THE
RS MACDONALD
CHARITABLE TRUST

Annual Report & Financial Statements

31 March 2026



Chairman's introduction

Our team was pleased to launch our next 3-year strategy early in 2025, which saw us stay true to much of what we do, while adding clarity and building in ambition to grow our level of grant funding. It's good to see that in our first year of this strategic period we are already reporting an uplift in overall levels of grant awards, and that our successful grant applicants are receiving offers that give a multi-year commitment to help projects and charities plan forward with certainty. Over 80% of our Main Grants were offered over three years, and at a higher value than in previous years, helping our beneficiaries respond to growth in both costs and demand for their services.

Our assessors have given us insight into each of the sectors, who work on an entirely voluntary basis have used both discernment and generosity in equal measure to give a valued grant assessment process. I am grateful to them, and our staff, for their ongoing work and contribution.

In other news, we had to undertake some necessary repairs to the frontage of our offices, and appointed an experienced team of experts to undertake this. The office and our meeting rooms remained open for use by our charity beneficiaries.

At the first board meeting of 2026/27 our longstanding trustee, Robert Ross, ended his term of office and I extended my thanks for his significant contribution to our work since 2018. In this period we have awarded over £23million in grant funding. Robert has been a consistent, thoughtful contributor to the shape, values and direction of the Trust. I'm delighted to welcome Candice Donnelly to the Board of Trustees with effect from September 2026 and I look forward to working with her going forward.

Looking forward, we continue to progress our discussions around funding strategically, and identifying areas in which we can meaningfully make a difference. This, alongside the ongoing review of our investments and maintaining a strong eye on governance, will ensure The R S Macdonald Trust remains both a trusted funding partner with a forward-thinking outlook on how grant making can best support Scottish communities. I hope reading this report gives a snapshot of our progress on meeting this ambition.

James Baird
Chairman *James Baird*

Date: *23/09/2026*



Report of the **Trustees**



Report of the Trustees

The Trustees present their report with the financial statements for the year ended 31 March 2026.

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

We were founded in 1978 by Roderick Stewart Macdonald with funds inherited from his father. Our Trust Deed sets out our purpose, which is to financially support the charitable objects and purposes of six nominated charities. We grant to other charities resident, based in or operating in Scotland which provide benefits under the following purposes, which were reviewed and updated in the year, and approved by OSCR in February 2025:

1. The care and welfare of individuals living with neurodevelopmental or neurodegenerative disorders of genetic or other aetiology, or from disorders affecting the nervous system resulting from specific incidents caused by having an accident or by poison or infection which result in damage to motor control, behaviour, communication or personality or from a combination of these;
2. The care and welfare of individuals who are either blind or living with visual impairment, or who are known or suspected to be at risk of developing blindness or visual impairment;
3. Scotland-led research into the causation, prevention or treatment and/or management, of the conditions set out in subparagraphs 1 and 2 above;
4. The care and welfare of children and young persons under the age of eighteen years who have been or are in danger of being neglected or abused physically, sexually or mentally;
5. The care and welfare of young persons who have been or are in danger of being neglected or abused physically, sexually or mentally, who are also eligible for after care services as set out in section 29 of the Children (Scotland) Act 1995 as amended;
6. The encouragement and promotion of welfare conditions for children and young persons under the age of 18 years whereby the likelihood of physical, sexual or mental abuse and/or neglect is reduced;
7. The care and welfare of non-human living creatures, to affirm the right of every non-human living creature to humane treatment; to include:

   i. any non-human living creatures which are either in danger, facing danger, the victims of or in danger of being the victims of physical and/or mental abuse; and

   ii. the encouragement of suitable welfare conditions for non-human living creatures with a view to the reduction of the likelihood of physical and/or mental abuse and to ensure that their physical and mental needs are properly met;

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

What we do

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

We work to a Strategic Plan, and this report covers the first year of a new strategy, for the period 2025/26 – 2028/29. The Plan continues to focus on supporting beneficiary charities to achieve their purpose and, through active relationship management we seek to be a supportive and approachable funder, making connections across our portfolio if and when this may be helpful.

Under each of our funding themes, we have taken time to prioritise the type of work we will fund, and the strategy sets this out to help offer clarity to those considering an application. These guidelines were issued following a strategic review which consulted with policy representatives from the sector and a working knowledge of the funding landscape in Scotland. Our grant assessment takes these priorities into account.



