

THE ARTHUR AND MARGARET THOMPSON CHARITABLE TRUST

Report and Accounts for year to 5 April, 2022

(Scottish Charity No: SC 012103)

15/12/2022

Miller Hendry, Solicitors
Perth

JGT/GN/THO.25.1

The Arthur and Margaret Thompson Charitable Trust

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The Arthur and Margaret Thompson Charitable Trust
Report of the Trustees of The Arthur and Margaret Thompson Charitable Trust

The Trustees present their Annual Report and Accounts for the year ended 5 April 2022. This report is prepared in accordance with the Constitution of the Charity, 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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Trust information
Trustees

██████████ Minister of the Parish of Kinross as Trustee ex officio in Terms of the Founding Document.

██████████ ██████████ Appointed by Deed of Assumption and Conveyance dated 21 September and registered in Books of Council and Session on 23 September all in 1999. Resigned 12 October 2021.

██████████ Solicitor (Retired), ██████████
Appointed by Deed of Assumption and Conveyance dated 21 September and registered in Books of Council and Session on 23 September all in 1999.

██████████ Appointed by Deed of Assumption and Conveyance dated 16th February and registered in the Books of Council and Session on 18th February all in 2011.

██████████ Appointed by Deed of Assumption and Conveyance dated 17th June 2012 and registered in the Books of Council and Session on 6th July 2012.

██████████
Appointed by Deed of Assumption and Conveyance dated 15th and 21st October 2014 and registered in the Books of Council and Session on the 7th November 2014.

██████████
Appointed by Deed of Assumption and Conveyance dated 17th February 2022 and registered in the Books of Council and Session on 25th February 2022.

Secretaries and principal address of the charity

██████████

Charity No. SC012103

Auditors Henderson Loggie LLP
The Vision Building
20 Greenmarket
Dundee, DD1 4QB

Solicitors Miller Hendry
10 Blackfriars Street
Perth, PH1 5NS

Bankers Royal Bank of Scotland
12 Dunkeld Road
Perth, PH1 5RB

Investment managers Brewin Dolphin Securities
5 Giltspur Street
London, EC1A 9BD

The Arthur and Margaret Thompson Charitable Trust
Report of the Trustees of The Arthur and Margaret Thompson Charitable Trust contd

Appointment of Trustees

Trustees are appointed by existing Trustees taking account of their view of the suitability of any new Trustee given the principles encompassed in the Founding Documents and the background and skills of any new Trustee relative to the skill base of the existing Trustees. The Chairman leads the induction process for new Trustees.

Constitution

Deed of Trust by [REDACTED] dated 15 August 1973 and subsequent dates and registered in the Books of Council and Session on 16 November 1973.

Objects of the Trust

The Trustees, in their sole discretion, may make donations or grants to Charitable Institutions or Societies or pay allowances or annuities of such amounts as the Trustees may from time to time decide to indigent residents of the Town or Burgh of Kinross and the Parish of Orwell, as they may select, or for any purposes which would, in the opinion of the Trustees, be beneficial to the Town or Burgh of Kinross and the Parish of Orwell or its inhabitants. Trust funds to be applied for charitable, beneficial or public purposes.

Structure, governance and management

The Trustees meet 3 times per year to consider all matters of Trust business including the donation programme. In addition any routine administrative matters are dealt with at these meetings and Trustees are circulated where appropriate for decision or for information. In addition the Chairman and the secretaries communicate on a regular basis throughout the year.

The Trust has no employees and administrative work is carried out by the Secretaries. Assessments are carried out by a qualified third party on individuals on behalf of the Trust for which a fee is paid in respect of each assessment.

Investment policy and performance

Under the Trust Deed the Trustees have power to invest in such stocks, shares, investments and property in the UK as they see fit. Brewin Dolphin Securities, London have been appointed as Investment Managers to conduct the management of the portfolio. The Trustees have instructed them to carry out this management on a discretionary basis. Regular reports by the Investment Manager are circulated amongst the Trustees. The Investment Manager is invited to meet the Trustees annually to discuss the investments.

The Trust investments are managed on a policy of medium risk to achieve a balanced return from income and from capital growth.

