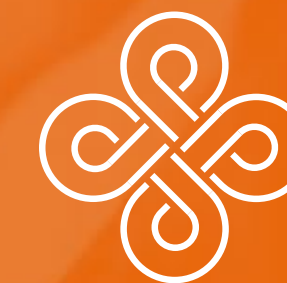


Annual Report and Financial Statements

31 March 2023



THE
RS MACDONALD
CHARITABLE TRUST

Chairman's introduction

2022/23 marked the start of our new 3 year strategic planning period, and I am pleased to report it was a time when Covid restrictions were eased, positively impacting both our own work and that of the charities we fund. The board, when reviewing grant applications, was encouraged to learn that much of the sector was keen to learn lessons from the last two years, and have willingly adopted this into their operations. We can see where digital working has increased access and engagement for many, and hybrid working is allowing the third sector new opportunities in how they staff and deliver services. We do recognise, however, the ongoing legacy of Covid, and we have funded a number of charities in the last year who are continuing to provide vital support to those for whom the pandemic has left more vulnerable, or isolated.

In recognition of a period in which inflationary and cost of living pressures have caused additional burdens to both households and organisations, we have lifted our agreed grant allocation to £3m per year, assessed on a three year average basis, and also the average value of our Main Grant awards. I was encouraged to learn this had been well received, and that across the 53 Main Grants awarded, the average value was £44,000, an uplift from last year and evidence of our commitment to help charities we support absorb higher costs and greater demand for their services.

We also saw growth in our Strategic Grant programme, recognising that our strong relationship management in recent years is providing a platform from which some charities are able to discuss their longer aspirations for the sector, and work with our staff team to develop a proposal which can ignite some of these ideas into developmental funding opportunities.

Across all our grant programmes, our relationship management, and the programme of support we offer through our valued partnerships, we hope the added value of our grants is helping strengthen the charities and promote good practice in a number of areas – leadership, governance, sustainability amongst others.

Our staff team, and board, saw a number of changes during the year, and we were pleased to welcome both new staff and trustees. Moira Easson stood down from the board at the end of her term of office and we thank her for her valuable contribution and support. In May 2023 we were pleased to welcome Stephen Corr as a trustee, following on from his contribution as one of our panel members. Staff and board, old and new, have worked consistently to maintain our commitment to having an open and clear grant assessment process, and we are grateful to our team of volunteer assessors who help recommend how we award our funding each year.

The Trustees remain active in discussions of how our funding can bring meaningful impact to the sector, and we remain flexible and collaborative in our approach to grant making. We have always found visiting those that we fund particularly insightful and this year I know both staff and trustees welcomed being able to do this again. Thanks go to those who we have met, and whose stories we have heard – it has a meaningful impact on our work.

Finally, I would like to thank my fellow trustees, for their commitment and support.



James Baird

James Baird
Chairman

Date:
29/09/2023

External climate

Challenges

- growing costs
- fear of falling income: donations, funding cuts
- more difficult recruitment: staff and volunteers

Opportunities

- hybrid working: greater agility/more dynamic
- resume events
- less operational uncertainty
- collaborative opportunities
- strategic conversations
- better connectivity

Resulted in



3 new strategic grants to trial emerging practice for the sector, two of which have a focus on digital opportunities within health care.



Continued opportunity to support smaller charities – we gave 13 small grants for essential running costs. A further 8 small grants were offered to charities to support their development.



Higher level of request for Main Grants and an award level 25% higher than in 2021/22, spread across 53 organisations across Scotland – 17 offering national coverage and the remainder spread into 22 local authorities inc. Shetland, Scottish Borders and Inverclyde.