Distribution of funds

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

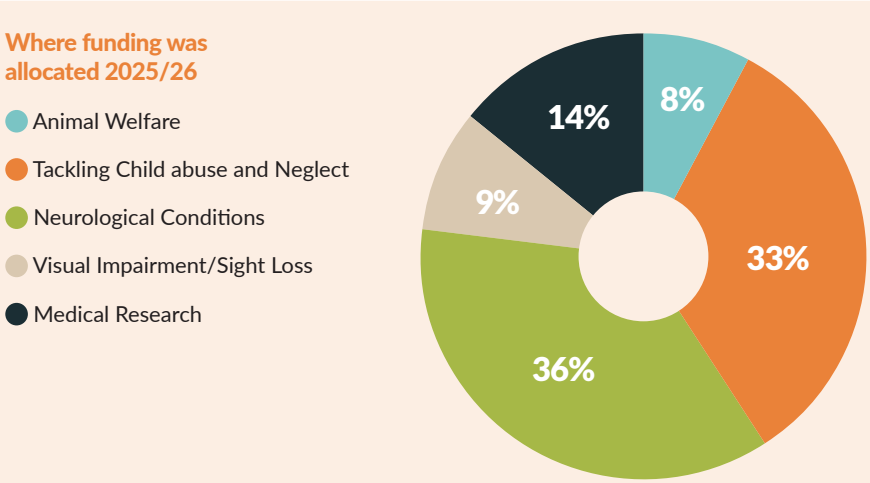
The summary of our applications, and awards, across our three grant programmes, are listed below:

	2025/26			2024/25		
	Applications received	Awards Made	Value of Awards	Applications received	Awards Made	Value of Awards
Small Grants	41	20	£280,175	36	19	£191,468
Main Grants	109	55	£2,802,104	96	55	£2,648,921
Strategic Awards	5	3	£327,000	3	3	£304,728
TOTAL	**155**	**78**	**£3,409,279**	**135**	**77**	**£3,145,117**

This year, the percentage of awards made from the total number of applications (application 'success rate') was 50% (57% 2024/25).

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

Where funding was allocated 2025/26



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

Over the year 2025/26, our assessment continued to recommend most of our Main Grants should be awarded for two or three years, as we know the value of a longer-term funding arrangement and the leverage opportunities which can arise from our initial commitment. Where awards are made and circumstances change, we remain very willing to vary grant awards to better fit the environment into which services are being delivered.

Within the allocation of funding, a diverse range of charities and project types have been supported, as listed in Note 23 to the accounts.

Main Grants

Our main grants programme awarded £2.8M with an average award value of £51K (in 2024/25 this programme awarded £2.6M, average value £48K). This uplift is a reflection of the new strategy. We see a wide range of applications from charities small and large in this programme, with a funding round twice a year. The programme welcomes both revenue and capital funding applications. Charities who work wholly to our objects can also apply for core cost/unrestricted funding, as we recognise how important this can be to help with running costs. We received 29 applications for core cost funding in the year (20 in 2024/25). Outwith Medical Research, 70% of awards funded specific projects and services and 30% funded core costs.

Here is where our main grants were awarded:

	Number of Applications	Number of Awards	Value of Awards	Success Rate
Animal Welfare	10	6	£265,377	60%
Tackling Child abuse and Neglect (TCAN)	44	19	£947,002	43%
Neurological Conditions	43	21	£988,159	49%
Visual impairment/ Sight Loss	4	3	£131,066	75%
Medical Research	8	6	£470,500	75%
TOTAL	**109**	**55**	**£2,802,104**	**50%**

7% of all Main Grant awards were for a one-year period, 11% were for a two-year period and 82% were for a three-year period.

Small Grants

Our small grants programme awarded £280K, with an average award value of £14K (in 2024/25 this programme awarded £191K, average value £10K). This is for charities who require up to £20K, and we consider the applications on a rolling basis. This programme helps charities achieve all sorts of different aims, including: a one-off piece of work (e.g. an evaluation or a pilot project); running costs for a small charity; and the purchase of equipment or technology which will enhance service delivery.

Here is where our small grants were awarded:

	Number of Applications	Number of Awards	Value of Awards	Average Value	Success Rate
Animal Welfare	5	2	£21,969	£10,985	40%
Tackling Child abuse and Neglect (TCAN)	11	3	£54,697	£18,232	27%
Neurological Conditions	21	12	£169,671	£14,139	57%
Visual impairment/ Sight Loss	4	3	£33,838	£11,279	75%
TOTAL	**41**	**20**	**£280,175**	**£14,009**	**49%**

Strategic Grants

This is a smaller programme, whereby we discuss and fund initiatives which are, by design, leading on new models of service delivery and/or a different way of working. In the year, three strategic grants were approved by Trustees:

- **Barnardo's** was awarded three years of funding to help sustain and embed Common Ground, Glasgow's first cross-partner contextual safeguarding model.
- **Sight Scotland** was successful in securing a four-year grant to launch a sponsorship and development programme to establish an accredited vision impairment rehabilitation training framework in Scotland.

- **Playlist for Life** received a one-year grant, follow-on funding from the previous award, to fully evaluate the key outcomes of their dementia work, including a cost-benefit analysis, within multiple regions of Scotland.

Grant management

We have continued to offer active grant management to charities all the way through the grant cycle - from pre-application advice through to discussions around what our work has funded and what difference this has made. Through an open dialogue with a wide number of organisations, we build a working knowledge of the charities, their staff and the wider issues impacting them or their community.