Reserves policy

The funds of the Trust originate from original and subsequent capital donations together with the growth in value of the investments and the periodic accrual of revenue. The Trustees have adopted a policy of not encroaching upon capital in making charitable donations. The Trustees have adopted a practice of generally ensuring that year on year, all expenditure including charitable donations is paid for out of revenue so as to protect and preserve the capital in the long term. They hold accrued revenue equivalent to some six years' net income against unforeseen calls upon the Trust and to meet various conditional commitments pledged by the Trustees from time to time.

Risk management

The Trustees are not aware of any major risks to which the charity is exposed other than a medium degree of risk to their investments in the stock market in following their investment policy. This is mitigated by retaining expert investment managers, who actively manage the portfolio on the Trustees behalf and having a diversified investment portfolio.

The Arthur and Margaret Thompson Charitable Trust
Report of the Trustees of The Arthur and Margaret Thompson Charitable Trust contd

Key management personnel remuneration

The Trustees consider the board of Trustees to be the key management personnel of the Trust, in charge of directing and controlling the Trust and running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee remuneration or expenses were paid in the year. Trustees are required to disclose all relevant interests and in accordance with the Trust's policy withdraw from decisions where a conflict of interest arises.

Grant making policy and objectives

To support charitable institutions, societies and/or indigent persons connected with the Town or Burgh of Kinross and the Parish of Orwell at the discretion of the Trustees. The Trustees support a wide range of suitable projects which are fully detailed annually within the accounts.

Activities during the year and financial review

The Trustees continued to support local Charitable Institutions or Societies and to pay allowances or annuities to indigent residents of the town or Burgh of Kinross and the Parish of Orwell as detailed in Note 2 to the Accounts.

The results of the year are detailed in the Statement of Financial Activities and the Notes to the Accounts showing a revenue surplus for the year of £70,115.60 (2021 - deficit £81,730.78) before net investment gains of £378,796.07, resulting in closing funds of £8,314,685.74 (2021 - £7,865,774.07).

The Trustees agree from time to time to support a number of ongoing local projects subject to certain conditions being met and these conditional commitments still outstanding are detailed in Note 9 to the Accounts.

Related parties

During the year to 5 April 2021, the Trust paid £125,000 to Kinross & District Men's Shed in the form of a loan secured over the property situated at 15 Swansacres, Kinross, a Scottish Charitable Incorporated Organisation in which [REDACTED] has an interest and remains outstanding at 5 April 2022. Interest on the loan is waived for so long as the terms of the loan are adhered to essentially being that the property continues to be used by the Kinross-shire & District Men's Shed for their charitable purposes. During the year, a grant of £900 was also provided to Kinross & District Men's Shed in respect of assistance with funding for the cladding of the shipping/storage container.

Plans for the future

The Trustees plan to continue their programme of supporting local charitable institutions, societies and/or indigent persons connected with the Town or Burgh of Kinross and the Parish of Orwell including the projects detailed in Note 9 to the Accounts should they come to fruition. As the Trust is predominantly a grant giving charity and has no material ongoing commitments Covid-19 has not materially affected the Trust's operations as yet. However the Trustees are mindful both of the potentially increased needs of many traditional beneficiaries and the potential decrease in future investment income and will manage the Trust's affairs in a manner that will ensure the Trust's ability to achieve its charitable objectives in the medium to long term can be met.

Auditors

In so far as the Trustees are aware there is no relevant audit information of which you as auditor is unaware. Each Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant information and to establish that the auditor is aware of that information.

The report and account were approved by the Trustees on 21 December.....2022 and were signed on their behalf by:

Trustee: [REDACTED]

Name: [REDACTED]

The Arthur and Margaret Thompson Charitable Trust

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Report of the Trustees and the accounts in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Law applicable to charities in Scotland requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity 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 charity and to enable it to ensure that accounts comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Arthur and Margaret Thompson Charitable Trust

