RSE Scotland Foundation

Financial statements and
Trustees' Annual Report
Charity number SC024636
Year ended 31 March 2026

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Reference and Administrative Details

The Trustees of the Foundation during the year and up to the date of signing the financial statements were as follows:

Nominated Trustees

PROFESSOR JOHN COGGINS OBE (CHAIR) (APPOINTED CHAIR 28.05.25)
PROFESSOR G G T MASTERTON OBE DL (CHAIR) (UNTIL 27.05.25)
PROFESSOR PETER GRANT OBE
MR DOUGLAS HUTCHISON
PROFESSOR DAVID E SALT (APPOINTED 01.04.25)

Ex Officio Trustees

PROFESSOR SIR ANTON MUSCATELLI (RSE PRESIDENT) (APPOINTED 01.04.25)
PROFESSOR ANNE ANDERSON (RSE VICE PRESIDENT)
PROFESSOR JO SHAW (RSE GENERAL SECRETARY) (APPOINTED 01.04.25)
DR DAVID HARE (RSE TREASURER) (RESIGNED 24.04.2026)
PROFESSOR JAVIER MARTIN-TORRES (RSE CURATOR)
PROFESSOR JIM GALLAGHER (RSE TREASURER) (APPOINTED 01.05.26)

Trustees are appointed by the Council of the Royal Society of Edinburgh (the RSE) in accordance with the provisions of the Trust Deed. Five Officers of the RSE are ex-officio Trustees and the minimum number of nominated Trustees is four.

The Foundation is registered in Scotland as
Scottish Charity No. SC024636
22-26 George Street, Edinburgh EH2 2PQ

BANKERS
BANK OF SCOTLAND PLC
THE MOUND, EDINBURGH EH1 1YZ

AUDITORS
HENDERSON LOGGIE LLP
LEVEL 5, THE STAMP OFFICE, 10-14 WATERLOO PLACE, EDINBURGH, EH1 3EG

SOLICITORS
SHEPHERD & WEDDERBURN LLP
9 HAYMARKET SQUARE, EDINBURGH EH3 8FY

Trustees' Annual Report

The Trustees present their report together with the financial statements which are prepared on the basis set out in the notes to the financial statements for the year ended 31 March 2026. The legal and administrative information set out on page 1 forms part of this report.

Objectives and Activities of the Foundation

The public benefit objectives contained in the RSE Scotland Foundation (the "Foundation") Trust deed are to:

- Advance the education of the public in Scotland in science, engineering and technology.
- Research and explore developing areas of learning and human knowledge and to disseminate by whatever means the results of such research, particularly in Scotland.
- Promote the greater public understanding of all sciences, engineering and technology and their part in increasing the wealth and quality of life of the people of Scotland.
- Encourage for the benefit of the people of Scotland collaboration between the academic and business communities in Scotland.
- Preserve and conserve the architectural, scientific and cultural heritage of Scotland and to collect, for the purposes of preservation, conservation and exhibition, for the benefit of the people of Scotland, writings, instruments, artefacts, specimens of natural history and any other material which, in the opinion of the Trustees relates to the cultural and scientific heritage of Scotland.
- Call upon the broad intellectual resources of the Fellowship of the Royal Society of Edinburgh and such other Societies and organisations as appropriate in the promotion of the foregoing purposes.

In fulfilling these aims, during the year the Foundation has:

- Published six learned journals.
- Managed the assets of the Caledonian Research Foundation Fund, to fund appointments under the research awards schemes.
- Rented surplus space to provide income to support charitable activities.

Achievements and performance
Publications

The Foundation publishes two journals, *Earth and Environmental Science Transactions of the Royal Society of Edinburgh* (EESTRSE) and *Proceedings of the Royal Society of Edinburgh, Section A: Mathematics,* on behalf of the RSE.

Six issues of *Proceedings A* were published during the 2025-2026 financial year, on a regular bi-monthly schedule – issues 155.2 to 155.6 (2025) and 156.1 (2026). Four EESTRSE issues were published, 116.1-2 to 116.3-4 (2025) on a half-yearly basis. Both Journals were under the current Cambridge University Press agreement.

Copies of the journals are sent to over 300 universities, libraries, academies and institutions worldwide as part of the RSE's long-standing exchange programme. Both journals provide an important international platform for the publication and dissemination of peer-reviewed research. During the year, preparatory work was also undertaken on digitising key historical publications relating to James Hutton's Theory of the Earth ahead of the 2026 tercentenary celebrations and RSE's symposium in 2026, helping preserve and widen access to important works in the history of geology, recognising their continuing relevance to research, education, and public understanding of the Earth sciences.

Caledonian Research Foundation (CRF)

In March 2009, the Foundation received a transfer of assets from the Caledonian Research Foundation (CRF). Under the transfer agreement, the Trustees agreed to honour the CRF's existing grant-making commitments in support of scientific research and thereafter to apply the assets at their discretion, having regard to the CRF's previous activities but without restriction on the charitable purposes for which the assets could be used.

Caledonian Research Foundation (CRF) (continued)

During 2025–26, the CRF Fund met 50% of the cost of the RSE's core Research Awards Programme. This prestigious and competitive programme provides seed funding across all disciplines and career stages, addressing an important gap in the research funding landscape and complementing larger UK-wide schemes. Through Personal Research Fellowships, Research Collaboration Grants, Small Research Grants, International Joint Projects, and Bilateral Visits, it enables researchers to develop new ideas, establish collaborations, and generate knowledge with benefits for Scotland and beyond.

