

THE SOUTER CHARITABLE TRUST
REPORT AND FINANCIAL STATEMENTS
Year ended 30 June 2025
Scottish Charity No: SC029998

Whitelaw Wells
Statutory Auditors
9 Ainslie Place
Edinburgh
EH3 6AT

THE SOUTER CHARITABLE TRUST

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THE SOUTER CHARITABLE TRUST

Report of the Trustees

for the year ended 30 June 2025

The Trustees have pleasure in submitting their annual report for the year ended 30 June 2025.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Trust's constitution, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Purposes

The purposes of the Trust shall be wholly charitable. It operates as a grant-making Trust to promote and advance religion and in furtherance of the following objectives: -

- to encourage and support evangelical and social welfare projects of Christian churches and other Christian organisations
- to encourage and support the practical work of the Christian gospel at home and overseas through charitable projects
- to relieve poverty and need for the benefit of the community (wherever situated)
- to provide financial assistance in any form to anybody, incorporated or unincorporated, any group, organisation or association established for charitable purposes only and also to individuals operating in the field of voluntary work for charitable purposes

Aims

The Trust furthers its charitable objectives (described above) by making grants to other charitable organisations which share the same, or similar, objectives enabling these organisations to carry out the "front line work".

Activities

During the year the Trust continued to support a variety of organisations in accordance with its objectives by way of awarding grants.

Grant making policy

Grants of cash are made on the basis of written application to the Trustees for projects that the Trustees consider to be consistent with the objects of the Trust. By number, most grants awarded are one-off payments of £5,000 or less with a small number of projects receiving support over a three year period. A smaller number of high value grants are also awarded annually. Support is usually provided for revenue costs rather than capital projects and is generally given to charitable organisations, registered in the UK, and not to individuals or in support of requests on behalf of individuals.

Social investment

During 2015 the Trust acquired Loch Monzievairst, a 30 acre property near Crieff together with its 23 holiday lodges and 2 cottages as a social investment. The property was acquired at the behest of Young Life, a charity which wanted to use the facilities for the purpose of Christian based youth camps. Immediately following the acquisition, the Trust signed a 15 year lease allowing Young Life exclusive use of the facilities for a peppercorn annual rent.

THE SOUTER CHARITABLE TRUST

Report of the Trustees

for the year ended 30 June 2025

ACHIEVEMENTS AND PERFORMANCE

The Trustees are pleased to report that significant grants were awarded in the year, both in number and in value. Grants paid and awarded in the year amounted to £10.0m (2024: £11.9m). A total of 1,441 (2024: 1,469) grants were paid out totalling £11.7m (2024: £11.2m) of which 1,335 (2024: 1,369) were for less than £15,000.

Although there were many worthwhile causes supported by the Trust we highlight below some of the significant grants and new commitments made during the financial year.

Bethany Christian Trust (www.bethanychristiantrust.com)

During the year the Trust made a commitment of £560,000 to be paid over 4 years to Bethany Christian Trust. This is a follow-on commitment on top of the £1,060,000 already donated to Bethany Christian Trust. A total of £80,000 including a one-off donation of £10,000 was paid during the year, with £490,000 to be paid in future years. Bethany Christian Trust is a national charity whose mission is to relieve the suffering and meet the long-term needs of homeless and vulnerable people in Scotland.

Centre for Social Justice (www.centreforsocialjustice.org.uk)

During the year the Trust made a commitment of £150,000 to be paid over 3 years to Centre for Social Justice. This is a follow-on commitment on top of the £300,000 already donated to the Centre for Social Justice. A total of £75,000 including a one-off donation of £25,000 was paid during the year, with £100,000 to be paid in future years. The Centre for Social Justice's vision is for those living in the poorest and most disadvantaged communities across Britain to be given every opportunity to flourish and reach their full potential.

Christian Solidarity Worldwide (www.csw.org.uk)

During the year the Trust made a commitment of £300,000 to be paid over 3 years to Christian Solidarity Worldwide. This is a follow-on commitment on top of the £650,000 already donated to Christian Solidarity Worldwide. A total of £100,000 was paid in the year with £250,000 to be paid in future years. Christian Solidarity Worldwide has a team of specialist advocates work on over 20 countries across Africa, Asia, Latin America and the Middle East, to ensure that the right to freedom of religion or belief is upheld and protected. Their vision is a world free from religious persecution, where everyone can practise a religion or belief of their choice.

Faith Truth and Hope

During the year the Trust made a commitment of £180,000 to be paid over 3 years to Faith Truth and Hope. This is a follow-on commitment on top of the £360,000 already donated to Faith Truth and Hope. A total of £nil was paid during the year with £180,000 to be paid in future years. Faith Truth and Hope aims to promote the gospel of Christ with evangelism, advocacy and social action.

