

McDONALD'S IN THE COMMUNITY FOUNDATION

REPORT OF THE TRUSTEES

and

STATEMENT OF ACCOUNTS

YEAR ENDED 30 JUNE 2024

SCOTTISH CHARITY NO. SC050356

McDONALD'S IN THE COMMUNITY FOUNDATION

ANNUAL REPORT and STATEMENT OF ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2024

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## **McDONALD'S IN THE COMMUNITY FOUNDATION**

### **Report of the trustees for the year ended 30 June 2024**

The Trustees have pleasure in submitting their Annual Report for the year ended 30th June 2024. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's 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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland second edition (October 2019). FRS 102 (second edition issued in October 2019).

#### **Objectives and activities**

The objectives of the charity is to distribute the bag tax monies received each quarter to chosen charities within the local communities. There is also regular donations made to Ronald McDonald UK and Glasgow.

The Trustees are committed to supporting local charities in Scotland.

#### **Grant making policy**

The Trustees meet regularly throughout the year. They aim to distribute the majority of the funds available once suitable charities are selected. All applications are to be made using the application form which is provided by the Trustees to their chosen charities. The UK and Glasgow Ronald McDonald Houses are regularly chosen to receive available balances.

#### **A review of the achievements and performance**

The objectives of the charity during the period were to support local charities and the Ronald McDonald Houses in the UK and Glasgow. The Trustees fulfilled these objectives by making donations, those greater than £5,000 of the total donations made are detailed in note 4 of the accounts. The donations are agreed by the Trustees.

#### **Financial review**

The financial position of the charity at 30 June 2024 is as disclosed in the Statement of Financial Activities and Balance sheet on page 3 and 4. The results for the period show income of £1,672,927 (2023 restated £3,849,887) and expenditure of £1,766,100 (2023 £1,554,270), giving net expenditure for the period of (£93,173) (2023 net income of £2,295,617). These funds are carried forward in unrestricted reserves at 30 June 2024.

#### **Risk management**

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finance of the Trust and are satisfied that the systems are in place to mitigate their exposure to the major risks. The risks are mitigated by the use of external secretaries to ensure the organisation structure is appropriate. The trustees currently have a wide range of skills and seek advice where necessary. Funds are held by Anderson Strathern LLP.

#### **Reserves policy**

The aim of the charity is to distribute all available funds to chosen charities. A % of the bag tax funds each quarter are retained to meet ongoing management charges. At 30 June 2024, the charity has unrestricted reserves of £2,202,444 (2023 restated £2,295,617). These unrestricted reserves represent the free reserves of the charity.

#### **Plans for the future**

The Trustees aim to continue to collect the bag tax monies and distribute as much as possible to the charities selected by the Trustees. The main aim is to support local communities.

#### **Structure, governance and management**

The structure of the organisation consists of the Board, who hold regular meetings and control the activities. The Board also appoint charity trustees to fill vacancies, and the people serving on the Board have power to make changes to the constitution itself.

Training needs are assessed and met by the serving Trustees.

The organisation has power to do anything which is calculated to further its purposes or is conducive or incidental to doing so. No part of the income or property of the organisation may be paid or transferred (directly or indirectly) to the charity trustees - either in the course of the organisation's existence or on dissolution - except where this is done in direct furtherance of the organisation's purposes.

The charity will primarily be a grant giving trust, so will not actively fundraise.

#### **Key management personnel remuneration**

Adam Buchanan-Smith, Graham Angus and Anderson Strathern LLP (the Secretaries) look after the day to day management of the Trust. All Trustees give of their time freely and no trustee remuneration was paid in the year.

Trustees are required to disclose all relevant interests and register them with the Chairman and in accordance with the charity's policy withdraw from decisions where a conflict of interest arises.

**McDONALD'S IN THE COMMUNITY FOUNDATION**

**Report of the trustees for the year ended 30 June 2024 (continued)**

**Reference and administrative information**

**Trustees**



**Day to day management**



**Principal Office**

58 Morrison Street, Edinburgh, EH3 8BP

Charity Number: SC050356

**Auditors**

MHA

Chartered Accountants

6 St Colme Street, Edinburgh, EH3 6AD

**Bankers**

Barclays Bank Plc

Leicester, LE87 2BB

**Solicitors**

Anderson Strathern LLP

58 Morrison Street, Edinburgh, EH3 8BP

## McDONALD'S IN THE COMMUNITY FOUNDATION

### Report of the trustees for the year ended 30 June 2024 (continued)

#### Reference and administrative information

#### Trustees' responsibilities in relation to the accounts

The charity trustees are responsible for preparing a trustees' annual report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting

The Law applicable to charities in Scotland requires the charity trustees to prepare accounts for each 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 the accounts, the trustees are required to:

- > select suitable accounting policies and then apply them consistently;
- > observe the methods and principles in the applicable Charities SORP (FRS 102);
- > make judgements and estimates that are reasonable and prudent;
- > state whether applicable accounting standards have been followed, subject to any material departures in the accounts;
- > 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 that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the accounts comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by the trustees on

14<sup>th</sup> May

2025 and signed on their behalf by:





# McDONALD'S IN THE COMMUNITY FOUNDATION

## Statement of Financial Activities for the year ended 30 June 2024

		Year Ended 30 June 2024	18 months to 30 June 2023 Restated
	NOTE	£	£
<b>Income</b>			
Donations from Bag tax funds		1,620,403	3,841,890
Interest receivable	3	52,524	7,997
<b>Total income</b>		<u>1,672,927</u>	<u>3,849,887</u>
<b>Expenditure on:</b>			
Charitable activities:			
Donations	4	1,747,319	1,531,212
Support and governance costs	5	18,781	23,058
<b>Cost of grant making</b>		<u>1,766,100</u>	<u>1,554,270</u>
<b>Total expenditure</b>		1,766,100	1,554,270
<b>Net (expenditure) /income</b>	8	<u>(93,173)</u>	<u>2,295,617</u>
<b>Net movement in funds</b>		(93,173)	2,295,617
<b>Total fund brought forward - as restated</b>		<u>2,295,617</u>	-
<b>Total funds carried forward</b>	8	<u>2,202,444</u>	<u>2,295,617</u>

All funds are unrestricted

The notes on pages 6 to 9 form part of these accounts.

# McDONALD'S IN THE COMMUNITY FOUNDATION

## Balance Sheet As at 30 June 2024

	NOTE	2024 £	2023 Restated £
<b>Current assets:</b>			
Debtors	6	373,841	310,790
Cash at Bank		1,837,990	1,992,705
		<u>2,211,831</u>	<u>2,303,495</u>
<b>Liabilities</b>			
Amounts falling due within one year:			
Creditors	7	9,387	7,878
		<u>2,202,445</u>	<u>2,295,617</u>
<b>Net current assets</b>			
		<u>2,202,444</u>	<u>2,295,617</u>
<b>Total assets less current liabilities</b>		<u>2,202,444</u>	<u>2,295,617</u>
<b>The funds of the charity:</b>			
Unrestricted funds	8	2,202,444	2,295,617
As at 30th June 2024		<u>2,202,444</u>	<u>2,295,617</u>

Approved by the Trustees and  
signed on their behalf by



The notes on pages 6 to 9 form part of these accounts.

**McDonald's in the Community Foundation**  
**Statement of cashflows**  
**for the year ended 30 June 2024**

	Note	2024 £	Restated 2023 £
<b>Cash flows from operating activities</b>			
Net (expenditure)/income for the period (as per the SOFA)		(93,173)	2,295,617
Adjustments for:			
Income from investments		(52,524)	(7,997)
Decrease in debtors		(63,051)	(310,790)
Increase in creditors		1,509	7,878
<b>Net cash (used in)/ provided by operating activities</b>		<b>(207,239)</b>	<b>1,984,708</b>
<b>Cash flows from investing activities</b>			
Interest received		52,524	7,997
<b>Net cash provided by investing activities</b>		<b>52,524</b>	<b>7,997</b>
<b>Change in cash and cash equivalents in the period</b>	9	<b>(154,715)</b>	<b>1,992,705</b>
Cash and cash equivalents at the beginning of the period		1,992,705	-
<b>Cash and cash equivalents at the end of the period</b>		<b>1,837,990</b>	<b>1,992,705</b>



## McDONALD'S IN THE COMMUNITY FOUNDATION

Year ended 30 June 2024

### Notes to the accounts

#### 1 Accounting Policies

##### (a) Basis of preparation and assessment of going concern

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. 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 United Kingdom and Republic of Ireland (FRS 102) (second edition - October 2019), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulation 2006 (as amended).

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

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

##### (b) Prior Year Adjustment

During the preparation of the current year's accounts, it was identified that income for the year ended 30 June 2023 was overstated by £307,210 due to an incorrect date on an invoice. This error has been corrected by restating the comparative figures for the previous year. This error has resulted in a reduction of previously reported income for the year ended 30 June 2023 and a corresponding adjustment to the opening reserves for the current year.

The impact of the correction is as follows:

At 30 June 2023:	
As previously stated	2,602,827
Adjustment for overstated debtor	(307,210)
As restated at 30 June 2023	<u>2,295,617</u>

##### (c) 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 include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

All the funds of the charity are unrestricted.

##### (d) Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Any reversals of impairment are recognised in statement of financial activities immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

##### (e) Debtors

Accrued income is recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any discounts due.

