

THE ARTHUR AND MARGARET THOMPSON CHARITABLE TRUST

Report and Accounts for year to 5 April, 2025

(Scottish Charity No: SC 012103)

Lindsays, Solicitors
Perth

JGT/GPT/AMT24/1

The Arthur and Margaret Thompson Charitable Trust

Contents

	Page
Report of the Trustees	1 - 3
Statement of Trustees' responsibilities	4
Statement of financial activities	5
Balance sheet	6
Cash Flow Statement	7
Notes to the Accounts	8 - 14
Report of the Auditors	15 - 18

The Arthur and Margaret Thompson Charitable Trust
Report of the Trustees of The Arthur and Margaret Thompson Charitable Trust

The Trustees present their Annual Report and Accounts for the year ended 5 April 2025. This report is prepared in accordance with the Constitution of the Charity, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Trust information

Trustees

Reverend Alan Reid. Minister of the Parish of Kinross as Trustee ex officio in Terms of the Founding Document.

Alastair Gilmour Dorward, Solicitor (Retired), 10b St Leonards Bank, Perth. Appointed by Deed of Assumption and Conveyance dated 21 September and registered in Books of Council and Session on 23 September all in 1999. Resigned in terms of the Deed of Assumption and Conveyance, incorporating a resignation dated 6 November 2024 and registered in the Books of Council and Session on 11 November 2024.

Joseph Livio Giacobazzi, 38A New Road, Milnathort. Appointed by Deed of Assumption and Conveyance dated 16th February and registered in the Books of Council and Session on 18th February all in 2011.

Grant James Simpson of 7 Newton of Classloch, Kinross. Appointed by Deed of Assumption and Conveyance dated 17th June 2012 and registered in the Books of Council and Session on 6th July 2012.

Dr Alastair John McCracken of 31 Croft Wynd, Milnathort, Kinross-shire. Appointed by Deed of Assumption and Conveyance dated 15th and 21st October 2014 and registered in the Books of Council and Session on the 7th November 2014.

David Sands of 2 Greenburnfield, New Road, Milnathort, Kinross-shire. Appointed by Deed of Assumption and Conveyance dated 17th February 2022 and registered in the Books of Council and Session on 25th February 2022.

Alexander Rentoul Montgomery of 41 High Street, Kinross, Appointed by Deed of Assumption and Conveyance dated 06 November 2024 and registered in the Books of Council and Session on 11 November 2024.

Secretaries and principal address of the charity

Lindsays
10 Blackfriars Street
Perth, PH1 5NS

Charity No.

SC012103

Auditors

Morris & Young Chartered Accountants
6 Atholl Crescent
Perth, PH1 5JN

Solicitors

Lindsays
10 Blackfriars Street
Perth, PH1 5NS

Bankers

Clydesdale Bank / Virgin Money
83 George Street
Edinburgh, EH2 3ES

Investment managers

Brewin Dolphin Securities
5 Giltspur Street
London, EC1A 9BD

The Arthur and Margaret Thompson Charitable Trust
Report of the Trustees of The Arthur and Margaret Thompson Charitable Trust contd

Appointment of Trustees

Trustees are appointed by existing Trustees taking account of their view of the suitability of any new Trustee given the principles encompassed in the Founding Documents and the background and skills of any new Trustee relative to the skill base of the existing Trustees. The Chairman leads the induction process for new Trustees.

Constitution

Deed of Trust by Arthur Robert Thompson dated 15 August 1973 and subsequent dates and registered in the Books of Council and Session on 16 November 1973.

Objects of the Trust

The Trustees, in their sole discretion, may make donations or grants to Charitable Institutions or Societies or pay allowances or annuities of such amounts as the Trustees may from time to time decide to indigent residents of the Town or Burgh of Kinross and the Parish of Orwell, as they may select, or for any purposes which would, in the opinion of the Trustees, be beneficial to the Town or Burgh of Kinross and the Parish of Orwell or its inhabitants. Trust funds to be applied for charitable, beneficial or public purposes.

Structure, governance and management

The Trustees meet 3 times per year to consider all matters of Trust business including the donation programme. In addition any routine administrative matters are dealt with at these meetings and Trustees are circulated where appropriate for decision or for information. In addition the Chairman and the secretaries communicate on a regular basis throughout the year.