For Afrika (www.forafrika.org)

During the year the Trust made a commitment of £1,000,000 to be paid over 3 years to For Afrika. A total of £400,000 was paid during the year with £600,000 to be paid in future years. For Afrika partner with African communities through their integrated development continuum, moving from crisis to self-sufficiency through our humanitarian and development work, and on to commercial viability through their social enterprise activities — creating a platform for thriving.

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Report of the Trustees

for the year ended 30 June 2025

Medair UK (www.medair.org)

During the year the Trust made a commitment of £750,000 to be paid over 3 years to Faith Truth and Hope. A total of £40,000 was paid during the year as a one-off donation, with £750,000 to be paid in future years. Medair is a Christian humanitarian organisation. They provide life-saving humanitarian assistance in times of disaster, disease, and conflict to help the most vulnerable and isolated people move forward with dignity and hope for the future.

Search for Truth Charitable Trust (www.searchfortruthcharitabletrust.org.uk)

During the year the Trust made a commitment of £150,000 to be paid over 3 years to Search for Truth Charitable Trust. This is a follow-on commitment on top of the £300,000 already donated to Search for Truth Charitable Trust. A total of £50,000 was paid during the year with £100,000 to be paid in future years. Search for Truth Charitable Trust was formed in March 2008 with the intention of contributing to the ongoing high-profile debate about the sustainability of belief in God in a world where scientific knowledge is generally believed to be the important highway to truth.

Vine Trust (www.vinetrust.org)

During the year the Trust made a commitment of £300,000 to be paid over 3 years to the Vine Trust. This is a follow-on commitment on top of the £1,800,000 already donated to Sthe Vine Trust. A total of £50,000 was paid during the year with £300,000 committed to be paid in future years. Vine Trust is an international interdenominational volunteering charity which seeks to enable volunteers to make a real and significant difference to some of the poorest children and communities in the world. It welcomes people from all backgrounds who share its ethos of caring and their belief that whilst they cannot help everyone we can all help someone.

FINANCIAL REVIEW

Donations received during the year totalled £11.4m (2024: £10.6m), all of which was received from [REDACTED] their immediate family and companies controlled by [REDACTED]. Interest and dividends receivable in the year totalled £0.8m (2024: £0.7m). Total income for the year was £12.2m (2024: £11.3m), with expenditure of £10.1m (2024: £12.0m) leaving a surplus deficit for the year of £2.0m (2024: deficit £0.7m) before gains and losses on investments. Overall, there was a gain on investments of £6.8m (2024: £5.9m) leaving a net surplus movement in funds for the year of £8.8m (2024: £5.2m), all of which are unrestricted.

Support costs amounting to £106k during the year (2024: £70k), therefore remain low at 0.08% of the closing general fund balance (2024: 0.06%).

At 30 June 2025 the market value of investments held was £125.9m (2024: £119.1m), with the balance on the general fund £130.2m (2024: £121.4m).

Cash at the bank as at 30th June 2025 amounted to £7.9m (2024: £8.0m).

Investment policy and performance

In accordance with the Trust Deed, the Trustees have the power to invest in such stocks, shares, investments and property in the UK or overseas as they in their sole discretion see fit, however wherever possible the objectives are to invest ethically. Some of the Trust's investments are managed by investment managers, to whom decision making is delegated within agreed constraints. Where shares have been gifted to the Trust, these investments are held directly and reviewed regularly by

THE SOUTER CHARITABLE TRUST

Report of the Trustees

for the year ended 30 June 2025

the Trustees in the light of prospects for individual investments and also the overall cash requirements of the Trust.

On 21 October 2019 ██████████ donated one third of his shareholding in Souter Investments Limited to the Trust. This donation amounted to 28% of the company and was valued at £108,923,149 at the date of the donation. On 4 September 2020 approximately 13% of the Trust's investment was bought back by Souter Investments Ltd for £10,000,000. The Trust now holds 25% of the company's shares.

The Trustees note the investment performance during the year, with the adjusted market value of investments increasing by 5.7% (2024: 5.2%) primarily due to the net increase in market value of the diversified, unlisted investment portfolio held by the Trust. The net realised and unrealised gain on investments totalled £6.8m, against a net gain of £5.9m reported in 2024.

Risk Management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. They have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity and are satisfied that systems are in place to mitigate exposure to the major risks.

The principal risks faced by the Trust is investment risk together with operational risk from inefficient grant making.

The Trustees mitigate investment risk by maintaining a diversified investment portfolio. Risk associated with investment returns is managed by adopting a holistic approach to income where the Trust can expect to receive increased donations to the Trust in times of lower investment return.

The operational risk of making ineffective grants is mitigated by ensuring the Trustees have the necessary skills and expertise to objectively assess each application received. The grant making process involves detailed scrutiny of all applications by all Trustees in conjunction with the Trustees detailed knowledge of the sector. The review process is focussed on the public benefit derived from any grant made.