We seek an annual monitoring report for each of the awards made. This helps us reflect on what has worked, and what the charity has achieved through the work we have funded. This year the 'lessons learned' section of our report has brought many insights, including highlighting the greater pressure on the third sector, and the pressure this has put on the workforce and leadership/boards. Funding insecurity remains a risk factor for many, and this is not isolated to smaller charities but has been a message we've picked up with larger organisations who are typically viewed to be more protected from cuts and/or dips in donations.

Support for Beneficiary Charities

We are continually looking to 'add value' to the funded relationships we hold, and are proud of the support we provide which helps develop and sustain the work of our beneficiary charities. Having had consistently positive feedback about our beneficiary support, we expanded the provision within this year's programme. Our partners offered a variety of training and development opportunities to the charities we fund, who then elected to join the ones that they felt would bring them most benefit. 304 places were taken up (2024/25: 419) across different topics, including evaluation, sustainability, practice, leadership and digital knowhow.

Feedback from both attendees and our partners who delivered the programme has been positive, particularly for those longer courses which incorporated an opportunity to be part of group and develop peer support as well as learning.

Other Activities

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

Financial Review

The Trust is funded from income and capital growth from our investment portfolio. This had a fair market value as at 31 March 2026 of £116.9M (2025: £107.6M). Income of £2.1M (2025: £2.3M) was generated during the year. Grant awards of £2.7M (2025: £2.9M) were paid out in the year. The total resources expended amounted to £3.8M (2025: £4.0M) as detailed in Note 5 to the financial statements. Cash at bank as at 31 March 2026 amounted to £533K (2025: £408K).

The financial statements have been prepared under the assumption that the Trust will continue as a going concern. £116.9M (2025: £107.6M) of unrestricted reserves are held within investments. Annual expenditure of £3.8M (2025: £4.0M) is financed by the investment portfolio which can be readily drawn upon to meet grant commitments and the running costs of the Trust.

Investment Policy

Trustees wish to balance the interests of present and future beneficiaries, seeking to grow or at least retain the capital value of the investments whilst allowing for payment of grants. From 1 April 2025, the strategy of the Trust has been revised to allow for an increase in average annual grant-making from £3M up to £4M, appreciating this growth will be gradual and incremental over the next three years. The Investment Policy of the Trust is to deliver a long-term total return, net of investment management costs, of 3.5% per annum in excess of inflation (as measured by the CPI) and the investment strategy implemented by the Trustees reflects this return objective.

The Policy, refreshed in May 2023, incorporates an agreement to consider grant spending over rolling three-year periods, to allow flexibility which may be required year-to-year.

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

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

Investment Performance

The fair value of the Trust's investments at 31 March 2026 was £116.9M (2025: £107.6M).

For each of the funds in which the Trust invests, performance is compared against a benchmark, which is typically a representative index return for the respective asset class.

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

The Trust's assets returned 11.3%, on a net of fee basis, over the year to 31 March 2026, underperforming the total benchmark return by 1.4%, due largely to temporary increases in baseline CPI during the period. Over the last three years the average asset return of 9.2% p.a. outperformed the CPI plus 3.5% target of 6.5% p.a.

Risk Management

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

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

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

Reserves Policy

The balance held as unrestricted funds as at 31 March 2026 was £117.9M (2025: £108.5M) of which £113.6M (2025: £104.8M) is regarded as free reserves, £0.5M (2025: £0.5M) is tied up in tangible fixed assets and £3.8M (2025: £3.2M) is allocated for future grant commitments. The Trust is able to draw down investment assets to meet commitments and also to meet the investment policy of maintaining the capital value of the endowment in real terms.

Plans for the Future

We will continue to consider all grant applications received and assess them according to merit and fit with our strategic priorities. As reported, the Trust has awarded grants at a higher level, which matches the strategic ambition to provide an uplift in our average award size. As we move into the second year of this strategic period, we are working to develop our pipeline of strategic grant opportunities, in part this will be by developing our offer within research grants. We have a continued focus on the investment market and our financial performance and will ensure that any growth in expenditure will not strain the longer-term ambition of the Trust to maintain the real value of our endowment. We have considered our vacant board position following Robert Ross' retirement, and have identified an appropriate successor who we will look to appoint following the signing of the accounts.

Structure, Governance and Management

Governing Document

The Trust is constituted in terms of a Deed of Trust by Roderick Stewart Macdonald dated 7 November 1978 and registered in the Books of Council and Session on 17 November 1978, as amended by an Interlocutor of the Court of Session dated 13 August 2008 and registered in the Books of Council and Session on 3 November 2008. The Deed of Trust was further amended using the reorganisation scheme provisions contained in the Charities and Trustee Investment (Scotland) Act 2005 on two occasions, with the most recent approval of the Office of the Scottish Charity Regulator granted on 13 February 2025, with the result that a new Deed of Trust dated 20 February 2025 and registered in the Books of Council and Session on 19 March 2025 was put in place (hereafter referred to collectively as the "Deed of Trust" or the "Trust Deed").