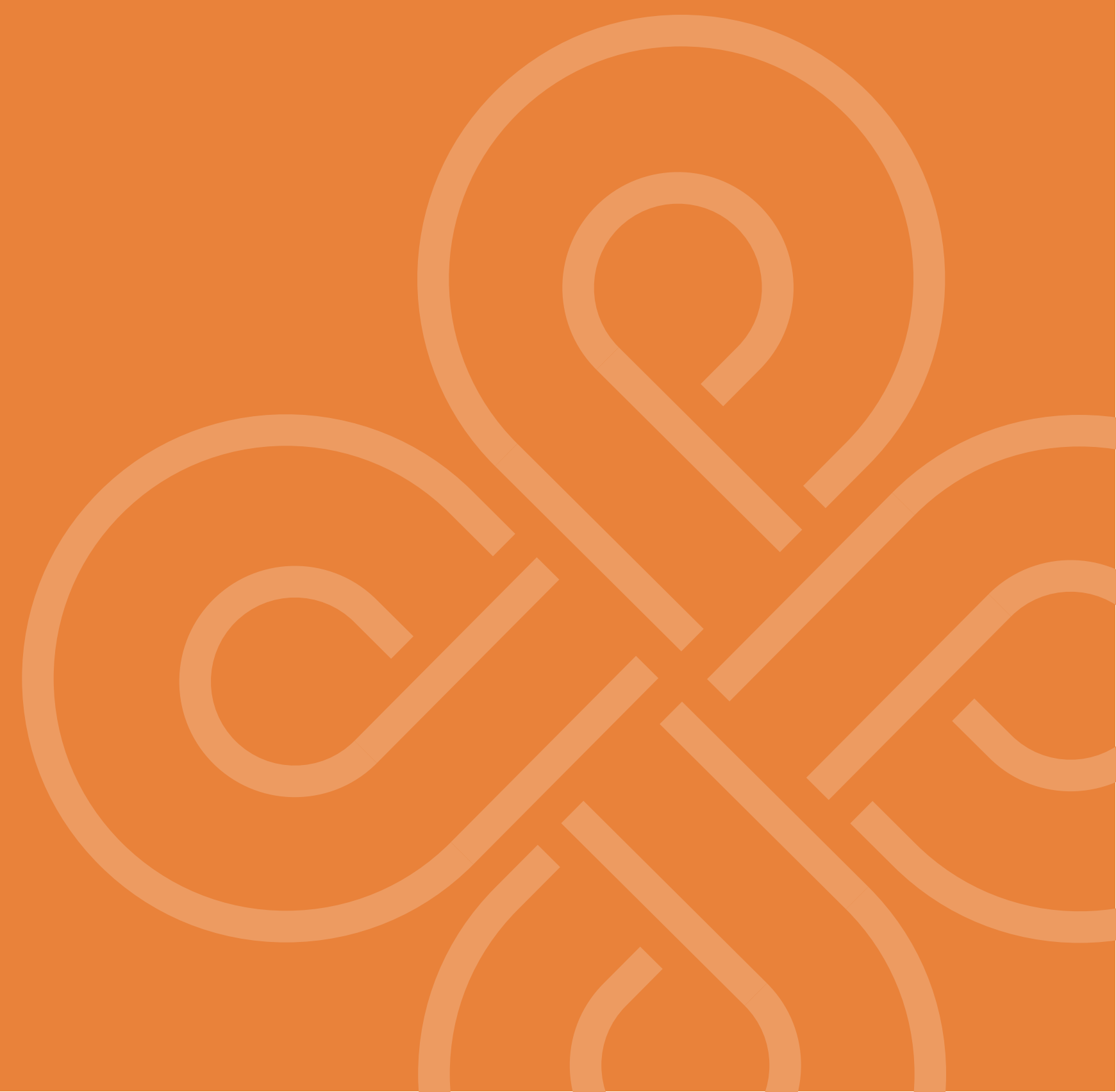


591 places on one of the support programmes we offered at no or heavily subsidised cost to our grantholders.



1 celebration event in which we welcomed Drake Music to showcase their work to our staff and volunteers.

Report of the trustees



Report of the Trustees

The Trustees present their report with the financial statements for the year ended 31 March 2023.

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 including the RNLI. We grant to other charities resident, based in or operating in Scotland which provide benefits under the following funding themes:

- 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.

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

Report of the Trustees

What We Do

Our principal activity is grant-making. To achieve our objects, we work thematically, investing in registered charities that deliver services against our funding themes. We work with those we fund to understand the models of support which can help derive benefit to those living with, or affected by, our funding themes. 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, which is refreshed every three years. Operationally, this was the first year of our strategic period 2022-25. This has a continued focus on supporting beneficiary charities to achieve their purpose. We take an active interest in those we fund, and the activities they are involved in, and want to encourage them to feel part of our community.