Reserves Policy

It is the policy of the Trustees to ultimately distribute the income of the Trust in the form of grants or donations. At the year end the free reserves of the charity were £130.2m (2024: £121.4m).

PLANS FOR THE FUTURE

The Trust does not actively fundraise; donations are expected to continue to be provided exclusively by ██████████ his corporate interests and his family. The Trust expects to sell further tranches of its investment in Souter Investments Ltd back to the company on an ad hoc basis to supplement donations received by the Trust.

The Trustees will continue to consider all grant applications received and to assess them all according to merit. There is no internal requirement that a certain proportion of income be expended in any one year. The Trust also has an objective to invest the funds at its disposal in an effective manner thereby increasing the resources available to continue to make grants to worthwhile causes in the future.

THE SOUTER CHARITABLE TRUST

Report of the Trustees

for the year ended 30 June 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document and constitution

The Trust is an unincorporated trust, constituted under a Trust Deed dated 29 March 2000, and is recognised as a charity by the Office of the Scottish Charity Regulator, charity number SC029998. The Trust was established by an initial gift from [REDACTED] and he has continued to make further substantial gifts to the charity since the Trust's formation. The Trust does not actively fundraise and seeks to continue its work through careful stewardship of its existing resources and continuing support from [REDACTED] his corporate interests and his family.

Recruitment and appointment of Trustees

The Trustees are appointed by the existing Board of Trustees and the Trust Deed provides for a minimum of three Trustees. Should the number of Trustees fall below three, the existing Trustees will appoint a new Trustee to maintain the skills mix of the board. The induction process for any newly appointed Trustee would comprise a meeting with the existing Trustees where they would explain the activities of the Trust, the grant making process and supply a copy of the Trust Deed and most recent accounts. The Trustees meet every month to agree the broad strategy and grants to be awarded by the Trust and consider other issues such as investment, reserve and risk management policies and performance. The day to day administration of grants and the processing and handling of applications prior to the consideration of the Trustees is performed by an administrator.

Pay and remuneration policy

In accordance with paragraph 9(1) of the Trust Deed, the Trustees have the power to indemnify and reimburse themselves for any expenses or liabilities incurred in relation to the Trust. The Trust has no staff administration and support is provided by third parties on an invoice basis.

THE SOUTER CHARITABLE TRUST

Report of the Trustees

for the year ended 30 June 2025

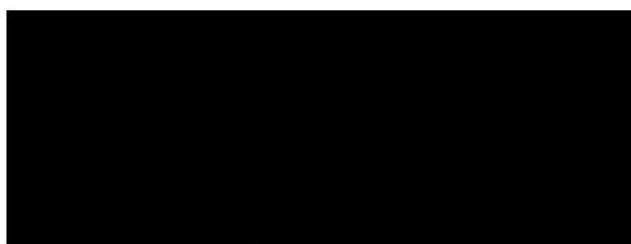
REFERENCE AND ADMINISTRATIVE INFORMATION

Charity name: The Souter Charitable Trust

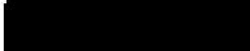
Charity registration number: SC029998

Principal office: PO Box 7412
Perth, PH1 5YX

Trustees:



Secretary:



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

Bankers: Bank of Scotland
75 George Street
Edinburgh, EH2 3EW

Solicitors: Turcan Connell
Princes Exchange
1 Earl Grey Street
Edinburgh, EH3 9EE

Investment managers: Rathbone Brothers Plc
George House
50 George Square
Glasgow, G2 1EH

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.

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Report of the Trustees

for the year ended 30 June 2025

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:

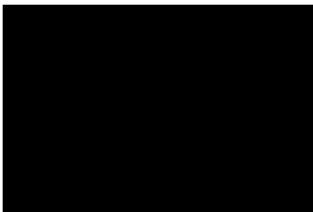
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association 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 Association and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 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 on 19 December 2025 and signed on their behalf:



THE SOUTER CHARITABLE TRUST

Independent Auditor's Report to the Trustees of The Souter Charitable Trust Year ended 30 June 2025

Opinion

We have audited the financial statements of The Souter Charitable Trust for the year ended 30 June 2025, 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 30 June 2025 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis 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 company'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 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

THE SOUTER CHARITABLE TRUST

Independent Auditor's Report to the Trustees of The Souter Charitable Trust Year ended 30 June 2025

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 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 6, 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 the 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 has 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 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:

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.

