

The TD Paton Trust

(Charity No: SC043819)

Annual Report and Financial Statements

For the Year Ended 29 February 2024

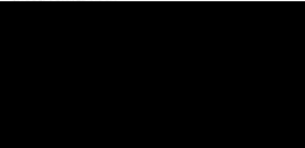
The TD Paton Trust
Annual Report and Financial Statements
for the Year Ended 29 February 2024

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The TD Paton Trust

Legal and administrative information

Trustees



Principal Address

c/o Blair Cadell LLP
The Bond House
5 Breadalbane Street
Edinburgh
EH6 5JH

Independent Examiner



MHA
6 St Colme Street
Edinburgh
EH3 6AD

Bankers

The Royal Bank of Scotland plc
Edinburgh West End Office
142-144 Princes Street
Edinburgh
EH2 4EQ

Solicitors and Secretaries

Blair Cadell LLP
The Bond House
5 Breadalbane Street
Edinburgh
EH6 5JH

Investment Managers

Rathbones
The Athenaeum
8 Nelson Mandela Place
Glasgow
G2 1BT

Scottish Charity Number

SC043819

The TD Paton Trust

Trustees' Report

For the Year Ended 29 February 2024

The Trustees have pleasure in submitting their Annual Report for the Year Ended 29 February 2024.

Objectives

The Trust was established in line with the testamentary wishes of the late Mr Paton. The objectives of the Trust are to hold the residue of the estate and apply the income arising there from in the proportions the Trustees so determine in their sole judgement for the benefit of animal welfare, hospice services for children and young people, cancer research and cancer support services in any part of the United Kingdom. The Trust will also benefit wildlife conservation and the protection of endangered species and the environment in any part of the world, including the promotion of sustainable resources.

Distributions of income shall include but not be exclusive to: The Dogs Trust (formerly The National Canine Defence League), The Scottish Society for the Prevention of Cruelty to Animals (Scottish SPCA), Rachel House Childrens' Hospice Scotland and Cancer Research UK.

Review of Activities and Future Developments

During the year the Trustees continued to gather investment income and deposit interest and applied this income in making donations in line with the Trust's objectives.

Donations made to other charitable organisations totalled £39,500 (2023: £39,850) and are detailed in note 3 to the financial statements.

Financial Information

The financial position of the Trust is disclosed in the financial statements on pages 6 to 13.

The Trustees confirm that the assets of the Trust disclosed in the Balance Sheet are available to fulfil any of its obligations and that the financial position is satisfactory in view of the Trust's future plans and commitments.

Reserves Policy

The Trust has no identified minimum reserve requirement, however, in order to be able to meet commitments as they fall due, the Trustees take into account market volatility and, predicted income receipts in determining the reserve funds to be held. The "free" unrestricted general reserves, at the year end were £7,885 (2023: £9,015).

The TD Paton Trust

Trustees' Report (continued) **For the Year Ended 29 February 2024**

Investment policy and performance

During the year, Rathbones managed the invested funds of the Trust with the investment aim of achieving a balance between capital and income growth. The investment objective is to try and offset the effect of inflation and to generate an income which will be used by the Trust to provide grants to certain named charities at the Trusts' discretion.

At the year end the portfolio had a market value of £1,324,961 (2023: £1,299,821) and cash held at Brokers on their capital account amounted to £10,823 (2023: £16,533). With regard to performance, the portfolio fell in value by 1.02% over the year to 28 February 2024, that is total return and after Rathbones fees. This compares to the benchmark which returned -0.7% over the same period.

Taxation

The Trust is a Scottish charity and is recognised as such by HMRC for taxation purposes. As a result, there is no liability to taxation on any of its income or gains to the extent that these are applied to its charitable objects. No tax charge has arisen in the Trust.

Constitution

The Trust was constituted by a Deed of Trust set up under the Will of the late Mr Paton dated 21 January 2005. The Trust was registered as a Scottish charity with effect from 1 March 2013.

Organisation and Trustee Appointment

Trustees are appointed and removed by the Board of Trustees in accordance with the Deed of Trust. The Trustees meet bi-annually to review the administration and activities of the Trust. The Trustees who held office during the year under review are detailed on page 1.

The TD Paton Trust

Trustees' Report (continued) **For the Year Ended 29 February 2024**

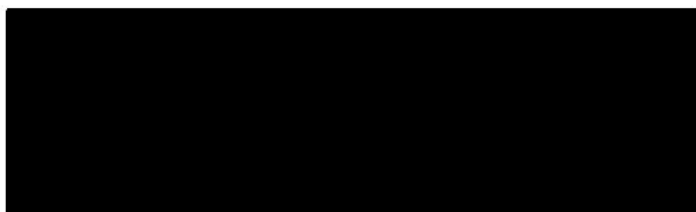
Trustees Responsibilities Statement

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with 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 and of the incoming resources and application of resources of the Trust for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standard have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Trust Deed. 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.



14 June 2024

Independent Examiner's Report to the Trustees on the Unaudited Financial Statements of The TD Paton Trust

I report on the financial statements for the year ended 29 February 2024 set out on pages 6 to 13.

