 March 2024

### 4. INTEREST RECEIVABLE

Interest receivable relates to bank interest which the Trust is entitled to receive during the period of the financial statements.

### 5. (a) TOTAL EXPENDITURE SUMMARY

Interest receivable is derived from bank interest which the Trust is entitled to receive during the period of the financial statements.

	2024 £000	2023 £000
Charitable activities including support costs	2,984	2,892
Attributable governance costs (Note 7)	86	75
Total charitable activities expenditure (Note 6)	3,070	2,967
Costs of raising funds	560	511
Fully analysed (Note (5b))	3,630	3,478

### (b) ALLOCATION OF TOTAL EXPENDITURE

	Total Charitable Activities £000	Cost of Raising Funds £000	Total Expenditure 2024 £000	Total Expenditure 2023 £000
Grant making <i>Note 5(c)</i>	2,660	-	2,660	2,598
Support to beneficiaries	103	-	103	90
Investment management costs	-	560	560	511
Staffing costs	186	-	186	170
Professional fees	51	-	51	43
Property expenses	25	-	25	21
Other expenses	45	-	45	45
<i>Note 6</i>	3,070	560	3,630	3,478

### (c) ALLOCATION OF GRANT MAKING EXPENDITURE

Interest receivable is derived from bank interest which the Trust is entitled to receive during the period of the financial statements.

Funding Theme	2024 £000	2023 £000
Neurological Conditions	1,148	955
Tackling Child Abuse and Neglect	831	908
Medical Research	261	347
Visual Impairment/Sight Loss	213	173
Animal Welfare	172	155
RNLI	35	60
<b>Total Grant Making Expenditure</b>	<b>2,660</b>	<b>2,598</b>

### 6. CHARITABLE ACTIVITIES INCLUDING SUPPORT AND GOVERNANCE COSTS

The Trust provided grants and additional support to a number of charitable institutions in furtherance of its charitable objects. The allocation of costs between activities is as follows:

	Grant Making £000	Beneficiary Support £000	Total Charitable Expenditure 2024 £000	Total Charitable Expenditure 2023 £000
<b>Direct Costs</b>	<b>2,660</b>	<b>103</b>	<b>2,763</b>	<b>2,688</b>
<b>Support and Governance Costs:</b>				
Staffing costs	156	30	186	170
Professional fees	51	-	51	43
Property expenses	25	-	25	21
Other expenses	45	-	45	45
	277	30	307	279
<b>Total Charitable Expenditure</b>	<b>2,937</b>	<b>133</b>	<b>3,070</b>	<b>2,967</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31 March 2024

### 6. CHARITABLE ACTIVITIES INCLUDING SUPPORT AND GOVERNANCE COSTS (continued)

Support and governance costs included in the total charitable activities have been apportioned to the relative cost categories as follows:

- Investment management costs are allocated 100% to costs of raising funds in the Statement of Financial Activities.
- Staff remuneration is apportioned on a time basis.
- Other items of expenditure have been specifically allocated to the relevant cost categories in line with prior years.

#### Grant making contingent liability

In addition £3,126K (2023: £2,994K) was held in the designated fund for potential awards where conditions remained to be satisfied. Full details are as detailed in Note 21 to the financial statements.

### 7. GOVERNANCE COSTS

Governance costs allocated to charitable activities are as follows:

	2024 £000	2023 £000
Professional fees	36	28
External auditor fees	15	14
Staffing costs	35	33
Note 5(a)	86	75

### 8. REMUNERATION OF STAFF AND KEY MANAGEMENT PERSONNEL

Staff Remuneration	2024 £000	2023 £000
Staff costs were as follows:		
Staff remuneration	166	152
Employers' National Insurance	12	11
Pension payments	8	7
	186	170

The average number of employees, calculated on the basis of head-count, was as follows:

	2024	2023
Administration	5	5

The average number of employees, calculated on the basis of full-time equivalents, was as follows:

	2024	2023
Administration	3.5	3.5

#### Key Management Personnel Remuneration

The key management personnel of the Trust are disclosed in the reference and administrative section of the Trustees' report. The total employment benefits of the key management personnel of the Trust were £89K (2023: £85K). During the year under review there was one employee with emoluments above £60,000 (2023: one employee). One employee received remuneration in the band £70,000 - £80,000 (2023: one employee).

*Employee pensions:* During the year a total of £8K (2023: £7K) was paid in respect of Personal Pension Plans on behalf of the Trust's eligible employees. These are defined contribution plans that are registered as workplace pension schemes for auto enrolment purposes.

The Trust makes a 5% of salary contribution for all eligible staff who join. There were outstanding pension contributions of £0.8K at the year-end (2023: £0.8K).