THE SOUTER CHARITABLE TRUST

Independent Auditor's Report to the Trustees of The Souter Charitable Trust
Year ended 30 June 2025

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 considered, 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 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, 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
Statutory Auditor
9 Ainslie Place
Edinburgh
EH3 6AT

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

19 December 2025

THE SOUTER CHARITABLE TRUST
STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING
THE INCOME AND EXPENDITURE ACCOUNT

for the year ended 30 June 2025

	Note	2025 £	2024 £
Income and endowments from			
<i>Donations</i>		11,406,250	10,643,750
<i>Investments</i>			
Interest received/receivable		755,636	708,010
		<hr/>	<hr/>
Total income		12,161,886	11,351,760
		<hr/>	<hr/>
Expenditure on			
<i>Raising funds</i>			
Investment management fees		43	54
<i>Charitable activities</i>			
Grants payable	2	10,007,434	11,930,905
Direct charitable activities		22,670	27,334
Support costs	3	105,528	70,358
		<hr/>	<hr/>
Total expenditure		10,135,675	12,028,651
		<hr/>	<hr/>
Net income/(expenditure) before gains and losses on investments		2,026,211	(676,891)
Net gains on investments	5	6,814,065	5,871,321
		<hr/>	<hr/>
Net income		8,840,276	5,194,430
Other recognised gains and losses			
Other gains		-	8
		<hr/>	<hr/>
Net movement in funds		8,840,276	5,194,438
Reconciliation of funds			
Balance on general fund at 30 June 2024		121,381,243	116,186,805
		<hr/>	<hr/>
Balance on general fund at 30 June 2025		130,221,519	121,381,243
		<hr/> <hr/>	<hr/> <hr/>

The charity has no recognised gains or losses other than the results for the year set out above. All activities of the charity are classed as continuing and are unrestricted in the current and previous years.

The notes on pages 14 to 25 are an integral part of this statement of financial activities.

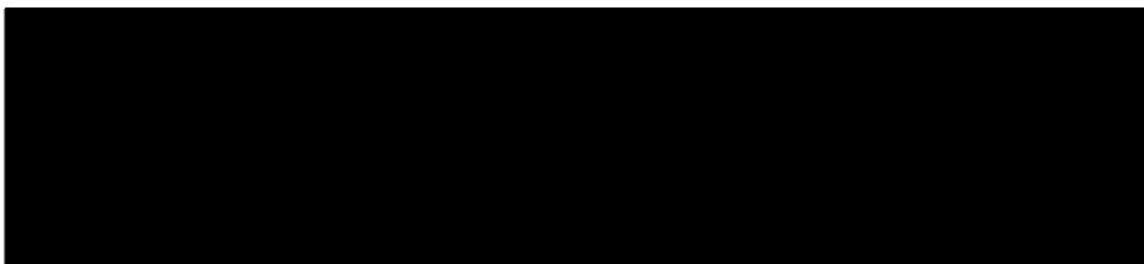
THE SOUTER CHARITABLE TRUST

BALANCE SHEET

As at 30 June 2025

	Note	2025 £	2024 £
Fixed asset investments:			
Investments	5	125,908,560	119,096,936
Current assets:			
Debtors	6	3,797,114	3,319,094
Cash at bank		7,851,626	7,970,560
		<u>11,648,740</u>	<u>11,289,654</u>
Creditors: amounts falling due within one year	7	<u>(4,605,198)</u>	<u>(5,042,397)</u>
Net current assets		<u>7,043,542</u>	<u>6,247,257</u>
Total assets less current liabilities		132,952,102	125,344,193
Creditors: amounts falling due after more than one year	8	<u>(2,730,583)</u>	<u>(3,962,950)</u>
Net assets		<u>130,221,519</u>	<u>121,381,243</u>
Represented by:			
Balance on general fund (unrestricted)		<u>130,221,519</u>	<u>121,381,243</u>

Approved by the Trustees on 19 December 2025 and signed on their behalf:



The notes on pages 14 to 25 are an integral part of these accounts.

THE SOUTER CHARITABLE TRUST

STATEMENT OF CASH FLOWS

For the year ended 30 June 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash (used in)/inflow from operating activities	9	(398,991)	(664,838)
Interest received		277,616	197,041
Net cash used by investing activities		<u>(121,375)</u>	<u>(467,797)</u>
Cash flows from investing activities			
Proceeds from sale of investments	5	2,441	-
Net cash provided by investing activities		<u>2,441</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		(118,934)	(467,797)
Cash and cash equivalents at beginning of reporting period		<u>7,970,560</u>	<u>8,843,357</u>
Cash and cash equivalents at end of reporting period	9	<u><u>7,851,626</u></u>	<u><u>7,970,560</u></u>

The notes on pages 14 to 25 are an integral part of these accounts.

THE SOUTER CHARITABLE TRUST

NOTES ON FINANCIAL STATEMENTS for the year ended 30 June 2025

1. Accounting policies

a) Basis of preparation

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to the accounts. The accounts have been prepared in accordance with the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), 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).

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

The financial statements are prepared in pound sterling.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. The most significant areas of adjustment and key assumptions that affect items in the accounts are to do with estimating the liability from multi-year grant commitments (see note 2 for more information). With respect to the next reporting period 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) Expenditure recognition and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred. Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure.