Our approach sets out to listen to those seeking, or in receipt of, our support, and to offer flexibility as required. We are open to collaborative opportunities as they arise across those we fund.

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

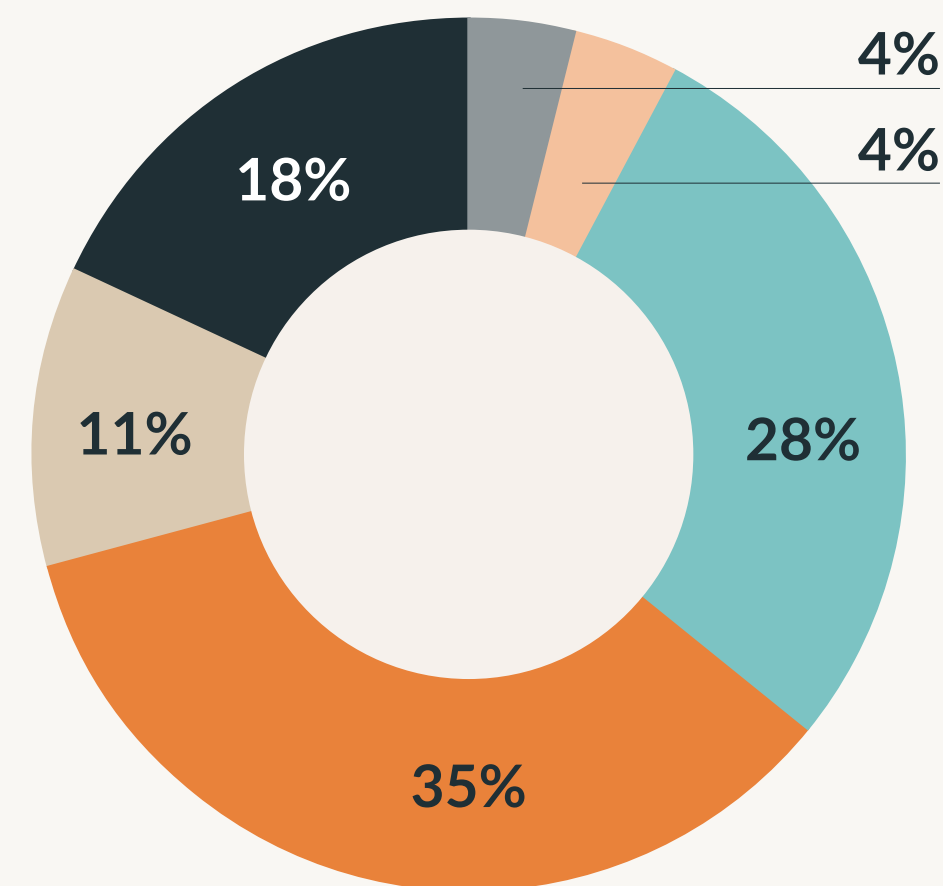
In total, we received 126 applications and made 77 awards, totalling £2.9M (£2.4M in 2021/22). £2.6M was paid out in grant awards, which was higher than last year (£2.2M in 2021/22) in recognition of our higher level of grant allocations. We are actively working with our beneficiaries to discuss the release of future instalments. This year, the percentage of awards made, from the total number of applications (application 'success rate') was 61% (60% 2021/22). 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.

17 of the awards were intended to bring Scotland-wide benefits, while others served a more local geographical area across 22 of our local authorities.

19 board and panel meetings were held to help us distribute 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.

Where funding was allocated 2022/23

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



Report of the Trustees (continued)

Distribution of Funds (continued)

Over the year 2022/23, 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 £44K (in 2021/22 this programme awarded £1.9M, average value £37K). 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, and we are happy to consider a funding period of up to three years. 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 15 applications for core cost funding in the year (21 in 2021/22).