### 9. TAXATION

No provision for taxation has been made as The R S Macdonald Charitable Trust is a registered charitable trust and therefore exempt from income tax, subject to the conditions of Sections 518 to 537 of the Income Tax Act 2007.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31 March 2024

### 10. AUDITOR'S REMUNERATION

The external auditor's remuneration comprised an audit fee of £15K (2023: £14K). No additional services were provided in the year under review (2023: £nil).

### 11. TANGIBLE FIXED ASSETS

	Freehold property £000	Furniture and furnishings £000	Office equipment £000	Total £000
<b>Cost</b>				
As at 1 April 2023	780	19	35	834
Disposals	-	(2)	(4)	(6)
As at 31 March 2024	780	17	31	828
<b>Depreciation:</b>				
As at 1 April 2023	245	13	33	291
Charge for the year	15	1	1	17
Depreciation on disposal	-	(2)	(4)	(6)
As at 31 March 2024	260	12	30	302
<b>Net Book Value:</b>				
As at 31 March 2024	520	5	1	526
As at 31 March 2023	535	6	2	543

### 12. INVESTMENTS

Investments are included at fair value, being their market value, and are held primarily to provide an investment return for the Trust.

Investments are unlisted and were valued by the Trust's investment managers as detailed below. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value). Gains or losses on sale of investments are accounted for in the Statement of Financial Activities.

	2024 £000	2023 £000
Market value at 1 April 2023	97,632	104,423
Additions at cost	3,941	2,304
Disposals	(5,040)	(3,659)
Unrealised revaluation of investments	10,333	(5,436)
<b>Fair Value at 31 March 2024</b>	<b>106,866</b>	<b>97,632</b>

#### Investments at fair value, their market value:

##### Unlisted investments:

- Open ended investment companies – Domicile UK	8,774	9,402
- Open ended investment companies – Domicile Ireland	98,092	88,230
<b>Fair Value at 31 March 2024</b>	<b>106,866</b>	<b>97,632</b>

#### Investment Risks

FRS 102 requires the disclosure of information in relation to investment risks, which is set out below:

- Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

*Market risk:* this comprises currency risk, interest rate risk, and other price risk.

- Currency risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- Interest rate risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- Other price risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of any other changes.



## NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31 March 2024

### 12. INVESTMENTS (CONTINUED)

The Trust has exposure to these risks because of the investments it makes to implement its investment strategy. The Trustees and Director manage investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Trust's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Trust's investment managers.

- Credit Risk – the Trust is subject to credit risk in relation to cash deposits held and the funds with fixed interest investments.
- Currency risk – the Trust is subject to currency risk because some of the Trust's investments are traded in overseas markets.
- Interest rate risk – the Trust is subject to interest rate risk through investments in funds with bonds.
- Other price risk – other price risk arises principally in relation to equity holdings. The Trust manages this exposure to other price risk through a diverse portfolio of investment funds across various markets.

The significance of the financial instruments to the ongoing financial sustainability of the Trust is considered further in the investment policy and performance sections of the annual Report of the Trustees. .

#### Liquidity risk

Liquidity risk is anticipated to be low as all but a small percentage of privately invested assets are traded and the commitment to intervention by market regulators and central banks has continued to provide for orderly trading in the markets and so their ability to buy and sell quoted equities is anticipated to continue.

### 13. DEBTORS

	2024 £000	2023 £000
Dividends receivable	48	56
Prepayments	22	9
	70	65

### 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £000	2023 £000
Grants payable	95	97
Taxation and social security	6	6
Accruals	74	72
	175	175

### 15. SUMMARY OF UNRESTRICTED FUND MOVEMENTS

	At 1 April 2023 £000	Income £000	Expenditure £000	Transfers £000	Gains £000	At 31 March 2024 £000
<b>Free reserves fund:</b>	95,070	2,268	(3,630)	(115)	10,607	104,200
<b>Designated funds:</b>						
1 - Funds earmarked for future commitments	2,994	-	-	132	-	3,126
2 - Fixed assets fund	543	-	-	(17)	-	526
	3,537	-	-	115	-	3,652
<b>Total unrestricted funds:</b>	98,607	2,268	(3,630)	-	10,607	107,852

	At 1 April 2022 £000	Income £000	Expenditure £000	Transfers £000	Gains £000	At 31 March 2023 £000
<b>Free reserves fund:</b>	102,226	2,130	(3,478)	(270)	(5,538)	95,070
<b>Designated funds:</b>						
1 - Funds earmarked for future commitments	2,705	-	-	289	-	2,994
2 - Fixed assets fund	562	-	-	(19)	-	543
	3,267	-	-	270	-	3,537
<b>Total unrestricted funds:</b>	105,493	2,130	(3,478)	-	(5,538)	98,607

## NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31 March 2024

### 15. SUMMARY OF UNRESTRICTED FUND MOVEMENTS (continued)

#### Free reserves fund:

Free reserves are unrestricted funds which have not been designated for other purposes and are available for use at the discretion of the Trustees, in furtherance of the general objectives of the Trust. The Trustees have the power to re-designate such funds within unrestricted funds. When a designation has been made at the balance sheet date, the amount of the designation may be adjusted subsequent to the year-end if more accurate information becomes available. The Trust is able to draw down investment assets at short notice to meet the Trust's annual commitments each year.