- *Raising funds* consist of investment management fees.
- *Charitable activities* include grants awarded, direct charitable activities, overheads and support costs, including governance costs.

Grants are regarded as commitments when the Trustees have approved a request for support that is payable over a financial year-end and have written to the beneficiary stating the amount and period over which grants will be made. If, within the commitment period, a beneficiary ceases or materially adversely changes its charitable operations or fails to meet any funding condition the Trustees would have no hesitation in withdrawing their commitment. Future commitments are recognised as liabilities (see notes 7 and 8).

The provision for a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Trust that would permit the Trust to avoid making the future payment(s), settlement is probable and the effect of discounting is material.

THE SOUTER CHARITABLE TRUST

NOTES ON FINANCIAL STATEMENTS
for the year ended 30 June 2025

1. Accounting policies (continued)

c) **Expenditure recognition and irrecoverable VAT (continued)**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include governance costs which support Trust activities. These costs include the expenses of Trustee meetings, the statutory audit and legal and professional fees, and have been allocated to expenditure on charitable activities.

d) **Fixed asset investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value.

Listed fixed asset investments are subsequently measured at their fair value as at the balance sheet date using the market value at the balance sheet date.

Unlisted fixed asset investments are stated at cost except where a reliable estimate of fair value can be obtained. Included within unlisted investments are loan notes which are valued on an amortised cost basis using the effective interest method.

The statement of financial activities includes the gains and losses arising on revaluation and disposals throughout the year. 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 opening market value (or purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and the opening market value (or purchase date if later). Exchange rate movements on investments held in foreign currencies are included in realised or unrealised gains or losses for the year.

Programme related social investments are recorded at cost and reviewed for impairment at the end the reporting period.

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

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

THE SOUTER CHARITABLE TRUST

NOTES ON FINANCIAL STATEMENTS
for the year ended 30 June 2025

1. Accounting policies (continued)

e) **Contingent liabilities**

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probable; or
- the amount has not been communicated in the grant offer and that amount cannot be estimated reliably.

f) **Financial instruments**

Financial instruments comprise financial assets and financial liabilities which are recognised when the charity becomes a party to the contractual provisions of the instrument. They are classified as "basic" in accordance with FRS102 and are accounted for at the settlement amount due, which equates to the cost. Financial assets comprise investments, cash, loans, other debtors and accrued income. Financial liabilities comprise accruals and future grant commitments.

g) **Provisions**

Provisions are recognised when the charity has a present obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

h) **Judgements and key sources of estimation uncertainty**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

i) **Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand and balances with banks and are measured at amortised cost.

THE SOUTER CHARITABLE TRUST

NOTES ON FINANCIAL STATEMENTS
for the year ended 30 June 2025

2. Charitable grants

The following is a summary of grants awarded and paid by the Trust during the year:

	2025	2024
	£	£
Aids Care, Education & Training (ACET)	240,000	80,000
Alpha International	300,000	300,000
Benedetti Foundation	15,000	15,000
Bethany Christian Trust	80,000	146,700
Big Church Day Out	250,000	100,000
Care for Children	110,000	100,000
Care International	15,000	-
Care Not Killing	62,000	50,000
Caring for Ex-Offenders Scotland	17,000	17,000
Centre for Social Justice	75,000	50,000
Chance for Change	-	80,000
Christian Concern - Faith Truth & Hope	-	60,000
Christian Solidarity Worldwide	100,000	100,000
Christianity Explored	100,000	100,000
Christians Against Poverty	305,000	375,000
Christians in Sport	-	15,000
CLIC Sargent	30,000	30,000
Comfort International	15,000	-
Comassion UK	25,000	-
Congo Childrens Trust	20,000	-
Cottage Family Centre	150,000	200,000
Cure International	25,000	20,000
Cyrenians	-	15,053
Destiny Church	-	40,000
Evangelical Alliance	100,000	100,000
Families Like Us	15,000	-
Foodbank Aid	-	20,000
For Afrika	400,000	500,000
Go Youth for Christ	20,000	20,000
Haven Kilmalcolm	42,000	20,000
Helen Bamber Foundation	45,000	45,000
Hope for Glasgow	35,000	35,000
Hope for Justice	230,000	677,500
Inspiring Scotland	75,000	75,000
International Health	20,000	-
International Justice Mission	250,000	260,000
International Needs	16,000	16,000
Isaiah Movement	80,000	50,000
JAM International	150,000	-
Junction 12	18,000	18,000
Kenya Children's Home	-	20,000
Leading the Way	50,000	50,000
Light	337,500	250,000
Lighthouse Group (Transforming Lives for Good)	150,000	150,000
London City Mission	15,000	15,000
MAF UK	40,000	40,000
	<hr/>	<hr/>
Balance carried forward	4,022,500	4,255,253