	Number of Applications	Number of Awards	Value of Awards	Success Rate
Animal Welfare	4	4	£98,500	100%
Tackling Child abuse and Neglect	31	19	£790,317	61%
Neurological Conditions	35	19	£789,458	54%
Visual impairment/Sight Loss	6	4	£163,839	67%
Medical Research	8	6	£384,324	75%
RNLI	1	1	£105,000	100%
TOTAL	85	53	£2,331,438	62%

Outwith Medical Research, 72% of awards funded specific projects and services, 21% funded core costs and 7% were towards a capital appeal. 15% of the awards were for a one-year period, 11% were for a two-year period and 74% were for a three-year period.

Our small grants programme awarded £173K, with an average award value of £8K (in 2021/22 this programme awarded £288K, average value £9K). 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	Average Value	Success Rate
Animal Welfare	6	3	£22,841	£7,614	50%
Tackling Child abuse and Neglect	8	4	£38,022	£9,506	50%
Neurological Conditions	20	12	£103,194	£8,600	60%
Visual impairment/Sight Loss	4	2	£8,555	£4,278	50%
TOTAL	38	21	£172,612	£8,220	55%

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

- The Royal College of Surgeons have secured further funding for the SCONE project, which seeks to develop AI for early identification of eye/ brain diseases for at risk individuals in the community.
- Visibility Scotland are being funded to improve support offered to those with a neurological visual field loss.
- Capability Scotland to fund Corseford College, Scotland's first specialist college for young people with additional and complex needs.

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 report for all 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 the lasting impact of lockdown on more vulnerable households, and the impact this is now having on daily life. Charities are reporting having to offer additional support around mental health and poverty, even when these are not the primary goals of their work. We have also learned of increasing difficulties in recruiting and retaining both staff and volunteers within the sector, and the different ways in which charities are working to maintain the services through these challenges.

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. The service providers with whom we work in partnership 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. 591 places were taken up (2021/22: 341) across different topics, including impact and service evaluation, sustainability, practice, leadership, and digital knowhow.

Feedback from both attendees and our partners who delivered the programme has been positive, which is pleasing, 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, realising shared resources and 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 2023 of £97.6M (2022: £104.4M). Income of £2.1M (2022: £2M) was generated during the year. Grant awards of £2.6M (2022: £2.2M) were paid out in the year. The total resources expended amounted to £3.5M (2022: £3.1M) as detailed in Note 5 to the financial statements. Cash at the bank as at 31 March 2023 amounted to £542K (2022: £520K). At the balance sheet date, closing reserves, all of which were unrestricted, totalled £98.6M (2022: £105.5M).

The financial statements have been prepared under the assumption that the Trust will continue as a going concern. £97.6M (2022: £104.4M) of unrestricted reserves are held within investments. Annual expenditure of £3.5M (2022: £3.1M) 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 seek to balance the interests of present and future beneficiaries, and seek to grow or at least retain the capital value of the investments whilst allowing for payment of grants of up to £3M per year 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

Report of the Trustees (continued)

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 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 2023 was £97.6M (2022: £104.4M).

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 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, and are of second order to whether the Trust's assets are achieving the stated Investment Policy return objective.

The Trust's assets returned -3.0%, on a net of fee basis, over the year to 31 March 2023, outperforming the total benchmark return by 0.4%.

Over the last three years the average asset return of 11.2% p.a. outperformed 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 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 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 centrally.

Reserves Policy

The balance held as unrestricted funds as at 31 March 2023 was £98.6M (2022: £105.5M) of which £95.1M (2022: £102.2M) are regarded as free reserves, £0.5M (2022: £0.6M) is tied up in tangible fixed assets and £3.0M (2022: £2.7M) 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.

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. Our current plans, as set out in our Strategic Plan 2022-25, are to continue to grant under three programmes, to a level of approximately £3M per year. 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.

Report of the Trustees (continued)

We remain open to progress organisations' digital footprint, in both infrastructure and in service delivery where this is deemed to demonstrate best practice and is in accordance with the charity's own ambition.

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 assume 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, bring 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 assumed, 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.