#### Designated funds:

Designated funds are unrestricted funds earmarked by the Trustees for specific future purposes as detailed above.

#### Utilisation of designated funds:

##### 1. Funds earmarked for future contingent commitments

The anticipated timing for the pay-out of the funds earmarked for future contingent grant awards is as detailed in Note 21 to the financial statements.

##### 2. Fixed assets fund

The fixed assets fund is an unrestricted fund designated by the Trustees and reflects the funds tied up in the Trust's fixed assets. When additional fixed assets are required these are added to the fund on acquisition and the fund reduced each year in line with the annual depreciation charge as disclosed in the tangible fixed assets and depreciation accounting policy.

### 16. TRANSFERS BETWEEN FUNDS

- A transfer of £132K (2023: £289K) was made from the free reserves fund to the designated fund earmarked for future commitments to account for the increased level of funds earmarked for future conditional grant awards (as disclosed in Note 21 to the financial statements).
- A transfer of £17K (2023: £19K) was made from the fixed assets fund to the free reserves fund to account for the reduction in the net book value of tangible fixed assets being carried at the year end.

### 17. ANALYSIS OF NET ASSETS

All funds are unrestricted, therefore, the analysis of net assets is as stated in the Balance Sheet.

### 18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Net Movement in Funds for the Reporting Period		
<i>(as per the Statement of Financial Activities)</i>	9,245	(6,886)
<b>Adjustments for:</b>		
Depreciation charges	17	19
(Losses)/gains on investments	(10,607)	5,538
Investment income and interest receivable	(2,252)	(2,125)
Decrease/(increase) in debtors	(5)	1
Increase/(decrease) in creditors	-	97
<b>Net Cash used in Operating Activities</b>	<b>(3,602)</b>	<b>(3,356)</b>

### 19. ANALYSIS OF CHANGES IN NET CASH AND CASH EQUIVALENTS

	2024 £000	2023 £000
As start of year	542	520
Net cash inflow/(outflow)	23	22
As at end of year	565	542

	As at 1 April 2023 £000	Cashflows £000	As at 31 March 2024 £000	As at 1 April 2022 £000	Cashflows £000	As at 31 March 2023 £000
Cash at Bank	542	23	565	520	22	542

## NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31 March 2024

### 20. FINANCIAL INSTRUMENTS

	2024 £000	2023 £000
<b>Carrying amount of financial assets</b>		
Assets measured at fair value through Statement of Financial Activities	106,866	97,632

Financial assets measured at fair value comprise unlisted investments.

### 21. GRANT MAKING CONTINGENT LIABILITY

31 March 2024 the contingent liability was split as follows:

	2024 £000	2023 £000
<b>Carrying amount of financial assets</b>		
Payable in one year	2,019	2,095
Payable in two years	923	801
Payable in three years	184	98
	<b>3,126</b>	<b>2,994</b>

### 22. SUPPORTED ORGANISATIONS

During the year ended 31 March 2024 the following organisations were supported by The R S Macdonald Charitable Trust:



#### NEUROLOGICAL CONDITIONS

Aberdeen Day Project t/a The Breadmaker	Camphill Rudolf Steiner Schools Limited
Ability Shetland	Cantraybridge College
Angus Special Playscheme	Capability Scotland
Avalon (Autism Parental Support & Respite Services)	Charlie House
Back Up Trust	Citizens Theatre, The
Borders Additional Needs Group SCIO	Columcille Centre