Appointment and Recruitment of Trustees

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

Trustee Induction and Training

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

Organisation

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

The board is supported by seven panels, none of which have delegated decision making powers. Five panels support each of our funding themes and assist Trustees to assess grant applications. The Audit and Risk panel helps oversee the financial reporting and management of the Trust, the risk register, Trust policies, and the review process of charity applicants' governance and risk. The Investment Panel supports the Trustees in monitoring fund and manager performance. Each panel is chaired by a Trustee and represented by volunteers with relevant expertise. Around 500 hours of volunteer time was provided by our board members and volunteers this year.

Reference and Administrative Details

Key Management Personnel Remuneration

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

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

Registered Charity Number
SC012710 The R S Macdonald Charitable Trust

Address
21 Rutland Square, Edinburgh, EH1 2BB

Trustees
Fiona Averil Patrick BA Com
Robert David Ross LLB (Hons), Dip LP, NP (resigned 26 May 2026)
James Walter Forrester Baird
Francis Michael Sullivan FRSE, FRCP, FRCGP
Stephen Corr
Eric John Mitchell

Director
Rachel Campbell

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

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

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

Investment Managers
Mercer Limited, 1, New Park Square, 1 Airborne Pl, Edinburgh Park, EH12 9GR
Swiss Life Asset Managers UK Limited, 55 Wells Street, London, W1T 3PT

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

Statement as to Disclosure to Auditors

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

Trustees' responsibilities

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

The law applicable to charities in Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the Trustees are required to:

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

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

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

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

Approved by the Trustees and signed on their behalf:

James Baird

James Baird
Chairman

Date: *23/09/2026*

RS Macdonald Charitable Trust Strategy to 2029

We will aim to:



Grow our award values in main and small grants.

Build our strategic funding offer.



Increase funding available across all programmes, building up to £4M per annum.



Improve clarity on our funding priorities and exclusions.

Develop new research funding opportunities.

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

Opinion

We have audited the financial statements of The RS Macdonald Charitable Trust for the year ended 31 March 2026, which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2026 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 (as amended) and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 12, the Trustees are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees intend to liquidate the Trust or cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

This description forms part of our Report of the Auditors.

Use of our report

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

Whitelaw Wells

Whitelaw Wells
Statutory Auditor
9 Ainslie Place
Edinburgh
EH3 6AT

Date: *23/09/2026*

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

Financial Statements



Statement of Financial Activities

for the Year Ended 31 March 2026

	Note	All funds are unrestricted **Total Year Ended 31 March 2026 £000**	Total Year Ended 31 March 2025 £000
Income from:			
Income from Investments:			
Investment Income	3	**2,082**	2,241
Interest Receivable	4	**7**	16
Total Income		**2,089**	2,257
Expenditure on:			
Cost of Raising Funds:			
Investment Management Costs		**608**	589
Cost of Charitable Activities		**3,201**	3,363
Total Expenditure	5	**3,809**	3,952
Net Expenditure on Operating Activities		**(1,720)**	(1,695)
Realised gains on Investments		**804**	200
Unrealised gains on Investments	12	**10,359**	2,133
Total Net Investment gains	15	**11,163**	2,333
Net income and net movement in funds	18	**9,443**	638
Reconciliation of Funds			
Funds Brought Forward		**108,490**	107,852
Total Funds Carried Forward		**117,933**	108,490

Balance Sheet

as at 31 March 2026

	Note	**Total Year Ended 31 March 2026 £000**	Total Year Ended 31 March 2025 £000
Fixed Assets			
Tangible Assets	11	**523**	524
Investments	12	**116,858**	107,595
Total Fixed Assets		**117,381**	108,119
Current assets			
Debtors	13	**93**	75
Cash at Bank		**533**	408
Total Current Assets		**626**	483
Current Liabilities			
Creditors: Amounts Falling Due Within One Year	14	**(74)**	(112)
Net Current Assets Less Current Liabilities		**552**	371
Net Assets		**117,933**	108,490
Represented by the Funds of the Charity:			
Unrestricted Funds			
Designated Funds		**4,367**	3,730
Free Funds		**113,566**	104,760
Total Unrestricted Funds	15	**117,933**	108,490

Approved by the Trustees and signed on their behalf by:

James Baird

James Baird
Chairman

Date: *23/09/2026*

Statement of Cash Flows

as at 31 March 2026

	Note	Total Funds Year Ended 31 March 2026 £000	Total Funds Year Ended 31 March 2025 £000
Cash Flows from Operating Activities:			
Net Cash used in Operating Activities	18	**(3,864)**	(4,018)
Cash Flows from Investing Activities:			
Dividends and interest from investments	3	**2,089**	2,257
Purchase of investments	12	**(22,009)**	(3,384)
Proceeds from sale of investments		**23,909**	4,988
Net Cash Provided by Investing Activities		**3,989**	3,861
Change in Cash and Cash Equivalents in the Reporting Period		**125**	(157)
Cash and Cash Equivalents at the Beginning of the Reporting Period		**408**	565
Cash and Cash Equivalents at the End of the Reporting Period		**533**	408
Analysis of Cash and Cash Equivalents			
Cash at Bank		**533**	408
Short-term Deposits (less than 3 months)		-	-
Total Cash and Cash Equivalents		**533**	408