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. The finance panel supports the assessment of each charity applicant's governance and finance, and the investment panel supports the Trustees in monitoring fund and manager performance. Since the year end, the finance panel has been succeeded by an audit and risk panel. Each is chaired by a Trustee and represented by volunteers with relevant expertise. Around 475 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 RS Macdonald Charitable Trust

Address

21 Rutland Square

Edinburgh

EH1 2BB

Trustees

Fiona Averil Patrick BA Com

Moira Jane Easson BA (Hons), CA (retired 22nd September 2022)

John Paterson MA, MBA, CQSW, DipSW

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, 1 Rutland Court, Edinburgh EH3 8EY

Auditors: Whitelaw Wells, 9 Ainslie Place, Edinburgh EH3 6AT

Principal Bankers: Santander UK PLC, Bridle Road, Bootle, L30 4GB

Investment Managers:

Mercer Limited, Orchard Brae House,
30 Queensferry Road, Edinburgh, EH4 2HS

Mayfair Capital Investment Management Limited,
2 Cavendish Square, London, W1G 0PU

Investment Consultants: Mercer Limited, Orchard Brae House,
30 Queensferry Road, Edinburgh, EH4 2HS.

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.

Report of the Trustees (continued)

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 Association 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 Association 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:29/09/2023

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 2023, 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 2023 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 company'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.

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

Independent Auditor's Report to the Trustees of The R S Macdonald Charitable Trust (continued)

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 11-12, 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 the 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 Trustees 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:

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

Independent Auditor's Report to the Trustees of The R S Macdonald Charitable Trust (continued)

were reviewed. From this audit testing it was determined that the risk of material misstatement in this regard was low.

We carried 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.

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

Whitelaw Wells
Statutory Auditor
9 Ainslie Place
Edinburgh
EH3 6AT

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

September 2023

Accounts



Statement of Financial Activities

for the Year Ended 31 March 2023

All funds are unrestricted			
	Note	Total Year Ended 31 March 2023 £000	Total Year Ended 31 March 2022 £000
Income from:			
Income from Investments:			
Investment Income	3	2,125	1,995
Interest Receivable	4	5	1
Total Income		2,130	1,996
Expenditure on:			
Cost of Raising Funds:			
Investment Management Costs		511	563
Cost of Charitable Activities		2,967	2,586
Total Expenditure	5	3,478	3,149
Net Expenditure on Operating Activities		(1,348)	(1,153)
Realised (Losses)/gains on Investments		(102)	486
Unrealised (Losses)/gains on Investments	12	(5,436)	6,814
Total Net Investment (Losses)/gains	15	(5,538)	7,300
Net (expenditure)/income and net movement in funds	18	(6,886)	6,147
Reconciliation of Funds			
Funds Brought Forward		105,493	99,346
Total Funds Carried Forward		98,607	105,493

Balance Sheet

as at 31 March 2023

	Note	Total Year Ended 31 March 2023 £000	Total Year Ended 31 March 2022 £000
Fixed Assets			
Tangible Assets	11	543	562
Investments	12	97,632	104,423
Total Fixed Assets		98,175	104,985
Current assets			
Debtors	13	65	66
Cash at Bank		542	520
Total Current Assets		607	586
Current Liabilities			
Creditors: Amounts Falling Due Within One Year	14	(175)	(78)
Net Current Assets Less Current Liabilities		432	508
Net Assets		98,607	105,493
Represented by the Funds of the Charity:			
Unrestricted Funds			
Designated Funds		3,537	3,267
Free Funds		95,070	102,226
Total Unrestricted Funds	15	98,607	105,493

Approved by the Trustees and signed on their behalf by:

James Baird

James Baird
Chairman

Date: 29/09/2023

Statement of Cash Flows

as at 31 March 2023

	Note	Total Funds Year Ended 31 March 2023 £000	Total Funds Year Ended 31 March 2022 £000
Cash Flows from Operating Activities:			
Net Cash used in Operating Activities	18	(3,356)	(3,154)
Cash Flows from Investing Activities:			
Dividends and interest from investments	3	2,125	1,996
Purchase of tangible fixed assets	11	-	(1)
Purchase of investments	12	(2,304)	(5,831)
Proceeds from sale of investments		3,557	6,896
Net Cash Provided by Investing Activities		3,378	3,060
Change in Cash and Cash Equivalents in the Reporting Period		22	(94)
Cash and Cash Equivalents at the Beginning of the Reporting Period		520	614
Cash and Cash Equivalents at the End of the Reporting Period		542	520
Analysis of Cash and Cash Equivalents			
Cash at Bank		534	515
Short-term Deposits (less than 3 months)		8	5
Total Cash and Cash Equivalents		542	520

Notes to the Financial Statements

as at 31 March 2023

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 £97.6M (2022: £104.4M) of unrestricted investments to draw upon if required. With respect to the next reporting period, 2023/24, 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 2023

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 £500 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 £500 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 2023

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 was one outstanding contribution at the year-end of £0.8K (2022: £0.6K).