Respective responsibilities of trustees and independent examiner

The charity's Trustees are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the financial statements as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.


Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the Trust and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the financial statements.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations;have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Independent Examiner
MHA
6 St Colme Street
Edinburgh
EH3 6AD

14 June 2024

The TD Paton Trust
Statement of Financial Activities
For the Year Ended 29 February 2024

	No tes	Revenue Fund (unrestricted) £	Capital Fund (expendable endowment) £	2024 Total £	2023 Total £
Income from:					
Investments	2	38,696	-	38,696	44,698
Total Income		38,696	-	38,696	44,698
Expenditure on:					
Raising funds – investment management fees		-	9,373	9,373	8,258
Charitable activities	3	46,720	-	46,720	45,872
Total expenditure		46,720	9,373	56,093	54,130
Net (expenditure) before gains and losses on investments		(8,024)	(9,373)	(17,397)	(9,432)
Net gains/(losses) on investment assets	5	-	35,603	35,603	(44,850)
Net income/(expenditure)		(8,024)	26,230	18,206	(54,282)
Transfers between funds		6,894	(6,894)	-	-
Net movement in funds		(1,130)	19,336	18,206	(54,282)
Funds at 1 March 2023	8,9	9,015	1,314,812	1,323,827	1,378,109
Funds at 29 February 2024	8,9	7,885	1,334,148	1,342,033	1,323,827

The statement of financial activities includes all gains and losses in the year.

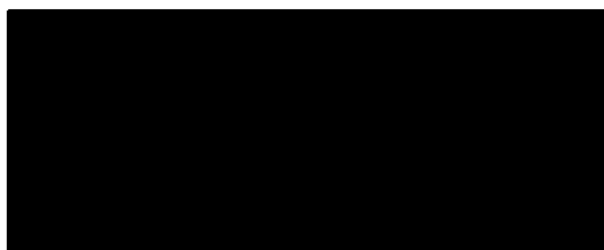
The T D Paton Trust

Balance Sheet

At 29 February 2024

	Notes	2024 £	2023 £
Fixed Assets			
Investments	5	<u>1,335,784</u>	<u>1,316,354</u>
Current assets			
Debtors	6	3,471	3,713
Cash on deposit		<u>10,721</u>	<u>14,717</u>
		14,192	18,430
Liabilities: Creditor amounts falling due within one year	7	<u>(7,943)</u>	<u>(10,957)</u>
Net current assets		<u>6,249</u>	<u>7,473</u>
Net assets		<u>1,342,033</u>	<u>1,323,827</u>
Represented by:			
Revenue – unrestricted funds	8,9	7,885	9,015
Capital – endowment funds	8,9	<u>1,334,148</u>	<u>1,314,812</u>
		<u>1,342,033</u>	<u>1,323,827</u>

These financial statements were approved and authorised for issue by the Trustees on 14 June 2024 and signed on their behalf by:



Notes to the Financial Statements

For the Year Ended 29 February 2024

1 Accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

Basis of preparation and assessment of going concern

The financial statements are prepared on a going concern basis under the historical cost convention with items recognised at cost or transaction values unless otherwise stated in the relevant notes to the financial statements. The financial statements are presented in sterling which is the functional currency of the Trust and rounded to the nearest £.

The financial statements have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended), 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) issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and UK Generally Accepted Accounting Practice.

The T D Paton 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. Trustees have considered the financial position and future performance of the charity and will continue to ensure grant awards are given only where there is sufficient income available to do so. Trustees are satisfied these efforts are sufficient and therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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 dividends have been declared and notification has been received of the dividend due.

Expenditure

Expenditure is recognised 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. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Expenditure on raising funds include costs associated with generating income for the Trust through its investment portfolio. Expenditure on charitable activities includes costs incurred in delivery of the Trust's objectives. It includes both the direct costs of grant making and those costs of an indirect nature necessary to support them.

Donations payable are payments made to third parties in the furtherance of the charitable objects of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the grant.

The T D Paton Trust

Notes to the Financial Statements

For the Year Ended 29 February 2024

1 Accounting policies (continued)

Expenditure (continued)

Support costs are allocated between governance costs and other support costs. Governance costs comprise those costs involving the public accountability of the Trust and therefore include the cost of Independent Examination. Other support costs relate to the administration costs of running the Trust.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

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 quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the Trust is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

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 combined in the Statement of Financial Activities.

Debtors

Debtors are measured at their recoverable amount and included when reasonable certainty exists over their receipt.

Cash

Cash at bank includes cash and highly liquid short term investments with a maturity of three months or less from the date of opening of the deposit or similar account.

Creditors

Creditors are recognised when 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 investments

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

The T D Paton Trust

Notes to the Financial Statements

For the Year Ended 29 February 2024

1 Accounting policies (continued)

Funds structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds can include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

Endowment funds represent those investment assets which must be held permanently by the Trust. Income arising on the endowment funds can be used in accordance with the objects of the Trust and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and any legal advice relating to the fund are charged against the fund.