Notes to the Financial Statements

as at 31 March 2026

1. Accounting Policies

(a) Basis of Preparation and Assessment of Going Concern

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

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

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

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern as there are sufficient free reserves available to cover annual expenditure. The Trust has £116.9M (2025: £107.6M) of unrestricted investments to draw upon if required. With respect to the next reporting period, 2026/27, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets (see the investment policy and performance and risk management sections of the Trustees' annual report for more information).

(b) Fund Accounting

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

(c) Income Recognition

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

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

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

Notes to the Financial Statements (continued)

as at 31 March 2026

1. Accounting Policies (continued)

(d) Expenditure Recognition

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

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

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

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

(e) Value Added Tax

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

(f) Allocation of Support and Governance Costs

Support costs are allocated between governance costs and other support costs attributable to grant making activities and beneficiary support, being the main charitable activities of the Trust, where apportionment applies. Note 5 gives further information on what support costs include and the basis of apportionment to cost categories. Support costs relating to charitable activities have been apportioned on a time basis on the administrative costs of (a) awarding, monitoring and assessing grants and (b) beneficiary support.

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

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

(g) Cost of Raising Funds

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

(h) Charitable Activities

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

(i) Tangible Fixed Assets and Depreciation

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

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

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

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

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

(j) Revaluation of Tangible Fixed Assets

In line with FRS 102 the Trust has elected not to adopt a policy of revaluation of tangible freehold property. Given the estimated residual value of the freehold property compared to its net book value, no depreciation is charged. The Trust will retain the book value of the property which will be reviewed annually for impairment.

(k) Fixed Asset Investments

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

(l) Gains and Losses on Investments

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

1. Accounting Policies (continued)

(m) Financial Instruments

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

Basic Financial Assets

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

Basic Financial Liabilities

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

(n) Pensions

The Trust contributes to Personal Pension Plans for its eligible employees. The contributions are accounted for on a defined contribution basis in accordance with FRS 102. The amounts are charged as expenditure and represent the contributions payable to those plans in respect of the accounting period. There were outstanding contributions at the year-end of £1.2K (2025: £0.8K).

(o) Key Judgements and Estimates

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

(p) Cash and Cash Equivalents

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

(q) Employee benefits

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

2. Related Party Transactions and Trustees' Remuneration and Expenses

• *Trustees' remuneration and expenses*

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2025: £nil). During the year no Trustees were reimbursed for expenses incurred on behalf of the Trust (2025: no trustee, £nil).

During the year, legal fees of £nil (2025: £0.7K) were paid to Brodies LLP, an entity in which Trustee Robert Ross is a partner.

During the year, The R S Macdonald Charitable Trust made grant payments totalling £nil (2025: £75K) to Capability Scotland. During the prior year, Trustee Eric Mitchell contracted with Capability Scotland through EJM Consultancy Ltd, a company in which Eric Mitchell is a director. Eric Mitchell rescinded from involvement in the assessment process for this particular grant award.

Trustee Eric Mitchell previously held the position of Chair of Upward Mobility, prior to his Trustee appointment with the R S Macdonald Charitable Trust. During the year, The R S Macdonald Charitable Trust paid £nil (2025: £21K) to Upward Mobility in relation to an existing grant commitment, part of which was paid during Eric Mitchell's time as a Trustee. The Trust was satisfied that, based on the stage and status of the grant, there was no ongoing related party relationship that could give rise to a conflict of interest.

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

3. Investment Income

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

	Value 2026 £000	Value 2025 £000	**Income 2026 £000**	Income 2025 £000
Unlisted Investments:				
UK:				
- Open ended investment companies	**8,989**	8,891	**466**	508
Overseas:				
- Open ended investment companies	**107,869**	98,704	**1,616**	1,733
	116,858	107,595	**2,082**	2,241

4. Interest Receivable

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

5. (a) Total Expenditure Summary

	2026 £000	2025 £000
Charitable activities including support costs	**3,118**	3,250
Attributable governance costs (Note 7)	**83**	113
Total charitable activities expenditure (Note 6)	**3,201**	3,363
Costs of raising funds	**608**	589
Fully analysed (Note (5b))	**3,809**	3,952

(b) Allocation of Total Expenditure

		Total Charitable Activities £000	Cost of Raising Funds £000	Total Expenditure 2026 £000	Total Expenditure 2025 £000
Grant making	Note 5(c)	**2,700**	-	**2,700**	2,921
Support to beneficiaries		**139**	-	**139**	135
Investment management costs		-	**608**	**608**	589
Staffing costs		**209**	-	**209**	195
Professional fees		**38**	-	**38**	66
Property expenses		**88**	-	**88**	17
Other expenses		**27**	-	**27**	29
	Note 6	**3,201**	**608**	**3,809**	3,952