(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 (2022: £nil). During the year no reimbursements were made to the Trustees for expenses incurred on behalf of the Trust (2022: £nil).

There are no other related party transactions that require to be disclosed in accordance with FRS102.

3. Investment Income

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

	Value 2023 £000	Value 2022 £000	Income 2023 £000	Income 2022 £000
Unlisted Investments:				
UK:				
- Open ended investment companies	9,402	11,713	513	502
Overseas:				
- Open ended investment companies	88,230	92,710	1,612	1,493
	97,632	104,423	2,125	1,995

4. Interest Receivable

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

Notes to the Financial Statements (continued)

as at 31 March 2023

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.

	2023 £000	2022 £000
Charitable activities including support costs	2,892	2,511
Attributable governance costs (Note 7)	75	75
Total charitable activities expenditure (Note 6)	2,967	2,586
Costs of raising funds	511	563
Fully analysed (Note (5b))	3,478	3,149

(b) Allocation of Total Expenditure

	Total Charitable Activities £000	Cost of Raising Funds £000	Total Expenditure 2023 £000	Total Expenditure 2022 £000
Grant making <i>Note 5(c)</i>	2,598	-	2,598	2,222
Support to beneficiaries	90	-	90	111
Investment management costs	-	511	511	563
Staffing costs	170	-	170	160
Professional fees	43	-	43	45
Property expenses	21	-	21	12
Other expenses	45	-	45	36
<i>Note 6</i>	2,967	511	3,478	3,149

(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	2023 £000	2022 £000
Neurological Conditions	955	889
Tackling Child Abuse and Neglect	908	675
Medical Research	347	348
Visual Impairment/Sight Loss	173	199
Animal Welfare	155	111
RNLI	60	-
Total Grant Making Expenditure	2,598	2,222

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 2023 £000	Total Charitable Expenditure 2022 £000
Direct Costs	2,598	90	2,688	2,333
Support and Governance Costs:				
Staffing costs	142	28	170	160
Professional fees	43	-	43	45
Property expenses	21	-	21	12
Other expenses	45	-	45	36
	251	28	279	253
Total Charitable Expenditure	2,849	118	2,967	2,586

Notes to the Financial Statements (continued)

as at 31 March 2023

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 £2,994K (2022: £2,705K) 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:

	2023 £000	2022 £000
Professional fees	28	32
External auditor fees	14	12
Staffing costs	33	31
Note 5(a)	75	75

8. Remuneration of Staff and Key Management Personnel

	2023 £000	2022 £000
Staff Remuneration		
Staff costs were as follows:		
Staff remuneration	152	143
Employers' National Insurance	11	10
Pension payments	7	7
	170	160

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

	2023	2022
Administration	5	5

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

	2023	2022
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 was £85K (2022: £81K). During the year under review there was one employee with emoluments above £60,000 (2022: one employee). One employee received remuneration in the band £80,000 - £90,000 (2022: one employee in the band £70,000 - £80,000).

Employee pensions: During the year a total of £7K (2022: £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 was one outstanding pension contribution of £0.8K at the year-end (2022: £0.6K).

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 2023

10. Auditor's Remuneration

The external auditor's remuneration comprised an audit fee of £14K (2022: £12K). No additional services were provided in the year under review (2022: £nil).

11. Tangible Fixed Assets

	Freehold property £000	Furniture and furnishings £000	Office equipment £000	Total £000
Cost				
As at 1 April 2022	780	19	35	834
Additions	-	-	-	-
As at 31 March 2023	780	19	35	834
Depreciation:				
As at 1 April 2022	230	11	31	272
Charge for the year	15	2	2	19
As at 31 March 2023	245	13	33	291
Net Book Value:				
As at 31 March 2023	535	6	2	543
As at 31 March 2022	550	8	4	562

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.