Across the full programme, the RSE assessed around 800 applications from researchers at 18 Scottish higher education institutions and awarded almost 200 grants worth £1.52 million during the year. These included ten Personal Research Fellowships, 35 Research Collaboration Grants, 70 Small Research Grants, 17 International Joint Projects, and four Bilateral Visits. The awards supported research across a wide range of subjects and enabled collaboration with more than 60 organisations in academia, industry, and the wider public sector in Scotland and internationally.

The CRF Fund also continued to meet existing grant-making commitments. In partnership with The Carnegie Trust for the Universities of Scotland, it supported two postgraduate students at the Universities of Aberdeen and St Andrews. The awards, which span the period 2022–2026, support research in Biomechanical Engineering and Ecology.

The CRF Fund continued to support the partnership between the Royal Society of Edinburgh (the "RSE") and the Ministry of Science and Culture of Lower Saxony through the Scotland–Lower Saxony Research and Innovation Scheme. During the year, the scheme supported 24 new research partnerships between Scottish and Lower Saxonian institutions, enabling early- and mid-career researchers to develop international collaborations and lay the foundations for future externally funded research. Projects spanned disciplines including energy, climate resilience, health, education, social inclusion, and sustainable technologies, strengthening longer-term research and innovation links between Scotland and Lower Saxony.

Property

The Foundation leases 26 George Street, Edinburgh, from the RSE (its parent Landlord) under a tenants full repairing lease agreement dated 1 July 1997 which runs until 30 June 2047. As part of the arrangement, the Foundation (the Licensor) granted a Licence to the RSE (the Licensee) to occupy the first, second and third floors of 26 George Street in return for a Licence Fee, represented by a fair and equitable proportion of the Foundation's (Licensor's) costs for the provision of office accommodation and ancillary facilities. During 2025/26, the Foundation received a Licence Fee of £341,800 from the RSE in respect of the Foundation's (Licensor's) costs incurred.

In addition, during 2025/26, the Foundation rented space to Lakeland for their Hanover Street shop and let office space to the IT company Corero Network Security. Further, it provided short term lets of parts of the facilities for meetings and conference facilities to external parties. The Foundation continued to let space during the Edinburgh Fringe , with Greenside Venues hiring space across the building for the duration of the Fringe. Following its success in 2024 and 2025, Greenside Venues has rehired the space for the 2026 Fringe. Finally, the facilities are also used by the RSE for internal and public engagement events. See income notes below for further detail.

Looking to the Future

The CRF Fund

The CRF Fund will continue to support two strategic initiatives. Funding has been committed for the Scotland–Lower Saxony Research and Innovation Scheme described above, with support currently in place into financial year 2026/27.

The Fund is also supporting the RSE's Research Leadership Programme, a two-year pilot designed to help Scotland-based early- and mid-career researchers develop the leadership skills, networks, and experience needed to lead major interdisciplinary research programmes addressing significant scientific and societal challenges. The programme combines mentoring, leadership development, peer learning, networking

The CRF Fund (continued)
opportunities, and seed funding to strengthen participants' leadership capability and future competitiveness for major external research funding. During 2025/26, the first cohort of thirteen researchers from eleven Scottish higher education institutions was launched, bringing together researchers at different stages of their careers, including one former member of the Young Academy of Scotland, the RSE's interdisciplinary network of emerging leaders. This demonstrates the programme's ability to attract researchers already making significant contributions to Scotland's research community while supporting their continued leadership development. Working around the theme of Building Scotland's Green Future, the cohort brings together expertise spanning engineering, environmental science, geography, archaeology, art and design, data science, sustainable development, and molecular crop science.

As part of the 2026/27 Budget, the Foundation Board also agreed to provide approximately £691,000 through the CRF Fund towards the RSE's core Research Awards Programme, funding the autumn 2026 open call and helping to sustain support for Scotland's research and innovation community across a broad range of disciplines.

Building Redevelopment

The RSE, in conjunction with the Foundation, is undertaking a review of its buildings with a view to redeveloping them. The building redevelopment reached a significant milestone during the year with the successful completion of RIBA Stage 3 (Developed Design). Working alongside architects, engineers and specialist consultants, the Buildings Working Group has developed proposals to restore and enhance the Society's A-listed home while creating a modern, accessible and sustainable national centre for learning, research, public engagement and collaboration. Subject to approval by Council at its September 2026 meeting, a full planning application is expected to be submitted in November 2026. The redevelopment represents a once-in-a-generation investment of approximately £30 million in Scotland's National Academy. More than the restoration of two historic buildings, it is an investment in the Society's ability to deliver greater benefit for the people of Scotland.

The project will preserve an important part of the nation's built heritage while creating welcoming, accessible and flexible spaces that support learning, debate and discovery. Enhanced facilities will enable the Society to expand its public engagement programme, strengthen partnerships with organisations across Scotland, improve digital participation, and provide more opportunities for people of all ages and backgrounds to engage with research, innovation, the arts, humanities and public policy. The redevelopment will be funded through philanthropic support from trusts and foundations, corporate partners and individual donors. The focus now turns to fundraising, planning approval and detailed design, with refurbishment works not expected to commence before 2029. As the Society approaches its 250th anniversary in 2033, this redevelopment provides an opportunity to create a national home that reflects its ambition for the future. While construction will inevitably affect some day-to-day operations, including the Foundation's venue-letting activities, careful planning will minimise disruption wherever possible. The completed redevelopment will strengthen the Society's ability to advance learning and knowledge for the benefit of the people of Scotland for generations to come.