2 Investment income	2024	2023
	£	£
Dividends received	38,447	44,650
Bank interest	249	48
	<hr/> 38,696	<hr/> 44,698

The T D Paton Trust

Notes to the Financial Statements For the Year Ended 29 February 2024

3 Charitable activities	2024 £	2023 £
Donations payable		
- The Dog's Trust	4,500	4,200
- Scottish SPCA	4,500	4,200
- CHAS – for Rachel House Children's Hospice	4,500	4,200
- Cancer Research UK	4,500	4,200
- WWF – UK	-	4,200
- Canine Partners	4,500	4,200
- Hwange Conservation Society	4,500	4,200
- PDSA	4,500	4,200
- Renewable World	1,000	-
- Surfers against Sewage	1,000	750
- Campaign to Protect Rural England	1,000	
- St Vincent's Hospice	1,000	-
- Scottish Seabird Centre	1,000	-
- Anthony Nolan	-	750
- Maggie's Centre, Edinburgh	1,000	-
- Far Place Animal Rescue	-	-
- Cats Protection	1,000	-
- Good Life Dog Rescue	-	-
- Royal Zoological Society	1,000	-
- The GRAB Trust	-	750
- Warwickshire Hedgehog Rescue	-	750
- Pet Fostering Service Scotland	-	750
- Craigtoun Country Park	-	750
- Friends of Camperdown	-	750
- Ukraine Appeal	-	1,000
	<hr/> 39,500	<hr/> 39,850
Support costs:		
Secretarial fees	3,408	2,672
Bank charges	130	115
Storage costs	25	20
Governance costs:		
Independent Examiner's fee	2,196	2,070
Secretarial fees	1,461	1,145
	<hr/> 7,220	<hr/> 6,022
	<hr/> 46,720	<hr/> 45,872

4 Trustees' remuneration

No trustee received any remuneration or was reimbursed expenses during the current or prior year.

The T D Paton Trust

Notes to the Financial Statements (Continued)

For the Year Ended 29 February 2024

5 Fixed Asset Investments	2024	2023
	£	£
Opening market value at 1 March 2023	1,299,821	1,364,200
Add: Acquisitions at cost	135,075	124,010
Less: Disposal proceeds	(145,538)	(143,539)
Net gains on revaluation	35,603	(44,850)
	<u>1,324,961</u>	<u>1,299,821</u>
Cash held by brokers – capital account	<u>10,823</u>	<u>16,533</u>
Market value at 29 February 2024	<u>1,335,784</u>	<u>1,316,354</u>
Historical cost at 29 February 2024	<u>1,069,856</u>	<u>1,062,401</u>
6 Debtors	2024	2023
	£	£
Dividends receivable	<u>3,471</u>	<u>3,713</u>
7 Creditors: Amounts falling due within one year	2024	2023
	£	£
Donations payable	1,000	4,950
Independent Examiner's fees	2,196	2,070
Secretarial fees	3,111	2,395
Investment manager's fees	1,636	1,542
	<u>7,943</u>	<u>10,957</u>

The T D Paton Trust

Notes to the Financial Statements (Continued)

For the Year Ended 29 February 2024

8 Movement in funds

2023/2024	At 1 March 2023 £	Income £	Expenditure £	Gains £	Transfers £	At 29 Feb 2024 £
Income funds:						
General unrestricted	9,015	38,696	(46,720)	-	6,894	7,885
Capital funds:						
Expendable endowment	1,314,812	-	(9,373)	35,603	(6,894)	1,334,148
Total funds	<u>1,323,827</u>	<u>38,696</u>	<u>(56,093)</u>	<u>35,603</u>	<u>-</u>	<u>1,342,033</u>
 2022/2023	 At 1 March 2022 £	 Income £	 Expenditure £	 Losses £	 Transfers £	 At 28 Feb 2023 £
Income funds:						
General unrestricted	10,189	44,698	(45,872)	-	-	9,015
Capital funds:						
Expendable endowment	1,367,920	-	(8,258)	(44,850)	-	1,314,812
Total funds	<u>1,378,109</u>	<u>44,698</u>	<u>(54,130)</u>	<u>(44,850)</u>	<u>-</u>	<u>1,323,827</u>

9 Analysis of net assets between funds

	Income Fund £	Capital Fund £	2024 Total £	Income Fund £	Capital Fund £	2023 Total £
Investments	-	1,335,784	1,335,784	-	1,316,354	1,316,354
Net current assets	7,885	(1,636)	6,249	9,015	(1,542)	7,473
	<u>7,885</u>	<u>1,334,148</u>	<u>1,342,033</u>	<u>9,015</u>	<u>1,314,812</u>	<u>1,323,827</u>

10 Related parties

The firm of Blair Cadel LLP, of which [REDACTED] and [REDACTED] are partners, received a fee of £4,869 (2023: £3,817) including VAT in respect of administration and secretarial services provided during the year. Creditors at the year end included £3,111 (2023: £2,395) in respect of these fees.