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2022

	Unrestricted Revenue Fund	Unrestricted Capital Fund	Total 2022	Unrestricted Revenue Fund	Unrestricted Capital Fund	Total 2021
<u>Income & Endowments</u>						
Income from Investments & Deposits	£175,562.71		£175,562.71	£164,123.46		£164,123.46
Bank Interest	£29.55		£29.55	£329.86		£329.86
<u>Total Income & Endowments</u>	<u>£175,592.26</u>		<u>£175,592.26</u>	<u>£164,453.32</u>		<u>£164,453.32</u>
<u>Expenditure</u>						
Expenditure on Raising Funds	£35,096.00		£35,096.00	£31,933.14		£31,933.14
Expenditure on Charitable Activities	2 £70,380.66		£70,380.66	£214,250.96		£214,250.96
<u>Total Expenditure</u>	<u>£105,476.66</u>		<u>£105,476.66</u>	<u>£246,184.10</u>		<u>£246,184.10</u>
Net income and net movement in funds before gain on investments	£70,115.60		£70,115.60	£(81,730.78)		£(81,730.78)
Net gain/(loss) on investments	3	£378,796.07	£378,796.07		£1,644,496.89	£1,644,496.89
Net movement in funds for the year	£70,115.60	£378,796.07	£448,911.67	£(81,730.78)	£1,644,496.89	£1,562,766.11
Reconciliation of funds						
Total funds at 5 April 2021	£1,187,391.74	£6,678,382.33	£7,865,774.07	£1,269,122.52	£5,033,885.44	£6,303,007.96
Total funds at 5 April 2022	6 £1,257,507.34	£7,057,178.40	£8,314,685.74	£1,187,391.74	£6,678,382.33	£7,865,774.07

The Arthur and Margaret Thompson Charitable Trust

BALANCE SHEET AT 5 APRIL 2022

	<u>Note</u>	<u>2022</u>	<u>2021</u>
<u>FIXED ASSETS</u>			
Investments	3	£7,675,323.32	£7,392,119.94
Loan re Kinross & District Men's Shed over 15 Swanacres, Kinross		<u>£125,000.00</u>	<u>£125,000.00</u>
		£7,800,323.32	£7,517,119.94
<u>CURRENT ASSETS</u>			
Debtors	4	£10,064.58	£1,995.12
Royal Bank of Scotland - Miller Hendry CDS A/c		£328,831.15	£229,424.94
Brewin Dolphin Deposit Account		<u>£184,142.68</u>	<u>£125,850.06</u>
		£523,038.41	£357,270.12
<u>CURRENT LIABILITIES</u>			
Sundry Creditors	5	<u>£(8,675.99)</u>	<u>£(8,615.99)</u>
		£514,362.42	£348,654.13
Total Assets less Current Liabilities		<u>£8,314,685.74</u>	<u>£7,865,774.07</u>
 <u>FUNDS</u>			
Capital	6	£7,057,178.40	£6,678,382.33
Revenue	6	<u>£1,257,507.34</u>	<u>£1,187,391.74</u>
		<u>£8,314,685.74</u>	<u>£7,865,774.07</u>

These accounts were approved by the Trustees
on 21 December 2022
and signed on their behalf by:

Trustee

Name ...



The Arthur & Margaret Thompson Charitable Trust

CASH FLOW STATEMENT FOR THE YEAR ENDING 5 APRIL 2022

	Note	<u>2022</u>	<u>2021</u>
Net cash used in operating activities	10	£(113,486.12)	£(244,847.67)
Cash flows from investing activities			
Interest and dividends	£175,592.26	£164,453.32	
Proceeds from sale of investments	£776,002.42	£1,516,602.30	
Investments purchased	£(680,409.73)	£(1,488,863.35)	
Loan re Men's Shed		£(125,000.00)	
Net cash provided by investing activities		<u>£271,184.95</u>	<u>£67,192.27</u>
Change in cash and cash equivalents in the year		£157,698.83	£(177,655.40)
Cash and cash equivalents brought forward		<u>£355,275.00</u>	<u>£532,930.40</u>
Cash and cash equivalents carried forward		<u>£512,973.83</u>	<u>£355,275.00</u>
<u>Analysis of cash and cash equivalents</u>			
Cash at bank in hand		£328,831.15	£229,424.94
Held by Investment managers		£184,142.68	£125,850.06
		<u>£512,973.83</u>	<u>£355,275.00</u>

The Arthur and Margaret Thompson Charitable Trust

Notes to the Accounts

Trust information

The Arthur and Margaret Thompson Charitable Trust is a charity registered in Scotland. The principal office is 10 Blackfriars Street, Perth PH1 5NS

1 Accounting Policies

Basis of Preparation and Assessment of Going Concern

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

At the time of approving the financial statements, the trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. This the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The financial statements are prepared in sterling, which is the functional currency of the Trust. The accounts are prepared under the historical cost convention as modified by the revaluation of investments. The accounts 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) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The following is a summary of the significant accounting policies adopted by the charity in the preparation of the accounts.