Financial review and policies

Income and expenditure

Income for the year ending 31 March 2026 totalled £1,074,683, a decrease of £4,196 compared to the prior year *(2025 £1,078,879)*. Conference facilities letting income was £147,655, a reduction of £5,953 compared to the prior year (2025 £153,608). Publications income was £100,182 a reduction of £11,960 compared to the prior year (2025 £112,142). These reductions were offset by an increase in Licence fees income due from the RSE of £22,196. Investment income received in the year amounted to £320,337, a reduction of £4,319 compared to the prior year (2025 £324,656). Rental and service charge income in respect of sublets of part of the RSE George Street Buildings totalled £164,709 *(2025 £168,869)*.

Grants of £23,057 *(2025 £59,838)* were paid to The Carnegie Trust for the Universities of Scotland to fund the CRF activities administered by them. The year-on-year reduction in grants paid was due to two of the PHD students completing their studies in the previous financial year. In addition to Grants paid to The Carnegie Trust for the Universities of Scotland, £843,696 (2025 nil) of Grants were announced covering Research Awards, Research Leadership and Lower Saxony initiatives.

The net operating result for the year before investment gains or losses was a deficit of £880,953 (2025 Surplus £201,771), comprising an unrestricted general fund deficit of £157,442 (2025: Surplus £109,676) and an unrestricted CRF designated deficit of £723,511 (2025 surplus £92,095). The operating deficit in 2025/26 reflects the decision to deploy the CRF Fund to finance the range of Awards described above, and the deficit should therefore be understood in the context of a deliberate and approved strategy rather than a shortfall in performance.

Investment gains during the year (all unrestricted CRF designated fund) were £538,763 (2025: losses £91,605, all unrestricted CRF designated fund). The total net deficit for the year was £354,353 (2025: surplus £110,166), comprising an unrestricted general fund deficit of £157,442 (2025: Surplus £109,676) and an unrestricted CRF designated deficit of £184,748 (2025 surplus £490).

Balance sheet

Tangible Fixed Assets at 31 March 2026 were £1,155,067 *(2025 £1,202,032)*. Additions during the year included new equipment and computers totalling £49,954 *(2025 £28,358)*.

The market value of the investments of the CRF fund at 31 March 2026 amounted to £10,627,692 *(2025 £10,139,396)*. The overall increase in the value of the investments of £488,296 during 2025/26 is the net impact of gains of £268,135 (2025 loss of £140,929) and cash movements within the portfolio of £220,161.

Overall, debtors have increased by £25,085 from £118,825 to £143,910 comprising an increase in the amount due from general debtors of £69,629, largely driven by the billing of Publication Income, and offset in part by a reduction in prepayments of £21,279.

Creditors due within one year increased by £399,930 to £499,600 *(2025 £99,670)* primarily driven by movements in the intercompany balance and Advance Receipts movements. In addition, Creditors due within more than one year was £715,208, reflecting a range of Awards being funded by the Foundation.

Net current assets decreased to £640,486 at 31 March 2026 from £708,799 in 2025, driven by the Grants announced in the period, while being in part offset by an increase in cash held at bank.

The unrestricted General Fund deficit for the year of £157,442 *(2025 surplus £109,676)* resulted in a final balance on the General Fund of £534,064 *(2025 £691,506)*. The unrestricted designated CRF Fund balance has decreased by £184,748 to £11,173,973 *(2025 £11,358,721)*, driven by the operating deficit for the CRF Fund of £723,511 offset with the gain on investments for the year of £538,763.

Financial review and policies (continued)

Investment powers

Under the Trust Deed, the Trustees have power to invest in investments of any description. The Trustees have delegated the detailed monitoring of performance to an Investment Committee, constituted jointly with the RSE, which includes at least one Trustee and two investment advisers with appropriate expertise.

The investment management arrangements were reviewed in April 2016 and, since 1 July 2016, the management of the investment funds of the RSE and the Foundation has been carried out by Rathbones and Brooks MacDonald. Each manages half of the portfolio on a discretionary basis. The objectives set by the Trustees are to ensure a sufficient level of income to meet the target set annually and to invest for real capital growth over the long term with a medium degree of risk. The investment management arrangements have been subsequently reviewed again in May 2026 and a successful tender completed which will see Legal & General Investment Management Ltd taking on the mandate in full over the coming months.

Investment income for the year of £320,337 was received against a target of £334,000. This result represented an income yield of around +3% *(2025: +3.18%)*. Overall, the total return for the year was a positive return of +5.67% *(2025: positive +0.27%)*.

The Investment Committee aims to meet twice each year with the investment managers to discuss their compliance with the constraints set by the Committee and risk environment. In the year under review no compliance issues arose which required to be reported to the Committee.

Reserves policy and going concern

The Trustees have considered the Foundation's reserves and cash position and the secured and expected incoming resources over the next 12 months. The Foundation has significant unrestricted reserves and relatively liquid investment portfolios which give flexibility to absorb the impact of possible reductions in income over the next 12 months. The Trustees therefore consider that it is appropriate to prepare the financial statements on a going concern basis.

The policy of the Trustees is to maintain a level of free reserves over a period of time to provide financial security. The CRF Fund is derived from a donation in 2009 and is unrestricted but has been designated as a separate fund mainly to be used for support of research. The General Fund represents the balance of unrestricted funds of £521,901. In the context of current economic circumstances and the risk profile of the Foundation, the Trustees believe that a reserve to cover six month's expenditure on expected support costs of approximately £447,363 is appropriate. The general fund balance remains in excess of the planned reserve range.