	2023 £000	2022 £000
Market value at 1 April 2022	104,423	98,188
Additions at cost	2,304	5,831
Disposals	(3,659)	(6,410)
Unrealised revaluation of investments	(5,436)	6,814
Fair Value at 31 March 2023	97,632	104,423
Investments at fair value, their market value:		
Unlisted investments:		
- Open ended investment companies – Domicile UK	9,402	11,713
- Open ended investment companies – Domicile Ireland	88,230	92,710
Fair Value at 31 March 2023	97,632	104,423

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.

Notes to the Financial Statements (continued)

as at 31 March 2023

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.

- Co 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

	2023 £000	2022 £000
Dividends receivable	56	57
Prepayments	9	9
	65	66

14. Creditors: Amounts Falling Due Within One year

	2023 £000	2022 £000
Grants payable	97	-
Taxation and social security	6	4
Accruals	72	74
	175	78

15. Summary of Unrestricted Fund Movements

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

	At 1 April 2022 £000	Income £000	Expenditure £000	Transfers £000	Gains £000	At 31 March 2023 £000
Free reserves fund:	96,232	1,996	(3,149)	(153)	7,300	102,226
Designated funds:						
1 - Funds earmarked for future commitments	2,534	-	-	171	-	2,705
2 - Fixed assets fund	580	-	-	(18)	-	562
	3,114	-	-	153	-	3,267
Total unrestricted funds:	99,346	1,996	(3,149)	-	7,300	105,493

Notes to the Financial Statements (continued)

as at 31 March 2023

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 £289K (2022: £171K) 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 £19K (2022: £18K) 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 2023 £000	Year ended 31 March 2022 £000
Net Movement in Funds for the Reporting Period <i>(as per the Statement of Financial Activities)</i>	(6,886)	6,147
Adjustments for:		
Depreciation charges	19	19
(Losses)/gains on investments	5,538	(7,300)
Investment income and interest receivable	(2,125)	(1,996)
Decrease/(increase) in debtors	1	(8)
Increase/(decrease) in creditors	97	(16)
Net Cash used in Operating Activities	(3,356)	(3,154)

19. Analysis of Changes in Net Cash and Cash Equivalents

	2023 £000	2022 £000
As start of year	520	614
Net cash inflow/(outflow)	22	(94)
As at end of year	542	520

	As at 1 April 2022 £000	Cashflows £000	As at 31 March 2023 £000	As at 1 April 2021 £000	Cashflows £000	As at 31 March 2022 £000
Cash at Bank	520	22	542	614	(94)	520

Notes to the Financial Statements (continued)

as at 31 March 2023

20. Financial Instruments

	2023 £000	2022 £000
Carrying amount of financial assets		
Assets measured at fair value through Statement of Financial Activities	97,632	104,423

Financial assets measured at fair value comprise unlisted investments.

21. Grant Making Contingent Liability

31 March 2023 the contingent liability was split as follows:

	2023 £000	2022 £000
Carrying amount of financial assets		
Payable in one year	2,095	1,926
Payable in two years	801	676
Payable in three years	98	103
	2,994	2,705

22. Supported Organisations

During the year ended 31 March 2023 the following organisations were supported by The R S Macdonald Charitable Trust:



Neurological Conditions

Ability Shetland

Angus Special Playscheme

Argyll & Bute Rape Crisis

Artlink Edinburgh and the Lothians

Baillieston Community Care

Braid Health and Wellbeing

Capability Scotland

Cerebral Palsy International Sports and Recreation

Cerebral Palsy Scotland

Charlie House

Child Brain Injury Trust

Columcille Centre

Cornerstone

Cosgrove Care

Dash Club

Down's Syndrome Scotland

Dundee & Angus ADHD Support Group

Dunedin School

Ecology Centre

Eric Liddell Community

Firsthand Lothian

Forget Me Notes Project

Friends of Ashton

Friends of Seaview

get2gether

Glasgow East End Community Carers

Go Kids Go

Hawick Congregational Community Church

Headway Ayrshire

Headway East Lothian

Headway Glasgow

Hope Garden SCIO

Include Me 2 Club SCIO

Indepen-dance

Independence at Home

Interest Link Borders

Kindred Advocacy

Leuchie House

MND Scotland

MS Therapy Centre Lothian

Multiple Sclerosis Centre Mid Argyll

Neuro Hebrides

Parking's Self Help Group (North Lanarkshire)