THE SOUTER CHARITABLE TRUST

NOTES ON FINANCIAL STATEMENTS
for the year ended 30 June 2025

2. Charitable grants (continued)

	2025	2024
	£	£
Balance brought forward	4,022,500	4,255,253
Mary's Meals	192,700	192,700
Medair	40,000	-
Medical Aid for Palestine	40,000	-
Message Trust	396,667	333,333
Nazarene Ministers Benevolent Fund	27,400	27,000
Nazarene Theological College	27,000	27,000
Open Doors	20,000	-
Outward Bound Trust	20,000	21,742
Papua Partners	15,000	15,000
Parkhead Nazarine Church	20,000	-
Philo Trust	20,000	-
Preshal Trust	20,000	20,000
Prince's Trust Scotland	125,000	56,250
Prison Fellowship Scotland	20,000	15,000
Raising Futures Kenya	15,000	-
Revitalise Trust	33,333	-
Safe Families for Children	60,000	60,000
SAT-7	60,000	50,000
Scottish Bible Society	200,000	200,000
Scottish Council on Human Bioethics	20,000	20,000
Scripture Union Magnitude Festival	30,000	50,000
Scripture Union Scotland	262,570	125,000
Search for Truth Charitable Trust	50,000	40,000
Society for the Protection of the Unborn Child	-	25,000
Solas Centre	40,000	40,000
Sowing Seeds Ministries	48,000	48,000
Speak Life	20,000	20,000
Sporting Marvels	20,000	20,000
Tearfund	415,000	400,000
Teen Challenge	48,000	35,000
Trinity Church of Nazarene Perth	36,000	36,000
Twenty Schemes	-	30,000
Venture Trust	162,500	212,500
Village Water	-	15,000
Vine Trust	50,000	100,000
Waverley Abbey Trust	100,000	-
World Vision	365,000	105,000
Youth for Christ	-	69,500
Other Grants (less than £15,000)	4,633,465	4,550,652
	<hr/>	<hr/>
Total paid in the year	11,675,135	11,214,930
Future commitments	7,322,116	8,989,817
Less prior year future commitments	(8,989,817)	(8,273,842)
	<hr/>	<hr/>
	10,007,434	11,930,905
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THE SOUTER CHARITABLE TRUST
NOTES ON FINANCIAL STATEMENTS
for the year ended 30 June 2025

2. Charitable grants (continued)

During the year, 1,441 (2024: 1,469) grants were paid out totalling £11,675,135 (2024: £11,214,930), of which 1,335 (2024: 1,369) were for less than £15,000. There were no grants in excess of £1,000 awarded to an individual during the year (2024: None).

The grants paid have been categorised in the following activities:-

	2025	2024
	£	£
Drugs and Alcohol Abuse	319,380	145,304
Social Action	8,533,267	8,907,494
Spiritual Welfare	2,817,488	2,146,132
Medical Research	5,000	16,000
	<hr/>	<hr/>
	11,675,135	11,214,930
	<hr/> <hr/>	<hr/> <hr/>
	2025	2024
	£	£
Future commitments:		
Aids Care, Education & Training (ACET)	160,000	400,000
Alpha International	150,000	450,000
Bethany Christian Trust	490,000	-
Big Church Day Out	125,000	375,000
Care for Children	100,000	200,000
Centre for Social Justice	100,000	-
Christian Solidarity Worldwide	250,000	50,000
Christianity Explored	75,000	175,000
Christians Against Poverty	150,000	450,000
CLIC Sargent	-	30,000
Comfort International	30,000	-
Congo Children Trust	40,000	-
Connect to Community	17,000	34,000
Cottage Family Centre	-	150,000
Evangelical Alliance	75,000	175,000
Faith Truth and Hope	180,000	-
Five Talents UK	20,000	30,000
For Afrika	600,000	-
Friends of Asha GB	20,000	-
Go Youth Trust	20,000	-
Haven Kilmacolm	80,000	-
Helen Bamber Foundation	45,000	90,000
Hope for Glasgow	-	35,000
	<hr/>	<hr/>
Balance carried forward	2,727,000	2,644,000

THE SOUTER CHARITABLE TRUST
NOTES ON FINANCIAL STATEMENTS
for the year ended 30 June 2025