Structure, governance, and management

The Foundation was created in March 1996 under a Trust Deed with public benefit objectives. The Foundation has five ex-officio Trustees drawn from the Council and office bearers of the RSE and a minimum of four nominated Trustees appointed by the Council of the RSE. The Chair of the Foundation is an ex-officio observer on the Council of the RSE. Staff members are all joint employees of the RSE and the Foundation. Through this mechanism the RSE staff manage the activities of the Foundation in conjunction with those of the RSE, with the Trustees of the Foundation providing governance and oversight of the management. New Trustees are inducted by written briefing material and an introduction to the operations of the Foundation through discussions with the RSE Chief Executive and senior staff.

Related parties

The Foundation is closely connected to the RSE, its ultimate controlling party, through its governance and through its management and shared occupation of the buildings at 22-26 George Street, and the publication of

***Structure, governance, and management** (continued)*

the RSE's journal. All of the grant-making activities of the Foundation's CRF Fund are administered on behalf of the Foundation by the RSE, except the postgraduate Scholarship scheme which is administered by The Carnegie Trust for the Universities of Scotland.

Pay policy

The Trustees and the senior management team are the key management personnel. No Trustees receive remuneration; details of the reimbursement of Trustees expenses are in Note 9 to the financial statements.

All staff are joint employees of the RSE and the Foundation. The pay of senior staff is reviewed annually in line with inflation by the RSE Finance and Resources Committee and benchmarked on a regular basis against similar organisations.

Risk management

The remit of the Audit & Risk Committee, reporting to the Trustees, includes keeping under review the effectiveness of internal control and risk management systems in the Foundation. The Trustees believe that the existing systems and the structure of the decision taking and reporting through the staff management group and Audit & Risk Committee continues to provide assurance that risks are properly assessed and carefully managed.

The major risks to which the Foundation is exposed are:

- financial risks from changes in the sub-letting of surplus office space which are mitigated by managing and monitoring relationships with tenants.
- investment risk arising from the management of the CRF Fund investments, which is managed through the oversight of the investment managers by the Investment Committee.
- the risk of cyber-attack or breach of IT security, which is managed by an ongoing programme of IT risk management.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable Law and United Kingdom Generally Accepted Accounting Practice (UK GAAP). Under the Foundation's Trust Deed, the Trustees are required to ensure that full and punctual accounts are prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). Under this legislation, the Trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the Trustees are required to:

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

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

The Trustees are responsible for the maintenance and integrity of the general and financial information included on the Foundation's website.

Approval of the report

At the time of approving this report:

- so far as each Trustee is aware, there is no relevant audit information of which the auditor is unaware; and
- each trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved on behalf of the Trustees,



Professor John Coggins
Chair
1 September 2026
22-26 George Street, Edinburgh EH2 2PQ

Independent Auditor's Report to the Trustees of RSE Scotland Foundation

Opinion

We have audited the financial statements of RSE Scotland Foundation (the 'charity') for the year ended 31 March 2026 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 31 March 2026 and of its incoming resources and application of resources 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 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 annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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 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.

Independent Auditor's Report to the Trustees of RSE Scotland Foundation *(continued)*

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 statement of trustees' responsibilities set out on page 7, the trustees are responsible for the preparation of the financial statements which 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

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:

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. Management informed us that there were no instances of known, suspected or alleged fraud;
- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following were most relevant: FRS102, Charities SORP (FRS102), Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), as well as indirectly the Data Protection Act 2018;
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetrated, and tailored our risk assessment accordingly; and

Independent Auditor's Report to the Trustees of RSE Scotland Foundation *(continued)*

- Using our knowledge of the charity, together with the discussions held with management at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

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

- Inquiry of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of board and sub-committee meetings;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular valuation of investments and recognition of income; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Owing to the inherent limitations of an audit, there is unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees.

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

Use of 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.

Henderson Loggie LLP

Henderson Loggie LLP
Statutory Auditor Chartered Accountants
Level 5
The Stamp Office
10-14 Waterloo Place
Edinburgh
EH1 3EG

Henderson Loggie LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

3 September 2026

Statement of Financial Activities

Year ended 31 March 2026

	Notes	Unrestricted General 2026 £	Unrestricted Designated 2026 £	Total 2026 £	Total 2025 £
Income from:					
Charitable activities	4	**589,637**	-	**589,637**	585,354
Other trading activities	4	**164,709**	-	**164,709**	168,869
Investment income	4	-	**320,337**	**320,337**	324,656
Total income	4	**754,346**	**320,337**	**1,074,683**	1,078,879
Expenditure on					
Raising funds	6	**(277,051)**	**(50,468)**	**(327,519)**	(271,194)
Charitable activities	6	**(634,737)**	**(993,380)**	**(1,628,117)**	(605,914)
Total expenditure	6	**(911,788)**	**(1,043,848)**	**(1,955,636)**	(877,108)
Operating surplus/(loss) before gains/ (losses) on investments		**(157,442)**	**(723,511)**	**(880,953)**	201,771
Total net gains/(losses) on investments	11	-	**538,763**	**538,763**	(91,605)
Net income/(expenditure) and movement on funds		**(157,442)**	**(184,748)**	**(342,190)**	110,166
Funds brought forward		**691,506**	**11,358,721**	**12,050,227**	11,940,061
Funds carried forward	15	**534,064**	**11,173,973**	**11,708,037**	12,050,227

All activities were continuing. The notes on pages 17 to 27 form part of these financial statements. Comparative information is disclosed in Note 21.