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. Donations, are recognised when the Trust has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the Trust is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Trust and it is probable that those conditions will be fulfilled in the reporting period. 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 advisor or the dividend yield of the investment portfolio.

The Arthur and Margaret Thompson Charitable Trust

Notes to the Accounts (Contd.)

Resources Expended and Irrecoverable VAT

All expenditure is included on an accruals basis when probable and when there is a legal obligation to pay for expenditure. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

- Charitable activities include expenditure associated with grant making, governance costs and an apportionment of support costs as shown in note 2.
- Costs of raising funds relates to the cost of managing investments which is charged against revenue. Any costs associated with the sale or purchase of investments are accounted for as part of the sale or purchase price of the investments.

Allocation of Support Costs and Governance Costs

Support costs have been allocated between governance costs and other support costs. 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 legal fees, together with an apportionment of overhead and support costs.

Investments

Listed investments are included in the balance sheet at fair value.

Gains and losses on disposal and revaluation of investments are charged or credited to the SOFA. Realised gains and losses on investments representing the difference between sale proceeds and cost are dealt with in the SOFA. Unrealised gains and losses are calculated as the difference between the fair value at the year end and opening fair value (or purchase date if later).

Fund Accounting

Unrestricted funds are general funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Fund and which have not been designated for other purposes. Unrestricted funds are analysed between Capital Reserves and Revenue Reserves as although the Trustees have the power to spend capital it is their current policy only to encroach on capital in exceptional circumstances.

Grants and donations

Grants payable are charged in the year when the grant approved by the Trustees is unconditionally committed to the recipient.

Cash at bank

Cash at bank includes cash held in a deposit or similar account.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised as transaction value and subsequently measured at their settlement date.

Debtors policy

Sundry debtors are recognised at the settlement amount due.

Creditors policy

Creditors are recognised 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 or estimated reliably. Creditors are normally recognised at their settlement amount.

The Arthur and Margaret Thompson Charitable Trust

Notes to the Accounts (Contd.)

2 Direct Charitable Expenditure	2022	2021
Annuities 15 x £350	£5,250.00	£4,500.00
██████████ for Bike Box re transport of bike for participation in Triathlon Scotland Academy Squad	£750.00	£2,000.00
██████████ Hardship Grant	£1,000.00	
Christmas gifts 15 x £250	£3,750.00	£3,750.00
Perth & Kinross Council re purchase of items for ██████████		£1,445.00
██████████ Grant to fund physiotherapy and personal trainer/pilates sessions to aid rehailitation of ██████████	£17,500.00	
Annuities 14 x £350	£4,900.00	£4,500.00
Less Uncashed		£(850.00)
	£33,150.00	£15,345.00
 <u>Grants to Associations</u>		
The Men's Shed to help fund Cladding for shipping/ Storage Container	£900.00	
Broke not Broken (Foodbank) for food supplies "Change & Emotions" project	£10,000.00	
The Wood Foundation, 2nd of 3 tranches of £3000 per year re Perth City based Schools' project for year 2022/2023	£3,000.00	
	£13,900.00	£172,980.00
 <u>Overhead and Support Costs</u>		
Secretarial and Management Fees (4/5)	£15,283.17	£17,630.37
 <u>Governance Costs</u>		
Secretarial and Management Fees (1/5)	£3,820.79	£4,407.59
Audit Fee	£3,900.00	£3,888.00
Trustees' Meeting	£340.00	
Income Tax balance	£(13.30)	
	£8,047.49	£8,295.59
	£70,380.66	£214,250.96

Key Management

Individual Trustees received no emoluments (2021 - £Nil) nor expenses in the year (2021 - £Nil).

The Arthur and Margaret Thompson Charitable Trust

Notes to the Accounts (Contd.)