DASH Club, The	Parklea Branching Out
Down's Syndrome Scotland	Perth & Kinross ADHD Support Group
Drake Music Scotland	Play Midlothian
Dundee and Angus ADHD Support Group	Playlist for Life
Eden Court Highlands	Reach4Reality SCIO
Edinburgh Headway Group	Revive MS Support
Epilepsy Connections	Rowan Alba
Eric Liddell Community	Rutherglen Community Carers
Firsthand Lothian	Salvesen Mindroom Centre
Forget Me Notes Project, The	SAMs Charity
Friends of Ashton	Scottish Autism
Frozen Light	Scottish Ballet
get2gether	Scottish Chamber Orchestra
Glasgow Children's Hospital Charity	SensationALL
Glasgow Eagles Sports Club	Shaper/Caper
Hawick Congregational Community Church	Shared Lives Plus
Headway Ayrshire	Shift.ms
Headway East Lothian	Special Needs Adventure Playground (SNAP)
Headway Glasgow	Speech Bubble
Hearts & Minds Ltd	Spina Bifida Hydrocephalus Scotland
HOPE Garden SCIO	Spinal Injuries Scotland
Include Me 2 Club SCIO	St Crispin's Out of School Care Association
Indepen-dance	St Joseph's Services
Independence at Home	Stirling4Community
Interest Link Borders	Sunshine Club
Kindred Advocacy	Tailor Ed Foundation
Kirrie Connections	The British Stammering Association
LifeCare Edinburgh	Town Break SCIO
Lung Ha Theatre Company	University of Stirling
Macrobert Arts Centre	Upward Mobility (Upmo)
Multiple Sclerosis Centre Mid Argyll	WHALE Arts
Multiple System Atrophy Trust	Whizz-Kidz
Muscular Dystrophy UK	Yard, The
Neuro Hebrides	

## NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31 March 2024

### 22. SUPPORTED ORGANISATIONS (continued)



#### ANIMAL WELFARE

3Rs Horse Rescue Centre, The  
Amphibian and Reptile Conservation Trust  
Dogs Trust  
Farmersfield Rest-home for Elderly Donkeys (FRED)  
Froglife Trust, The  
Give a Dog a Bone and an animal a home  
International Otter Survival Fund  
Mossburn Community Farm  
New Arc Wildlife Rescue Ltd  
OneKind  
Pet Fostering Service Scotland  
Ponies Help Children  
Scottish SPCA  
South of Scotland Wildlife Hospital  
WDC, Whale and Dolphin Conservation



#### TACKLING CHILD ABUSE AND NEGLECT

Argyll & Bute Rape Crisis  
Avenue Confidential  
Barnardo's  
Befriend a Child  
Big Hearts Community Trust  
Break The Silence  
Centrestage Communities Ltd  
Circle  
Citadel Youth Centre SCIO  
Clued Up Project  
Cottage Family Centre  
Cyrenians  
Dads Rock

Dumfries and Galloway Befriending Project  
Early Years Scotland  
Edinburgh Women's Aid, Ltd  
Family Journeys  
Fife Gingerbread  
Geeza Break  
Getting Better Together Ltd  
Glasgow City Mission  
Govan HELP  
Hear Me  
Home-Start Clackmannanshire  
Home-Start Dundee  
Home-Start Lorn  
Home-Start Stirling  
HopScotch Children's Charity  
Includem  
Jeely Piece Club  
Lilias Graham Trust, The  
Lucy Faithfull Foundation / Stop It Now! Scotland  
Mind Mosaic Child and Family Therapies  
Moira Anderson Foundation, The  
Moray Rape Crisis  
Notre Dame Centre  
Outfl!t Moray  
Pilton Youth and Children's Project  
Play Therapy Base Limited  
Positive Help  
Rape and Sexual Abuse Centre, Perth & Kinross  
Reidvale Adventure Play Association Limited  
Seamab  
Sistema Scotland  
South Ayrshire Befriending Project (SABP)  
Spiral - Creative Arts Therapies

Stepping Stones North Edinburgh  
Support for Families  
Volunteer Tutors Organisation  
Wellbeing Scotland  
Youth Interventions  
Youth Scotland



#### Visual Impairment/Sight Loss

British Blind Sport  
Fife Society for the Blind T/A seescape  
Fruitmarket Gallery  
Listening Books  
Living Paintings Trust  
Macular Society  
NHS Forth Valley Endowment Funds  
North East Sensory Services (NESS)  
Pathfinder Guide Dog Programme (Pathfinder Dogs)  
Royal Blind Asylum and School t/a Sight Scotland  
Royal National Institute of Blind People (RNIB)  
Visibility Scotland

The following disclosure provides a note of the material grants that were paid to beneficiaries during the year-ended 31 March 2024:

Material Grants over £50,000:

Beneficiary	Grant Value (£)
Camphill Ruldolf Steiner Schools Limited	£50,000
Capability Scotland	£75,000
NHS Forth Valley	£63,129
Scottish Ballet	£70,000
<b>Total material grants</b>	<b>£258,129</b>
Remainder under £50,000 each	£2,401,572
<b>Total grants paid during the year</b>	<b>£2,659,701</b>



#### Medical Research

Action Medical Research  
Beatson Cancer Charity  
Fight for Sight  
MS Society Scotland  
Royal College of Surgeons of Edinburgh, The  
Spinal Research  
Stoke Mandeville Spinal Research (SMSR)  
Stroke Association  
University of Aberdeen Development Trust  
University of Glasgow - Refund of grant  
University of St Andrews  
University Of Strathclyde  
University of the West of Scotland



#### RNLI