Balance Sheet

At 31 March 2026

	Note	2026 £	2026 £	2025 £	2025 £
Fixed assets					
Tangible fixed assets	*10*		**1,155,067**		1,202,032
Investments	*11*		**10,627,692**		10,139,396
			11,782,759		11,341,428
Current assets					
Debtors	*12*	**143,910**		118,825	
Cash at bank and in hand		**996,176**		689,644	
		1,140,086		808,469	
Current liabilities					
Creditors: amounts falling due within one year	*13*	**(499,600)**		(99,670)	
Net current assets/(liabilities)			**640,486**		708,799
Total assets less current liabilities			**12,423,245**		12,050,227
Non-Current liabilities					
Creditors: amounts falling due within more than one year	*14*		**(715,208)**		-
Net assets	*15*		**11,708,037**		12,050,227
Funds					
Unrestricted Funds	*15*		**11,708,037**		12,050,227

The financial statements were approved and authorised for issue by the Trustees on 1 September 2026 and signed on their behalf by:

Professor John Coggins
Chair

Statement of Cash Flows

At 31 March 2026

	Note	2026 £	2026 £	2025 £	2025 £
Cash flows generated/(used) in operating activities	*17*		**198,393**		72,254
Cash flows from investing activities					
Dividends and interest from investments		**320,337**		324,656	
Proceeds from sale of investments		**(162,244)**		(88,948)	
Purchase of property, plant &equipment		**(49,954)**		(28,358)	
Net cash provided by investing activities			**108,139**		207,350
Net cash used in financing activities			-		-
Change in cash in the year			**306,532**		279,604
Cash brought forward at 1 April			**689,644**		410,040
Cash at bank carried forward at 31 March			**996,176**		689,644
Reconciliation of net funds					
Cash at bank and in hand			**996,176**		689,644
Net Cash			**996,176**		689,644

Notes to the Financial Statements

1 Accounting basis

a) Basis of preparation

The RSE Scotland Foundation (the Foundation) is a public benefit entity and the financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP (FRS102)) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (SORP), with FRS102, and with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The financial statements comprise three primary financial statements: the statement of financial activities; the balance sheet; and the statement of cash flows. The financial statements have been prepared under the historical cost accounting rules as modified to include the revaluation of investments. The functional currency of the Foundation is pounds sterling. The registered address is given on page 3.

b) New or revised Financial Reporting Standards

Amendments to FRS 102 introduced by the Periodic Review 2024

The amendments to FRS 102 are applicable for accounting periods commencing on or after 1 January 2026, with earlier adoption permitted. The trustees have opted not to adopt these amendments early, as such, the amendments will be implemented for the accounting year ending 31 March 2027. The most significant amendments are the replacement of Section 23, now renamed 'Revenue from Contracts with Customers', and Section 20 'Leases'. The other less significant changes are not currently expected to have a material impact. The new revenue and leasing requirements seek to provide greater consistency and alignment with International Financial Reporting Standards, namely IFRS 15 and IFRS 16.

The charity is currently planning for the implementation of these changes. Under both the new lease and revenue accounting requirements these changes will be applied using the modified retrospective approach which avoids the restatement of comparative figures. The implementation of the leasing changes would see leased assets recognised as Right-of-Use assets on-balance sheet, with a lease liability recognised based on the discounted value of any future commitments, plus payments related to optional extension periods if considered reasonably certain. Exemptions to this approach will be considered for certain short-term leases or low-value assets. Specific consideration is however required for leases below market rent. Management are reviewing the current and expected future revenue transactions to determine the necessary performance obligations, transaction prices, and overall recognition and presentation to ensure compliance with the changes.

As at the date of signing the financial statements, and given the changes relate to future periods, it has been deemed impractical to determine the amounts involved

c) Critical accounting estimates and areas of judgement

Estimates, assumptions and judgement are necessarily part of the preparation of the financial statements. There are no critical estimates or assumptions included in the financial statements of the Foundation. There are no critical judgements that have been made in applying the Foundation's accounting policies that would have a significant effect on the amounts recognised in the financial statements.

d) Going concern

The Trustees have considered the Foundation's reserves and cash position and the secured and expected incoming resources over the next 12 months. The Foundation has significant unrestricted reserves and relatively liquid investment portfolios which give flexibility to absorb the impact of possible reductions in income over the next 12 months. There are no material uncertainties with regards to the Foundation's abilities to continue as a going concern. The Trustees therefore consider that it is appropriate to prepare the financial statements on a going concern basis.

Notes to the Financial Statements *(continued)*

2 Funds

The Foundation's funds are classified in accordance with the definitions in Charities SORP (FRS102) into Restricted funds, where there are restrictions placed by a donor as to the use of income or capital; Designated funds where the Foundation has set aside sums from its unrestricted funds for a particular purpose; and the General (unrestricted) Fund. The classifications made are as follows:

General fund

A discretionary fund available to the Trustees to meet the ordinary activities of the Foundation.

Designated fund

Caledonian Research Foundation Fund (CRF Fund)

Funds received by transfer from the CRF, now an unrestricted fund designated by the Trustees for support of appropriate activities including, but not limited to, research activities.

3 Accounting policies

Income

Income is recognised in the period in which the Foundation is entitled to receipt, when receipt is probable, and when the amount can be measured reliably.

Revenue grants are credited to income in the period in which the Foundation becomes entitled to the resources. For performance-related grants, where terms or conditions have not been, or may not be, met, the income is deferred and included in the balance sheet as deferred income.