(c) Allocation of Grant Making Expenditure

Funding Theme	2026 £000	2025 £000
Neurological Conditions	**895**	1,253
Tackling Child Abuse and Neglect	**886**	769
Medical Research	**475**	500
Visual Impairment/Sight Loss	**209**	207
Animal Welfare	**200**	192
Royal National Lifeboat Institution (RNLI)	**35**	-
Total Grant Making Expenditure	**2,700**	2,921

6. Charitable Activities Including Support and Governance Costs

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

	Grant Making £000	Beneficiary Support £000	Total Charitable Expenditure 2026 £000	Total Charitable Expenditure 2027 £000
Direct Costs	**2,700**	**139**	**2,839**	3,056
Support and Governance Costs:				
Staffing costs	**182**	**27**	**209**	195
Professional fees	**38**	-	**38**	66
Property expenses	**88**	-	**88**	17
Other expenses	**27**	-	**27**	29
	335	**27**	362	307
Total Charitable Expenditure	**3,035**	**166**	**3,201**	3,363

6. Charitable Activities Including Support and Governance Costs (continued)

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

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

Grant making contingent liability

In addition, £3,844K (2025: £3,206K) was held in the designated fund for potential awards where conditions remained to be satisfied. Full details are as detailed in Note 21 to the financial statements.

7. Governance Costs

Governance costs allocated to charitable activities are as follows:

	2026 £000	2025 £000
Professional fees	**21**	48
External auditor fees	**16**	15
Staffing costs	**46**	50
Note 5(a)	**83**	113

8. Remuneration of Staff and Key Management Personnel

Staff Remuneration Staff costs were as follows:	**2026 £000**	2025 £000
Staff remuneration	**186**	174
Employers' National Insurance	**14**	13
Pension payments	**9**	8
	209	195

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

	2026	2025
Administration	**4**	5

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

	2026	2025
Administration	**3.5**	3.7

Key Management Personnel Remuneration

The key management personnel of the Trust are disclosed in the reference and administrative section of the Trustees' report. The total employment benefits of the key management personnel of the Trust were £97K (2025: £92K). During the year under review there was one employee with emoluments above £60,000 (2025: one employee). One employee received remuneration in the band £80,000 - £90,000 (2025: one employee).

Employee pensions: During the year a total of £9K (2025: £8K) was paid in respect of Personal Pension Plans on behalf of the Trust's eligible employees. These are defined contribution plans that are registered as workplace pension schemes for auto enrolment purposes.

The Trust makes a 5% of salary contribution for all eligible staff who join. There were outstanding pension contributions of £1.2K at the year-end (2025: £0.8K).

9. Taxation

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

10. Auditor's Remuneration

The external auditor's remuneration comprised an audit fee of £16K (2025: £15K). No additional services were provided in the year under review (2025: £nil).

11. Tangible Fixed Assets

	Freehold property £000	Furniture and furnishings £000	Office equipment £000	Total £000
Cost				
As at 1 April 2025	780	17	31	828
Disposals	-	(2)	(10)	(12)
As at 31 March 2026	**780**	**15**	**21**	**816**
Depreciation:				
As at 1 April 2025	260	14	30	304
Charge for the year	-	1	-	1
Depreciation on disposal	-	(2)	(10)	(12)
As at 31 March 2026	**260**	**13**	**20**	**293**
Net Book Value:				
As at 31 March 2026	**520**	**2**	**1**	**523**
As at 31 March 2025	520	3	1	524

12. Investments

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

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

	2026 £000	2025 £000
Market value at 1 April 2025	**107,595**	106,866
Additions at cost	**22,009**	3,384
Disposals	**(23,105)**	(4,788)
Unrealised revaluation of investments	**10,359**	2,133
Fair Value at 31 March 2026	**116,858**	107,595
Investments at fair value, their market value:		
Unlisted investments:		
- Open ended investment companies – Domicile UK	**8,989**	8,891
- Open ended investment companies – Domicile Ireland	**107,869**	98,704
Fair Value at 31 March 2026	**116,858**	107,595

Investment Risks

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

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

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

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

12. Investments (continued)

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

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

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

Liquidity risk

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

13. Debtors

	2026 £000	2025 £000
Dividends receivable	**45**	48
Prepayments	**27**	27
Other debtors – grants refundable	**21**	-
	93	75

14. Creditors: Amounts Falling Due Within One year

	2026 £000	2025 £000
Grants payable	**-**	31
Taxation and social security	**7**	6
Accruals	**67**	75
	74	112

15. Summary of Unrestricted Fund Movements

	At 1 April 2025 £000	Income £000	Expenditure £000	Transfers £000	Gains £000	**At 31 March 2026 £000**
Free reserves fund:	104,760	**2,089**	**(3,809)**	**(637)**	**11,163**	**113,566**
Designated funds:						
1 - Funds earmarked for future commitments	3,206	-	-	**638**	-	**3,844**
2 - Fixed assets fund	524	-	-	**(1)**	-	**523**
	3,730	-	-	**637**		**4,367**
Total unrestricted funds:	108,490	**2,089**	**(3,809)**		**11,163**	**117,933**