2. Charitable grants (continued)

	2025	2024
	£	£
Future commitments:		
Balance brought forward	2,727,000	2,644,000
Inspiring Scotland	75,000	150,000
International Justice Mission	62,500	312,500
International Needs	32,000	48,000
Kirkintilloch Baptist Church	16,000	-
Leading the Way	-	50,000
Light	375,000	662,500
Lighthouse Group (Transforming Lives for Good)	150,000	300,000
London City Mission	15,000	30,000
MAF UK	40,000	80,000
Mary's Meals	192,700	385,400
Medair	750,000	-
Message Trust	500,000	866,667
Nazarene Ministers Benevolent Fund	20,000	40,000
Nazarene Theological College	27,000	54,000
Outward Bound Trust	40,000	-
Papua Partners	-	15,000
Parkhead Nazarine Church	40,000	-
PhysioNet	16,500	27,500
Prince's Trust Scotland	218,750	343,750
Prison Fellowship Scotland	40,000	-
Revitalise Trust	66,666	-
Safe Families for Children	-	60,000
Scottish Bible Society	200,000	400,000
Scottish Council on Human Bioethics	-	20,000
Scripture Union Scotland	500,000	750,000
Search for the Truth Charitable Trust	100,000	-
Solas Centre	40,000	80,000
Sowing Seeds Ministries	100,000	148,000
Speak Life	-	20,000
Sporting Marvels	75,000	20,000
Street Connect	20,000	-
Tearfund	-	400,000
Teen Challenge	-	30,000
Twenty Schemes	90,000	-
Venture Trust	37,500	200,000
Vine Trust	300,000	50,000
World Vision	550,000	900,000
Worldwide Radiology	20,000	-
Others < £15,000	75,500	92,500
Discounting factor	(190,000)	(190,000)
	<hr/>	<hr/>
	7,322,116	8,989,817
	<hr/> <hr/>	<hr/> <hr/>

THE SOUTER CHARITABLE TRUST

NOTES ON FINANCIAL STATEMENTS
for the year ended 30 June 2025

2. Charitable grants (continued)

	2025	2024
	£	£
Future commitments payable:		
Due less than one year (note 7)	4,591,533	5,026,867
Due greater than one year (note 8)	2,730,583	3,962,950
	<u>7,322,116</u>	<u>8,989,817</u>

3. Support costs

	2025	2024
	£	£
Trustees' remuneration and expenses	19,127	13,713
Office expenses	46,709	71,553
Bank charges	191	126
Governance costs	9,600	9,000
Legal fees	5,057	810
	<u>105,528</u>	<u>70,358</u>

The Trust has no staff. Administration and support services are provided by third parties and are included in office expenses. Governance costs wholly consist of auditor remuneration.

4. Analysis of charitable expenditure

The charity undertakes its charitable activities through grant making and awarded grants to a number of charities and institutions in furtherance of its charitable activities.

	Grants	Direct costs	Support costs	Total 2025	Total 2024
	£	£	£	£	£
Drugs and Alcohol Abuse	898,380	-	9,473	907,853	146,216
Social Action	7,217,900	-	76,113	7,294,013	8,963,376
Spiritual Welfare	1,886,154	22,670	19,889	1,928,713	2,186,930
Medical Research	5,000	-	53	5,053	16,100
	<u>10,007,434</u>	<u>22,670</u>	<u>105,528</u>	<u>10,135,632</u>	<u>11,312,622</u>

THE SOUTER CHARITABLE TRUST

NOTES ON FINANCIAL STATEMENTS
for the year ended 30 June 2025

5. Investments

Movement fixed asset investments

	Listed £	Unlisted £	Social Investment £	Total 2025 £	Total 2024 £
Market value brought forward	5,545	116,054,811	3,036,580	119,096,936	113,225,615
Additions to investments at cost	-	-	-	-	-
Disposals at proceeds	(2,441)	-	-	(2,441)	-
Net gain on disposals	271	-	-	271	-
Net (loss)/gain on revaluation	(1,650)	6,815,444	-	6,813,794	5,871,321
	<u>1,725</u>	<u>122,870,255</u>	<u>3,036,580</u>	<u>125,908,560</u>	<u>119,096,936</u>

Investments at fair value comprised:

	Listed £	Unlisted £	Social Investment £	Total 2025 £	Total 2024 £
UK Investments	1,725	122,870,255	3,036,580	125,908,560	119,096,936
	<u>1,725</u>	<u>122,870,255</u>	<u>3,036,580</u>	<u>125,908,560</u>	<u>119,096,936</u>

Investments at historical cost comprised:

	Listed £	Unlisted £	Social Investment £	Total 2025 £	Total 2024 £
Investments	537,101	98,013,550	3,036,580	101,587,231	102,459,333
	<u>537,101</u>	<u>98,013,550</u>	<u>3,036,580</u>	<u>101,587,231</u>	<u>102,459,333</u>

During 2015 the Trust acquired as a social investment Loch Monzievairst, a 30-acre property near Crieff, together with its 23 holiday lodges and 2 cottages. The property was acquired at the behest of Young Life, a charity which wanted to use the facilities for the purpose of Christian based youth camps. Immediately following the acquisition, the Trust signed a 15-year lease allowing Young Life exclusive use of the facilities, for a peppercorn annual rent.

Other than the social investment, all investments are held to provide an investment return for the charity.