3	<u>Investments</u>	<u>2022</u>	<u>2021</u>
	At 5 April 2021 at cost	£5,209,508.07	£5,048,284.72
	Unrealised appreciation	£2,182,611.87	£727,077.28
	At 5 April 2021 at fair value	<u>£7,392,119.94</u>	<u>£5,775,362.00</u>
	<u>Movement in the year</u>		
	Purchases at cost	£680,409.73	£1,488,863.35
	Sales at cost	£(569,480.38)	£(1,327,640.00)
	Net increase in unrealised appreciation	£172,274.03	£1,455,534.59
	Closing Fair Value	<u>£7,675,323.32</u>	<u>£7,392,119.94</u>
	<u>Represented by:</u>		
	Investments at cost	£5,318,862.32	£5,209,508.07
	Unrealised Appreciation	£2,356,461.00	£2,182,611.87
	Closing Fair Value	<u>£7,675,323.32</u>	<u>£7,392,119.94</u>
	<u>Net Gains & Losses on Investments</u>		
	Gain on realisation	£206,522.04	£188,962.30
	Increase in unrealised appreciation	£172,274.03	£1,455,534.59
		<u>£378,796.07</u>	<u>£1,644,496.89</u>
	U K Investments held	<u>£7,675,323.32</u>	<u>£7,392,119.94</u>
	<u>Investments representing more than 5% of the Portfolio</u>		
	Maitland Instr SVC Select Bond	<u>£507,732.00</u>	<u>£507,732.00</u>

Investment Risks

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

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 changed 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 changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Arthur and Margaret Thompson Charitable Trust

Notes to the Accounts (Contd.)

3 Investment Risks (Cont'd)

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

Further information on the Trustees' approach to risk management and the Trust's exposure to credit and market risks are set out below.

Credit Risk

The Trust invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles and is directly exposed to credit risks arising on the financial instruments held by the pooled investment vehicles.

Analysis of Direct Credit Risk

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements. The Trustees carry out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitor any changes to the regulatory and operating environment of the pooled manager.

Pooled investment arrangements used by the Trust comprise authorised unit trusts.

Indirect credit risk arises in relation to underlying investments held in the bond pooled investment vehicles. This risk is mitigated by only investing in pooled funds which invest in at least investment grade credit rated securities.

Currency Risk

The Trust is subject to currency risk because some of the Trust's investments are held in overseas markets, via the pooled investment vehicles.

Interest Rate Risk

The Trust is subject to interest rate risk through investments comprising bonds.

Other Price Risk

Other price risk arises principally in relation to equities held in pooled vehicles. The Trust manages this exposure to other price risk by constructing a diverse portfolio of investments across various markets.

The Arthur and Margaret Thompson Charitable Trust

Notes to the Accounts (Contd)

4 Sundry Debtors	<u>2022</u>	<u>2021</u>
Tax recoverable		£1,027.55
Brewin Dolphin	£10,064.58	£967.57
	<u>£10,064.58</u>	<u>£1,995.12</u>

5 Sundry Creditors	<u>2022</u>	<u>2021</u>
Secretarial and Management Fees	£4,775.99	£4,775.99
Audit Fees	£3,900.00	£3,840.00
	<u>£8,675.99</u>	<u>£8,615.99</u>

6 Funds - Capital	<u>2022</u>	<u>2021</u>
At 5 April 2021	£6,678,382.33	£5,033,885.44
Surplus/(Deficit) for the year	£378,796.07	£1,644,496.89
	<u>£7,057,178.40</u>	<u>£6,678,382.33</u>

Funds - Revenue	<u>2022</u>	<u>2021</u>
At 5th April 2021	£1,187,391.74	£1,269,122.52
(Deficit)/Surplus for the year	£70,115.60	£(81,730.78)
	<u>£1,257,507.34</u>	<u>£1,187,391.74</u>

7 **Analysis of Net Assets between Funds**

	Unrestricted revenue funds 2022	Unrestricted capital funds 2022	Total 2022	Unrestricted revenue funds 2021	Unrestricted capital funds 2021	Total 2021
Investments		£7,675,323.32	£7,675,323.32		£7,392,119.94	£7,392,119.94
Net current assets	£1,257,507.34	£(618,144.92)	£639,362.42	£1,187,391.74	£(713,737.61)	£473,654.13
	<u>£1,257,507.34</u>	<u>£7,057,178.40</u>	<u>£8,314,685.74</u>	<u>£1,187,391.74</u>	<u>£6,678,382.33</u>	<u>£7,865,774.07</u>

8 **Financial Instruments**

	<u>2022</u>	<u>2021</u>
Carrying amount of financial instruments		
Financial assets measured at fair value through statement of financial position	£7,675,323.32	£7,392,119.94

Financial assets measured at fair value through profit and loss comprises listed investments.