	At 1 April 2024 £000	Income £000	Expenditure £000	Transfers £000	Gains £000	At 31 March 2025 £000
Free reserves fund:	104,200	2,257	(3,952)	(78)	2,333	104,760
Designated funds:						
1 - Funds earmarked for future commitments	3,126	-	-	80	-	3,206
2 - Fixed assets fund	526	-	-	(2)	-	524
	3,652	-	-	78	-	3,730
Total unrestricted funds:	107,852	2,257	(3,952)	-	2,333	108,490

15. Summary of Unrestricted Fund Movements (continued)

Free reserves fund:

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

Designated funds:

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

Utilisation of designated funds:

1. *Funds earmarked for future contingent commitments*

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

2. *Fixed assets fund*

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

16. Transfers Between Funds

- A transfer of £638K (2025: £80K) was made from the free reserves fund to the designated fund earmarked for future commitments to account for the increased level of funds earmarked for future conditional grant awards (as disclosed in Note 21 to the financial statements).
- A transfer of £1K (2025: £2K) was made from the fixed assets fund to the free reserves fund to account for the reduction in the net book value of tangible fixed assets being carried at the year end.

17. Analysis of Net Assets

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

18. Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities

	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Net Movement in Funds for the Reporting Period		
(as per the Statement of Financial Activities)	**9,443**	638
Adjustments for:		
Depreciation charges	**1**	2
Gains on investments	**(11,163)**	(2,333)
Investment income	**(2,089)**	(2,257)
Increase in debtors	**(18)**	(5)
Decrease in creditors	**(38)**	(63)
Net Cash used in Operating Activities	**(3,864)**	(4,018)

19. Analysis of Changes in Net Cash and Cash Equivalents

	2026 £000	2025 £000
As start of year	**408**	565
Net cash inflow/(outflow)	**125**	(157)
As at end of year	**533**	408

	As at 31 March 2025 £000	**Cashflows £000**	**As at 31 March 2026 £000**	As at 1 April 2024 £000	Cashflows £000	As at 31 March 2025 £000
Cash at Bank	**408**	**125**	**533**	565	(157)	408

Notes to the Financial Statements (continued)

as at 31 March 2026

20. Financial Instruments

	2026 £000	2025 £000
Carrying amount of financial assets		
Assets measured at fair value through Statement of Financial Activities	**116,858**	107,595

Financial assets measured at fair value comprise unlisted investments.

21. Grant Making Contingent Liability

At 31 March 2026 the contingent liability was split as follows:

	2026 £000	2025 £000
Carrying amount of financial assets		
Payable in one year	**2,396**	2,052
Payable in two years	**1,162**	933
Payable in three years	**286**	221
	3,844	3,206

22. Contingent Asset

During the year, the Trust was advised that it had been named as a beneficiary of the residual value of a legator's estate. While receipt of the legacy is considered probable, the value of the Trust's entitlement cannot currently be measured with sufficient reliability. Accordingly, no amount has been recognised in the financial statements, although a contingent asset existed at the 2026 year-end. The estate's assets are of a volatile nature therefore the value cannot be accurately ascertained at present.

23. Supported Organisations

During the year ended 31 March 2026 the following organisations were supported by The R S Macdonald Charitable Trust:

Neurological Conditions

- Aberdeen Day Project t/a The Breadmaker
- Ability Shetland
- Avalon (Autism Parental Support & Respite Services)
- Back Up Trust
- Beannachar Limited
- Branch Out Together (formerly Lothian Autistic Society)
- Cerebral Palsy Scotland
- Citizens Theatre, The
- Compass Therapy Support Community
- Drake Music Scotland
- Dundee United Community Trust
- East Park School (t/a East Park)
- Eden Court Highlands
- Elgin Youth Development Group
- Elsie Normington Foundation, The
- Encephalitis International
- Epilepsy Connections
- Erskine Veterans Charity
- Forget Me Notes Project, The
- Friends of Ashton
- Garvald Edinburgh
- get2gether
- Glasgow Eagles Sports Club
- Glasgow East End Community Carers
- Greenock Arts Guild Ltd
- Headway Ayrshire
- Headway East Lothian
- Headway Highland
- Heart of Newhaven SCIO
- Independence at Home
- Interest Link Borders
- Kindred Advocacy
- L'Arche
- LifeCare Edinburgh
- Nansen Highland
- Neuro Hebrides
- Parkinson's Self Help Group (North Lanarkshire)
- Parklea Branching Out
- Play Midlothian
- Playlist for Life
- Prince & Princess of Wales Hospice
- Reach4Reality SCIO
- Resonate: Creating Communities
- Rett UK
- Revive MS Support
- Rowan Alba
- Rutherglen Community Carers
- Salvesen Mindroom Centre
- SAMs Charity
- Scottish Ballet
- Dads Rock
- Dean and Cauvin Young People's Trust
- Dumfries and Galloway Befriending Project
- Early Years Scotland
- Scottish Chamber Orchestra
- Sense Scotland
- Shared Lives Plus
- Shift.ms
- Special Needs Adventure Playground (SNAP)
- Speech Bubble