## **McDONALD'S IN THE COMMUNITY FOUNDATION**

**Year ended 30 June 2024**

### **(f) Creditors**

Creditors are recognised where the charity has a present obligation resulting from past events 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 after allowing for any trade discounts due.

All administration expenses are included on an accruals basis and are recognised when there is a legal or constructive obligation to pay for expenditure, it is probable that settlement will be required and the amount of the obligation can be measured.

### **(g) Cash at bank and in hand**

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

### **(h) Income recognition**

All income is recognised once the charity 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 charity 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 charity 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 charity and it is probable that those conditions will be fulfilled in reporting period.

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

### **(i) Expenditure recognition**

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

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 (i) below.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity. 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 one-year or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaining to that grant is outside of the control of the charity.

The Trustees do not normally make multi-year grants but encourage recipients to reapply where there is a particular interest.

### **(j) Charitable activities**

Costs of charitable activities include grants made, governance costs and support costs as shown in note 4 and 5.

### **(k) Allocation of support 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 charity 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.

## McDONALD'S IN THE COMMUNITY FOUNDATION

Year ended 30 June 2024

### 2 Related party transactions and trustees' expenses and remuneration

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind. No trustees were reimbursed for their travel expenses in the period.

All Trustees are owners of McDonald's franchisee. During the year, the franchisees donated a total of £1,435,577 (2023 restated £3,090,186) from bag tax funds to the charity.

A donation of £197,382 (2023 £602,421) was made to RMHC Glasgow, a charity in which Trustee Adam Buchanan-Smith is also a Trustee.

### 3 Investment income

	Unrestricted 2024 £	Unrestricted 2023 £
Interest on cash deposits	52,524	7,997
	<u>52,524</u>	<u>7,997</u>

### 4 Charitable donations

	2024 £	2023 £
Action for Children	-	5,000
Abion Rovers Trust	-	6,000
Archie Foundation	40,000	40,000
Ardgowan Hospice	10,000	20,000
Baby Loss Retreat	8,000	6,000
Beatson Cancer Charity	23,000	-
Big Hearts	11,862	9,850
Brain Tumour Research	40,000	-
British Heart Foundation	10,000	-
Cancer Research UK	10,000	-
Canine Partners	-	5,000
CHAS	41,000	25,000
Children In Poverty Inverclyde	6,500	-
Clydebank Women's Aid	7,500	-
Cowder Bowling Club	-	15,000
Dalgety Community Trust	15,000	-
DEBRA	20,000	-
Do it for Daniel	5,000	-
Down's Syndrome Scotland	6,560	-
Dundonald Castle	5,000	-
Edinburgh City Youth Café Association	10,000	-
Emmie Smillie Charity Foundation	10,000	-
Faceyouth SCIO	10,000	-
Falkirk Football Community Foundation	30,000	10,000
FAMS	20,000	-
Forever Young Club	-	26,830
Friends of Broadway Prestwick	25,000	-
Friends of Gordon Cottage	-	5,000
GAF Media	10,000	-
Glasgow Care Foundation	5,000	-
Grangemouth Rotary Club	5,000	-
Grangemouth Stags Rugby Football Club	-	15,000
Hanse Foundation	-	5,000
Harlequin Youth Theatre	8,425	5,466
Held in Our Hearts	31,500	-
	<u>424,347</u>	<u>199,146</u>

C.fwd



Year ended 30 June 2024

**Charitable donations - Cont'd**

B.fwd	424,347	199,146
Highland Group Riding for the Disabled Association	-	10,000
Hope for Autism	-	7,000
HorseBack UK	5,000	10,000
Kayleigh's Wee Stars	-	20,000
Kidney Kids	20,000	20,000
Kipawa Trust International	-	5,000
Lochend Football Academy	30,000	-
Love Douglaston SCIO	5,000	-
Love Gorgie Farm	-	5,000
Maggie Keswick Jencks Cander Caring Centre	10,000	-
Mahler Players	7,500	-
Man On! Inverclyde SCIO	6,000	-
Mikeysline	43,000	-
Mind Mosaic Child and Family Care	-	5,000
MCD Scotland	-	30,000
Nairn Hydrotherapy Trust	-	15,000
NAT Trust	10,000	-
Neil's Hugs Foundation	15,000	15,000
Neuroendocrine Cancer UK	10,000	-
Oceans Youth Trust Scotland	8,000	-
Parkhead Housing Association Limited	10,000	-
Parklea Branching Out	8,000	-
Partick Thistle Charitable Trust	10,000	-
Phew Scotland	10,000	7,000
Play Alloa	-	5,000
Port Glasgow Juniors Community Sports Club	5,000	-
Reeltime Music Project	6,000	-
Riding for the Disabled	-	10,000
RIG Arts	6,000	-
Right Track Scotland	7,000	-
RMHC Glasgow	197,382	602,421
RMHC UK	457,157	367,349
RockSolid Dundee	-	7,000
Royal Brompton & Harefield Hospitals Charity	200,000	-
Scottish Football Partnership Trust	20,000	20,000
Scottish Huntington's Association	-	10,000
Shining Stars ASN Theatre School	10,000	-
Soulspan Minisries	5,000	-
St Andrews Hospice Lanarkshire	5,000	7,000
St Columba's School	-	10,000
St Margaret's of Scotland Hospice	-	14,000
St Vincent's Hospice	30,000	-
Start up Stirling	20,000	20,000
Stenhouse Baptist Church	-	6,000
Stirling Orchestra Society	-	5,000
Strathcarron Hospice	-	20,000
The Daisy Garland	-	5,000
The Machan Trust	20,000	-
The Rotary Club of Grangemouth	-	5,000
The Saturday Café Clubs	5,500	-
Vics in the Community	6,000	-
Watermill Foundation Ltd	30,000	35,000
West Dunbartonshire Leisure	25,433	-
	<b>1,687,319</b>	<b>1,496,916</b>
Donations less than £5,000	60,000	34,296
<b>Total Donations</b>	<b>1,747,319</b>	<b>1,531,212</b>