The Arthur and Margaret Thompson Charitable Trust

Notes to the Accounts (Contd)

9 Conditional Commitments

KGV Redevelopment Plan

Pledge of £60,000.00 towards the redevelopment works, the pledge being conditional on the contracts for the works being placed and all necessary funding being raised and that prior to 28 February 2021, failing which the pledge will fall. The deadline for this pledge has now passed but the Trustees remain supportive of the project.

Kinross High School - Youth Philanthropy Initiative

Pledge of £3,000.00 per annum for 3 years to support the Youth & Philanthropy Initiative Scotland administered and largely funded by the Wood Foundation at Kinross High School. The pledge is conditional on the Trustees receiving a report from Kinross High School, which the Trustees deem satisfactory, on the outcome of the preceding year's activities with confirmation that they are to take part the following year prior to the release of the third tranche.

10 Cash Flow from Operating Activities

	<u>2022</u>	<u>2021</u>
Net movement in funds	£448,911.67	£1,562,766.11
Deduct interest income shown in investing activities	£(175,592.26)	£(164,453.32)
Gain on investments	£(206,522.04)	£(188,962.30)
(Increase)/decrease in unrealised appreciation	£(172,274.03)	£(1,455,534.59)
(Increase)/decrease in debtors	£(8,069.46)	£(967.57)
Increase in creditors	£60.00	£2,304.00
	<u>£(113,486.12)</u>	<u>£(244,847.67)</u>

11 Analysis of Changes in Net Funds

	At 6 April 2021	Cashflows	At 6 April 2022
Cash at bank and in hand	<u>£355,275.00</u>	£157,698.83	<u>£512,973.83</u>
	<u>£355,275.00</u>	£157,698.83	<u>£512,973.83</u>

12 Related party transactions

During the year to 5 April 2021, the Trust paid £125,000 to Kinross & District Men's Shed in the form of a loan secured over the property situated at 15 Swanacres, Kinross, a Scottish Charitable Incorporated Organisation in which [REDACTED] has an interest and remains outstanding at 5 April 2022. Interest on the loan is waived for so long as the terms of the loan are adhered to, essentially being that the property continues to be used by the Kinross-shire & District Men's Shed for their charitable purposes. During the year a grant of £900 was also provided to Kinross & District Men's Shed in respect of assistance with funding for the cladding of the shipping/storage container.

Independent auditor's report to the Trustees of The Arthur and Margaret Thompson Charitable Trust

Opinion

We have audited the financial statements of The Arthur and Margaret Charitable Trust for the period ended 5 April 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and related notes including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2022 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 of 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 Auditor's 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 the provisions available for small entities, in the circumstances set out in note 12 to the financial statements, and we have fulfilled our other 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 charitable 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.

Other information

The other information comprises the information included in the Report of the Trustees, 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.

In connection with our audit of the financial statements, 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.

**Independent auditor's report to the Trustees of The Arthur and Margaret Thompson Charitable Trust
(continued)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities and Trustees Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 (as amended) require 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' report; or
- proper accounting records have not been kept, or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is 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 charity'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 either intend to cease operations or have no realistic alternative but to do so.

Auditor's 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, are detailed below.

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. Management informed us that there were no instances of known, suspected or alleged fraud;
- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following were most relevant: OSCR and Charities SORP and the anti-bribery and corruption Act.
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetrated, and tailored our risk assessment accordingly; and
- Using our knowledge of the charity, together with the discussions held with management at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

**Independent auditor's report to the Trustees of The Arthur and Margaret Thompson Charitable Trust
(continued)**

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

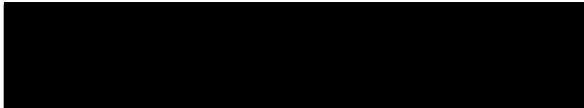
- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of this report

This report is made solely to the Trustees, as a body, in accordance with Section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the Trustees 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 its Trustees as a body for our audit work, for this report, or for the opinions we have formed.


Henderson Loggie LLP
Chartered Accountants
Statutory Auditors
Dundee
(Eligible to act as auditor in terms of section 1212 of the Companies Act 2006)

22 / 12 / 2022