Notes to the Financial Statements (continued)

as at 31 March 2026

23. Supported Organisations (continued)

Spina Bifida Hydrocephalus Scotland
St Crispin's Out of School Care Association
St. Johnstone Community Trust, The
STAND
Stirling4Community
Sunshine Club
Tailor Ed Foundation
The British Stammering Association
Tourette Scotland
Town Break SCIO
WHALE Arts
Wiston Lodge
Yard, The



Tackling Child Abuse and Neglect

3D Drumchapel
Argyll & Bute Rape Crisis
Avenue Confidential
Barnardo's
Befriend a Child
Big Hearts Community Trust
Broomhouse Centre t/a SPACE, The
Centrestage Communities Ltd
Circle
Citadel Youth Centre SCIO
Clued Up Project
Cottage Family Centre
Cyrenians
Volunteering Matters
Wigtownshire Women's Aid
With Kids
Youth Interventions
Edinburgh Women's Aid, Ltd
Family Journeys
Fife Gingerbread
Fife Rape and Sexual Assault Centre
Geeza Break
Govan HELP
Harmeny Education Trust Limited
Home Link Family Support
Home-Start Renfrewshire & Inverclyde
Home-Start Stirling
HopScotch Children's Charity
Impact Arts (Projects) Limited
Jeely Piece Club
Junction - Young People Health & Wellbeing, The
Lucy Faithfull Foundation / Stop It Now! Scotland
Mind Mosaic Child and Family Therapies
Moira Anderson Foundation, The
Moray Rape Crisis
Outf!t Moray
Pilton Youth and Children's Project
Play Therapy Base Limited
Play Works (the operating name of Family & Community Development West Lothian)
Positive Help
Railway Children
Rape and Sexual Abuse Centre, Perth & Kinross
Reidvale Adventure Play Association Limited
Scottish Families Affected by Alcohol and Drugs
Seamab
Shetland Women's Aid (SCIO)
Sistema Scotland
South Ayrshire Befriending Project (SABP)
Spiral - Creative Arts Therapies
Stepping Stones North Edinburgh
Toonspeak Young People's Theatre
Venchie Children and Young People's Project, The
Youth Scotland



Animal Welfare

Borders Animal Welfare Association - t/a Borders Pet Rescue
Cats Protection
Cetacean Research & Rescue Unit (CRRU)
Dogs Trust
Farmersfield Rest-home for Elderly Donkeys (FRED)
Give a Dog a Bone and an animal a home
Hogwatch Dumbarton Hedgehog Rescue
Marine Conservation Society
Mossburn Community Farm
OneKind - Grant Awarded
Pet Fostering Service Scotland
Ponies Help Children
South of Scotland Wildlife Hospital
Staffie Smiles Rescue
WDC, Whale and Dolphin Conservation
World Horse Welfare



Visual Impairment/Sight Loss

British Wireless For The Blind Fund
ClearVision Project
Falkirk Football Community Foundation
Fife Society for the Blind T/A seescape
Fruitmarket Gallery
Inclusive Farm Scotland at MacRobert Ltd
Living Paintings Trust
Macular Society
North East Sensory Services (NESS)
OaKley ASN Ltd
Pathfinder Guide Dog Programme (Pathfinder Dogs)
Recyke-a-bike
Royal Blind Asylum and School t/a Sight Scotland
Royal National Institute of Blind People (RNIB)
Visibility Scotland
VisionPK



Medical Research

Alzheimer Scotland
Beatson Cancer Charity
MS Society Scotland
Muscular Dystrophy UK
Royal College of Surgeons of Edinburgh, The
Sight Research UK
Stroke Association
University of Dundee, The
University of Edinburgh Development Trust
University of Glasgow
University of St Andrews



Royal National Lifeboat Institution (RNLI)

Notes to the Financial Statements (continued)

as at 31 March 2026

The following disclosure provides a note of the material grants that were paid to beneficiaries during the year-ended 31 March 2026:

Material Grants over £50,000:

Beneficiary	Grant Value (£)
Alzheimer Scotland	£85,071
Brain Health Arc - University of Glasgow	£50,464
University of Dundee, The	£100,000
University of Edinburgh, The	£75,000
Total material grants	**£310,535**
Remainer under £50,000 each	£2,389,273
Total grants paid during the year	**£2,699,808**

THE
RS MACDONALD
CHARITABLE TRUST

21 Rutland Square, Edinburgh, EH1 2BB
Phone: 0131 228 4681
Email: office@rsmacdonald.com

Registered Charity Number: SC 012710