Asset purchases are initially recognised at cost. Listed and unlisted investments are carried at their fair value. Listed investments are all traded on quoted public markets, primarily the London Stock Exchange. The fair value of listed investments is calculated using the bid price. The fair value of unlisted investments is calculated using the International Private Equity and Equity and Venture Capital Valuation guidelines. Social investments are carried at cost. Gains or losses on disposal are calculated based on the difference between sale proceeds and brought forward fair values.

THE SOUTER CHARITABLE TRUST
 NOTES ON FINANCIAL STATEMENTS
 for the year ended 30 June 2025

5. Investments (continued)

The significance of the financial instruments to the ongoing financial sustainability of the Trust is considered in the financial review and investment policy section of the Report of the Trustees.

The main form of risk faced by the Trust is investment risk, being the risks implied by volatility in equity markets and investment markets due to wider economic conditions, the attitudes of investors to investment risk, and changes in sentiment concerning equities within each sector. The Trust has managed investment risk by retaining expert advisors and operating an investment policy that provides a high degree of diversification of holdings within investment asset classes, including a mix of listed and unlisted investments. In addition, the Trust does not make use of derivatives and other similar complex financial instruments.

6. Debtors

	2025 £	2024 £
Other debtors and accrued income	3,797,114	3,319,094
	<u> </u>	<u> </u>

7. Creditors: amounts falling due within one year

	2025 £	2024 £
Accruals	13,665	15,530
Future grant commitments	4,591,533	5,026,867
	<u> </u>	<u> </u>
	4,605,198	5,042,397
	<u> </u>	<u> </u>

8. Creditors: amounts falling due after more than one year

	2025 £	2024 £
Future grant commitments	2,730,583	3,962,950
	<u> </u>	<u> </u>

THE SOUTER CHARITABLE TRUST
NOTES ON FINANCIAL STATEMENTS
for the year ended 30 June 2025

9. Net cash (outflow) from activities	2025		2024
	£		£
Net income/(expenditure) before revaluations and investment asset disposals	2,026,211		(676,883)
Investment income	(755,636)		(708,010)
Non-operating cashflows eliminated: - (Decrease) /increase in creditors	(1,669,566)		720,055
	<hr/>		<hr/>
Net cash (outflow) from operating activities	(398,991)		(664,838)
	<hr/>		<hr/>
Analysis of changes in net funds:	At 1 July	Cash flow	At 30
	July 2024	2025	June 2025
	£	£	£
Cash at bank	7,970,560	(118,934)	7,851,626
	<hr/>	<hr/>	<hr/>

10. Trustees Expenses

██████████ received £11,200 (2024: £11,116) in the year as payment for professional services in accordance with paragraph 9(l) of the Trust Deed.

██████████ received £3,100 (2024: £2,598) in the year as payment for professional services in accordance with paragraph 9(l) of the Trust Deed.

Additionally, three (2024: Nil) trustees were reimbursed for office costs and travel expenses of £7,465 (2024: £Nil). There were no amounts outstanding at the year end.

11. Related Parties

On 21 October 2019 ██████████ donated one third of his shareholding in Souter Investments Limited to the Trust. This donation amounted to 28% of the company and was valued at £108,923,149 at the date of the donation. On 4 September 2020 approximately 13% of the Trusts investment was bought back by Souter Investments Ltd for £10,000,000. The Trust now owns 25% of the company.

██████████ is a Trustee of the Trinity Church of the Nazarene, Perth. During the year the Trust paid grants amounting to £36,000 (2024: £36,000) to the Church. A further £13,606 (2024: £16,719) of expenditure was incurred relating to direct charitable activities connected to the Church. At 30 June 2025 no amount (2024: £Nil) was due to the Church.

During the year the Trust donated £4,200 (2024: £27,200) to Kenya Children’s Homes (CIIC). ██████████, the sister of ██████████ is a Trustee of the Kenya Children’s Homes (CIIC).

During the year the Trust donated £230,000 (2024: £677,500) to Hope for Justice. ██████████ one of the Trustees is also a Trustee of Hope for Justice.

THE SOUTER CHARITABLE TRUST

NOTES ON FINANCIAL STATEMENTS
for the year ended 30 June 2025

11. Related Parties (continued)

During the year a total of £1,406,250 (2024: £643,750), inclusive of gift aid, was donated to the Trust by the Trustees.

During the year a total of £10,000,000 (2024: £9,500,000) was donated to the Trust by Highland and Universal Securities Limited, a company controlled by [REDACTED]

During the year a total of £nil (2024: £500,000) was donated to the Trust by Souter Kent Limited, a company controlled by [REDACTED]

12. Contingent assets and liabilities

In 2019 the Trust entered into an agreement to provide a grant to Strathclyde House Trust. Under the terms of the agreement, as at 30 June 2025, up to £200,000 of the £500,000 grant paid in 2019 to Strathclyde House Trust may become repayable if the property is sold or ceases to be used for charitable purposes within the period to 30 June 2030.