Parklea Branching Out

Play Midlothian

PLUS (Forth Valley) Ltd

Revive MS Support

Rowan Alba

Salvensen Mindroom Centre

SAMs Charity

Scottish Autism

Scottish Ballet

Scottish Opera

SensationalALL

Shaper/Caper

Shared Lives Plus

Shift.ms

Signpost

Special Needs Adventure Playground (SNAP)

Speech Bubble

Spinal Injuries Scotland

St Crispin's Out of School Care Association

St. Johnstone Community Trust

Stirling4Community

Sunshine Club

Tailor Ed Foundation

Town Break SCIO

University of Stirling

Upward Mobility (Upmo)

Whale Arts

Whizz-Kidz

Wiston Lodge



Animal Welfare

Amphibian and Reptile Conservation Trust

Beloved Rabbits

Cetacean Research & Rescue Unit

Dogs Trust

Farmersfield Rest-home for Elderly Donkeys

Fostering Compassion

Give a Dog a Bone and an animal a home

Mossburn Community Farm

OneKind

Notes to the Financial Statements (continued)

as at 31 March 2023

22. Supported Organisations (continued)

Pet Fostering Service Scotland
Ponies Help Children
Reanimate
Scottish SPCA
South of Scotland Wildlife Hospital
Whale & Dolphin Conservation
Tackling Child Abuse and Neglect
Argyll & Bute Rape Crisis
Avenue Confidential
Barnardo's
Big Hearts Community Trust
Break the Silence
Broomhouse Centre (The Space)
Centrestage Communities Ltd
Children 1st
Circle
Citadel Youth Centre SCIO
Clued Up Project
Columba 1400
Cottage Family Centre
Cyrenians
Dads Rock
Dean and Cauvin Young People's Trust
Dundee Rep and Scottish Dance Theatre Limited
Edinburgh Women's Aid
Fife Gingerbread
Geeza Break
Getting Better Together Ltd
Glasgow City Mission
Govan HELP
Granton Youth

Harmeny Education Trust Limited
Hear Me
Home-Start Clackmannanshire
Home-Start Dundee
Home-Start Lorn
Home-Start Stirling
Home-Start Wigtownshire
Includem
Lilias Graham Trust
Mind Mosaic Child and Family Therapies
Moira Anderson Foundation
Notre Dame Centre
One Community Scotland
Out!t Moray
Pilton Youth and Children's Project
Play Therapy Base Limited
Polar Academy
Positive Help
Rape and Sexual Abuse Centre, Perth & Kinross
S.M.I.L.E Counselling
Seamab
Sistema Scotland
South Ayrshire Befriending Project
Spiral - Creative Arts Therapies
Tayside Council on Alcohol
Volunteer Tutors Organisation
Wellbeing Scotland
Youth Interventions
Visual Impairment/Sight Loss
Borders Talking Newspapers
ClearVision Project

Falkirk Football Community Foundation
Forth Valley Sensory Centre
Fruitmarket Gallery
Hearts & Minds Ltd
Imaginate
Listening Books
Living Paintings Trust
Macular Society
Royal National Institute of Blind People (RNIB)
University of Edinburgh Development Trust
Visibility Scotland



Medical Research
Epilepsy Research UK
Fight for Sight
INSPIRE Foundation
Juvenile Diabetes Research Foundation
Royal College of Surgeons
Scottish Huntington's Association
Stroke Association
University of Aberdeen Development Trust
University of Edinburgh Development Trust
University of the West of Scotland



RNLI

The following disclosure provides a note of the material grants that were paid to beneficiaries during the year-ended 31 March 2023:

Material Grants over £50,000:

Beneficiary	Grant Value (£)
Capability Scotland	75,000
Children 1st	50,227
University of Edinburgh	70,000
Total material grants	195,227
Remainder under £50,000 each	2,402,592
Total grants paid during the year	2,597,819