Donations and legacies included in other income are recognised when it is probable that they will be received, any conditions associated with the donation or legacy have been met, and the amount can be measured reliably.

Interest and dividends are included when receivable and the amount can be measured reliably; this is normally upon notification by the bank, or from investment managers.

Publication income received on an annual subscription basis is recognised on publication of the relevant issues of the volume subscribed for. Income received in advance of publication is deferred. Income receivable in foreign currencies is converted into sterling at rates of exchange ruling at the date of receipt.

Income received for specific projects and received in advance of the commencement of the project, is deferred. If the project were not to proceed as planned the charity would not be entitled to retain the funds.

Expenditure

All expenditure is included on an accruals basis exclusive of VAT except that, where it relates to non-trading activity expenditure, it is included on a VAT inclusive basis.

Support costs

Where directly attributable, expenditure is allocated to the relevant activity. Support costs, including governance costs, are allocated to activities in proportion to direct staff costs in each area of activity. Governance costs are those incurred in connection with the management of the Foundation assets, organisational administration and compliance with constitutional and statutory requirements.

Cost of raising funds

The costs of generating funds relates to investment management fees and costs of building management in relation to leasing of surplus property.

Charitable activities

Grants payable are recognised as a liability when the Foundation is under an actual or constructive obligation to make a transfer to a third party. Where grants are time-related to future periods and are to be financed by specific grants receivable in those future periods, they are treated as liabilities of those periods and not as liabilities at balance sheet date. Such grants are disclosed as future commitments.

Notes to the Financial Statements *(continued)*

Grants comprise payments made to the RSE and The Carnegie Trust for the Universities of Scotland in respect of the research award schemes administered by them.

Tangible fixed assets
Expenditure incurred in the improvements to the leasehold property of 26 George Street, occupancy of which is shared with RSE under a licence agreement, is held at cost and is being depreciated over the period of the lease from the date of completion of the refurbishment to 30 June 2047. It is the policy of the RSE to maintain the buildings to a high standard. Any permanent diminutions in value are reflected in the statement of financial activities. Equipment is held at cost and is depreciated over 3-20 years on a straight-line basis.

Investments
Investments are stated at their market value at the balance sheet date. Gains and losses on disposal and revaluation of investments are charged or credited in the statement of financial activities.

Financial Instruments
Financial assets and liabilities are recognised when a contractual right or obligation arises and are stated gross unless there is a legally enforceable right to set off the recognised amounts, which is intended to be exercised.

Debtors
Trade and other debtors receivable within one year are measured at the transaction price receivable, unless there is an impairment. Provision for impairment is made when there is evidence that the amounts due will not be collected in accordance with the related contract. Prepayments are valued at the amount prepaid. Accrued income is measured at the amount recoverable.

Cash at Bank
Cash at bank and in hand comprise basic financial assets and include cash in hand, deposits held at call with banks, and other short term liquid investments with original maturities of three months or less.

Creditors
Amounts falling due within one year: Trade and other creditors are measured at the transaction price payable. Creditors due within one year include amounts owed to group undertakings, accruals, deferred income, VAT payable, trade creditors and grant commitments due for payment within twelve months.

Amounts falling due within more than one year: comprise multi-year grant commitments approved by the Charity in the current year, where the Charity has a present obligation to pay the grant in future years. The full amount of the grant is recognised as an expense and a corresponding creditor in the year in which the commitment is approved.

4 Income

Current year to 31 March 2026

	Charitable Activities £	Other trading activities £	Investment £	2026 Total £	2025 Total £
Investment income	-	-	**320,337**	**320,337**	324,656
Rental income	-	**164,709**	-	**164,709**	168,869
Publications	**100,182**	-	-	**100,182**	112,142
Licence fees (Note 6)	**341,800**	-	-	**341,800**	319,604
Conference facilities letting (Note 5)	**147,655**	-	-	**147,655**	153,608
	589,637	**164,709**	**320,337**	**1,074,683**	1,078,879

Notes to the Financial Statements *(continued)*

5 Conference facilities letting

	2026 £	2025 £
Room hire income from rental and services (Note 4)	147,655	153,608
Service costs and Marketing (direct costs) (Note 6)	(25,180)	(11,336)
	122,475	142,272

6 Total resources expended.

Total resources	Direct £	Support (Note 7) £	2026 Total £	Direct £	Support (Note 7) £	2025 Total £
Raising funds						
Building management	-	277,051	277,051	-	221,949	221,949
Investment management	50,468	-	50,468	49,245	-	49,245
	50,468	277,051	327,519	49,245	221,949	271,194
Charitable activities						
Grant to RSE in support of publications	100,182	-	100,182	112,142	-	112,142
Expenditure recovered through licence fee to RSE	-	341,800	341,800	-	319,604	319,604
Conference facilities hire	25,180	128,565	153,745	11,336	102,994	114,330
Research Fellowship Grants (Note 8)	868,018	164,372	1,032,390	59,838	-	59,838
	993,380	634,737	1,628,117	183,316	422,598	605,914
Total Expenditure	1,043,848	911,788	1,955,636	232,561	644,547	877,108

Investment management fees (£50,468), Research Fellowship grants (£868,018), charitable grant to RSE (£100,182) and conference facilities hire (£25,180) are charged out of the CRF designated fund and all other expenditure is treated as unrestricted. The licence fee expenditure of £341,800 (*2025 £319,604*) represents the fair and equitable proportion of the Foundation's costs for the provision of office accommodation and ancillary facilities to the RSE, charged to and recovered from the RSE as part of a lease agreement arrangement dated 1 July 1997 between the RSE and the Foundation.