# McDONALD'S IN THE COMMUNITY FOUNDATION

Year ended 30 June 2024

<b>5</b>	<b>Allocation of governance and support costs</b>		<b>Unrestricted 2024 £</b>	<b>Unrestricted 2023 £</b>
	<b>Governance</b>			
	Auditor's remuneration		7,249	5,478
			<u>7,249</u>	<u>5,478</u>
	<b>Support costs</b>			
	Secretaries fees		11,532	17,580
			<u>11,532</u>	<u>17,580</u>
			<u>18,781</u>	<u>23,058</u>
<b>6</b>	<b>Debtors</b>		<b>2024 £</b>	<b>Restated 2023 £</b>
	Bag tax funds due April to June 2024		<u>373,841</u>	<u>310,790</u>
<b>7</b>	<b>Analysis of current liabilities and long term creditors</b>			
	<b>Creditors under 1 year</b>		<b>2024 £</b>	<b>2023 £</b>
	Anderson Strathern management fees		3,630	2,400
	Audit fee		5,749	5,478
	Commission		9	-
			<u>9,388</u>	<u>7,878</u>
<b>8</b>	<b>Movement in funds</b>			
		<b>At 1 July 2023 £</b>	<b>Income £</b>	<b>Expenditure £</b>
	Unrestricted funds	2,295,617	1,672,927	(1,766,100)
		<u>2,295,617</u>	<u>1,672,927</u>	<u>(1,766,100)</u>
		<b>At 1 January 2022 £</b>	<b>Income £</b>	<b>Expenditure £</b>
	Unrestricted funds	-	3,849,887	(1,554,270)
		<u>-</u>	<u>3,849,887</u>	<u>(1,554,270)</u>
<b>9</b>	<b>Analysis of net funds</b>			
		<b>At 1 July 2023 £</b>	<b>Cashflows</b>	<b>At 30 June 2024 £</b>
	Cash at bank	1,992,705	(154,715)	1,837,990
		<u>1,992,705</u>	<u>(154,715)</u>	<u>1,837,990</u>
		<b>At 1 January 2022 £</b>	<b>Cashflows</b>	<b>At 30 June 2023 £</b>
	Cash at bank	-	1,992,705	1,992,705
		<u>-</u>	<u>1,992,705</u>	<u>1,992,705</u>
<b>10</b>	<b>Commitments</b>			
	On 11 June 2024, Trustees agreed to contribute £500,000 to BBC Children in Need on behalf of all franchisees. The amount would be met from future bag tax collections. £300,000 was paid on 26 July 2024 and £200,000 on 2 August 2024.			

## **Independent Auditor's Report to the Trustees of McDonald's in the Community Foundation**

### **Opinion**

We have audited the financial statements of McDonald's in the Community Foundation (the 'charity') for the year ended 30 June 2024 which comprise the statement of financial activities, the balance sheet, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 30 June 2024, and of its incoming resources and application of resources, including 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.

### **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 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 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 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 contained within the report of the trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.



## **Independent Auditor's Report to the Trustees of McDonald's in the Community Foundation (continued)**

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Accounts (Scotland) Regulations 2006 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' 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 trustees**

As explained more fully in the trustees' responsibilities statement, 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 liquidate the charity or 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 regulations made under that Act.

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 is detailed below:

## **Independent Auditor's Report to the Trustees of McDonald's in the Community Foundation (continued)**

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of charity management and those charged with governance to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including the testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of the charity's activities and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

MHA

MHA  
Statutory Auditor  
6 St Colme Street  
Edinburgh  
EH3 6AD

2 May 2025

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542).

*MHA is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.*