Notes to the Financial Statements *(continued)*

7 Support costs

	2026	2025
	£	£
Salaries (Note 9)	**441,808**	223,956
Establishment expenses	**258,750**	209,421
Computer and equipment costs	**97,145**	90,795
Communication, stationery and printing costs	**7,871**	6,714
Bank charges	**95**	165
Legal & professional fees	**1,800**	-
Audit fee	**7,400**	8,637
Depreciation – Equipment	**51,565**	59,508
Depreciation – Buildings	**45,354**	45,351
	911,788	644,547

Support costs have been allocated to activities in proportion to the employment cost in each area of activity as set out in Note 6. Establishment costs include maintenance, rates, insurance and energy costs.

8 Grants payable

	2026	2025
	£	£
Promotion of research		
Postgraduate scholarships	**23,057**	59,838
Research Awards	**691,225**	-
Research Leadership	**116,930**	-
Lower Saxony	**35,541**	-
Other	**1,265**	
	868,018	59,838

Grants were paid to 2 individuals (2 FTE) (2025: 4, 3 FTE).

9 Employees

The average number of employees employed under joint contracts with the RSE was 49 (*2025: 44*). The costs as disclosed below represent the amounts recharged from RSE to the Foundation. Following the year ended 31 March 2025, the FTE recharged to the Foundation has increased from 5.5 to 9.5, this is as a result of additional reserve funded activities within the Foundation. Details on the reserve funded activities are listed within the Trustees Annual Report. In short these include: Research Awards, Research Leadership and Lower Saxony initiatives.

	2026	2025
	£	£
Wages and salaries	**349,450**	165,941
Social Security costs	**46,009**	16,886
Other pensions costs	**46,349**	41,129
	441,808	223,956

No employee earned more than £60,000 in the year in their role for the Foundation.

Notes to the Financial Statements *(continued)*

9 Employees (continued)

The number of employees, including the Chief Executive, who received remuneration during the year (gross pay) greater than £60,000 in their joint role with the RSE, in the following ranges was:

	2026 Number	2025 Number
£60,000 - £69,999	**1**	**2**
£70,000 - £79,999	**3**	**-**
£80,000 - £89,999	**-**	**1**
£90,000 - £99,999	**1**	**-**
£100,000 - £110,999	**1**	**1**
	6	**4**

Total pension contributions were £46,349 (2025: £41,129).

The Trustees of the Foundation received no payments for reimbursement of expenditure on travel and subsistence during the year.

10 Tangible fixed assets

	Leasehold Improvement £	**Equipment £**	**Computers £**	**Total £**
Cost				
At 1 April 2025	2,136,070	431,232	193,956	2,761,258
Additions	-	14,131	35,823	49,954
At 31 March 2026	2,136,070	445,363	229,779	2,811,212
Depreciation				
At 1 April 2025	1,150,613	256,888	151,725	1,559,226
Charge for the year	45,354	30,889	20,676	96,919
At 31 March 2026	1,195,967	287,777	172,401	1,656,145
Net book value				
At 31 March 2026	**940,103**	**157,586**	**57,378**	**1,155,067**
At 31 March 2025	985,457	174,344	42,231	1,202,032

Notes to the Financial Statements *(continued)*

11 Investments

	Market value 1 April 2025	Investments made at cost	Proceeds on sale of investments	Cash Movement	Gain/(loss)	Market value 31 March 2026
	£	£	£	£	£	£
Managed Funds	**4,219,678**	1,827,313	(1,523,068)	-	124,979	**4,648,902**
Fixed Interest	**2,631,317**	362,847	(232,107)	-	(17,282)	**2,744,775**
Equities	**3,122,448**	250,299	(523,039)	-	160,438	**3,010,146**
Cash deposits	**165,953**	(2,440,459)	2,278,214	220,161	-	**223,869**
	10,139,396	-	-	220,161	268,135	**10,627,692**

The net gain in the year was £268,135 (2025 Loss £140,929).There were no investments comprising more than 5% of the market value of the portfolio. The net gains on investments shown on the Statement of Financial Activities shows a value of £538,763, this is the sum of the cash movements, gains in the year and Investment Management charge.

12 Debtors

	2026	2025
	£	£
General Debtors	**126,385**	56,755
Prepayments	**17,525**	38,804
Amount due from group undertaking	-	23,266
	143,910	118,825

13 Creditors: Amounts falling due within one year

	2026	2025
	£	£
Amounts due to Group undertaking	**176,847**	-
Accruals and deferred income	**47,995**	**56,468**
VAT payable	**52,983**	**35,579**
General creditors	**33,406**	**7,623**
Advance receipts – Publications (see below)	**65,379**	-
Research Leadership Awards	**115,730**	-
Lower Saxony Awards	**7,260**	-
	499,600	99,670

Analysis of advance receipts

	2026	2025
	£	£
At beginning of year	-	18,889
Received in year	**65,379**	-
Recognised in year	-	(18,889)
At end of year	**65,379**	-

Notes to the Financial Statements *(continued)*

14 Creditors: Amounts falling due within more than one year

	2026	2025
	£	£
Research Awards	**691,225**	-
Lower Saxony Awards	**23,983**	-
		-
	715,208	-

15 Funds

The movements on funds during the year ended 31 March 2026 (as defined in Note 2) were:

	Balance at 1 April 2025	Investment income	Other Income	Expenditure	Gain / (Loss) on Investments	Balance at 31 March 2026
	£	£	£	£	£	£
Unrestricted						
Designated						
Caledonian Research Foundation Fund (CRF Fund)	**11,358,721**	**320,337**	**-**	**(1,043,848)**	**538,763**	**11,173,973**
General Fund	**691,506**	**-**	**754,346**	**(911,788)**	**-**	**534,064**
	12,050,227	**320,337**	**754,346**	**(1,955,636)**	**538,763**	**11,708,037**

The movements on funds during the year ended 31 March 2025 (as defined in Note 2) were:

	Balance at 1 April 2024	Investment income	Other Income	Expenditure	Gain / (Loss) on Investments	Balance at 31 March 2025
	£	£	£	£	£	£
Unrestricted						
Designated						
Caledonian Research Foundation Fund (CRF Fund)	**11,358,231**	**324,656**	**-**	**(232,561)**	**(91,605)**	**11,358,721**
General Fund	**581,830**	**-**	**754,223**	**(644,547)**	**-**	**691,506**
	11,940,061	**324,656**	**754,223**	**(877,108)**	**(91,605)**	**12,050,227**

Notes to the Financial Statements *(continued)*

16 Analysis of net assets between funds

Analysis of net assets for the year ended 31 March 2026

	Note	General Fund	Designated CRF Fund	Total
		£	£	£
Tangible fixed assets	10	1,155,067	-	1,155,067
Investments	11	-	10,627,692	10,627,692
Cash		79,788	916,388	996,176
Other net current assets / (liabilities)		(700,791)	345,101	(355,690)
Non Current Liabilities		-	(715,208)	(715,208)
		534,064	**11,173,973**	**11,708,037**

Investments at 31 March 2026 includes £321,193 of Cash Deposits held by Investment Managers.

Analysis of net assets for the year ended 31 March 2025

	Note	General Fund	Designated CRF	Total
		£	£	£
Tangible fixed assets	10	1,202,032	-	1,202,032
Investments	11	-	10,139,396	10,139,396
Cash		70,536	619,108	689,644
Other net current assets / (liabilities)		(581,062)	600,217	19,155
		691,506	11,358,721	12,050,227

17 Reconciliation of net income/(expenditure) to net cashflow from operating activities

	2026	2025
	£	£
Net income / (expenditure) for the year (as per the statement of financial activities)	**(342,190)**	110,166
Adjustments for:		
Depreciation charges	**96,919**	104,860
(Gains) / losses on investments	**(326,052)**	229,877
Dividends, interest and rents from investments	**(320,337)**	(324,656)
Decrease / (increase) in debtors	**(25,085)**	(25,016)
Increase / (decrease) in creditors	**1,115,138**	(22,977)
Net cash generated / (used) in operating activities	**198,393**	72,254

Notes to the Financial Statements *(continued)*

18 Financial commitments

The Foundation is committed to rental payments in respect of its lease of 26 George Street which expires on 30 June 2047 and had an initial rent of £1 per annum and carried an obligation to refurbish the premises within three years from date of entry. The rental remains £1 per annum as long as the licence to share occupancy of office facilities with RSE is in force.

The financial commitment at 31 March 2026 in respect of operating leases expiring within five years for printing and copying equipment, was £3,089 (2025: £5,560). In the year £2,471 was charged in respect of these operating leases.

Operating Leases

	2026	2025
	£	£
Less than 1 year	**2,471**	2,471
Between 1-5 years	**618**	3,089
	3,089	5,560

19 Related parties

The RSE is an educational charity (registered number SC000470) and is a related party by virtue of being the Foundation's parent entity. The Foundation received licence fees of £341,800 *(2025: £319,604)* from the RSE. The RSE received total income of £100,182 *(2025: £112,142)* from the Foundation.

Staff Costs for the group are borne by the RSE and a total of £441,808 *(2025: £223,956)* was recharged as disclosed in Note 9 of the accounts.

The amount outstanding at year end from the RSE was £nil *(2025: £23,266)*. The amount outstanding at year end due to the RSE was £147,621 *(2025: £nil)*.

No Trustee was paid expenses for Foundation activities during the year, *(2025: £nil)*.

20 Ultimate controlling party

The ultimate controlling party is the RSE, which is a charity registered in Scotland (SC000470) with broad educational objectives. The Foundation had five ex-officio Trustees during the year ended 31 March 2025 and during the year ended 31 March 2026. The Trustees are drawn from the Council and office bearers of RSE and a minimum of four nominated Trustees appointed by the Council of the RSE. Copies of the RSE's financial statements are available from 22-26 George Street, Edinburgh, EH2 2PQ.

Notes to the Financial Statements *(continued)*

21 Statement of financial activities (incorporating Income and expenditure account)

Year ended 31 March 2025

	Unrestricted		Total
	General	Designated	
	2025	2025	2025
	£	£	£
Income from:			
Charitable activities	585,354	-	**585,354**
Other trading activities	168,869	-	**168,869**
Investment income	-	324,656	**324,656**
Total income	754,223	324,656	**1,078,879**
Expenditure on:			
Raising funds	(221,949)	(49,245)	**(271,194)**
Charitable activities	(422,598)	(183,316)	**(605,914)**
Total expenditure	(644,547)	(232,561)	**(877,108)**
Operating surplus before (losses) on investments	109,676	92,095	**201,771**
Total net (losses) on investments	-	(91,605)	**(91,605)**
Net income and movement on funds	109,676	490	**110,166**
Funds brought forward	581,830	11,358,231	**11,940,061**
Funds carried forward	691,506	11,358,721	**12,050,227**