The Trust has no employees and administrative work is carried out by the Secretaries. Assessments are carried out by a qualified third party on individuals on behalf of the Trust for which a fee is paid in respect of each assessment.

Investment policy and performance

Under the Trust Deed the Trustees have power to invest in such stocks, shares, investments and property in the UK as they see fit. Brewin Dolphin Securities, London have been appointed as Investment Managers to conduct the management of the portfolio. The Trustees have instructed them to carry out this management on a discretionary basis. Regular reports by the Investment Manager are circulated amongst the Trustees. The Investment Manager is invited to meet the Trustees annually to discuss the investments.

The Trust investments are managed on a policy of medium risk to achieve a balanced return from income and from capital growth.

Reserves policy

The funds of the Trust originate from original and subsequent capital donations together with the growth in value of the investments and the periodic accrual of revenue. The Trustees have adopted a policy of not encroaching upon capital in making charitable donations. The Trustees have adopted a practice of generally ensuring that year on year, all expenditure including charitable donations is paid for out of revenue so as to protect and preserve the capital in the long term. They hold accrued revenue equivalent to some six years' net income against unforeseen calls upon the Trust and to meet various conditional commitments pledged by the Trustees from time to time.

Risk management

The Trustees are not aware of any major risks to which the charity is exposed other than a medium degree of risk to their investments in the stock market in following their investment policy. This is mitigated by retaining expert investment managers, who actively manage the portfolio on the Trustees behalf and having a diversified investment portfolio.

The Arthur and Margaret Thompson Charitable Trust
Report of the Trustees of The Arthur and Margaret Thompson Charitable Trust contd

Key management personnel remuneration

The Trustees consider the board of Trustees to be the key management personnel of the Trust, in charge of directing and controlling the Trust and running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee remuneration or expenses were paid in the year. Trustees are required to disclose all relevant interests and in accordance with the Trust's policy withdraw from decisions where a conflict of interest arises.

Grant making policy and objectives

To support charitable institutions, societies and/or indigent persons connected with the Town or Burgh of Kinross and the Parish of Orwell at the discretion of the Trustees. The Trustees support a wide range of suitable projects which are fully detailed annually within the accounts.

Activities during the year and financial review

The Trustees continued to support local Charitable Institutions or Societies and to pay allowances or annuities to indigent residents of the town or Burgh of Kinross and the Parish of Orwell as detailed in Note 2 to the Accounts.

The results of the year are detailed in the Statement of Financial Activities and the Notes to the Accounts showing a revenue surplus for the year of £70,524.89 (2024 - deficit of £53,468.69) before net investment losses of £126,340.44 (2024 - gains of £452,746.92), resulting in closing funds of £8,219,608.69 (2024 - £8,275,424.24).

The Trustees agree from time to time to support a number of ongoing local projects subject to certain conditions being met and these conditional commitments still outstanding are detailed in Note 9 to the Accounts.

Related parties

There were no related party transactions during the year.

Plans for the future

The Trustees plan to continue their programme of supporting local charitable institutions, societies and/or indigent persons connected with the Town or Burgh of Kinross and the Parish of Orwell including the projects detailed in Note 9 to the Accounts should they come to fruition. The Trustees are mindful both of the potentially increased needs of many traditional beneficiaries and the potential decrease in future investment income and will manage the Trust's affairs in a manner that will ensure the Trust's ability to achieve its charitable objectives in the medium to long term can be met.

Auditors

In so far as the Trustees are aware there is no relevant audit information of which you as auditor is unaware. Each Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant information and to establish that the auditor is aware of that information.

The report and account were approved by the Trustees on15th December.....2025 and were signed on their behalf by:

Trustee:.....*Joseph L. Giacobazzi*.....

Name:.....JOSEPH LIVIO GIACOBAZZI.....

The Arthur and Margaret Thompson Charitable Trust

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Report of the Trustees and the accounts in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Law applicable to charities in Scotland requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these accounts, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable it to ensure that accounts comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity constitution. 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 Arthur and Margaret Thompson Charitable Trust

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2025

	Note	Unrestricted Revenue Fund	Unrestricted Capital Fund	Total 2025	Unrestricted Revenue Fund	Unrestricted Capital Fund	Total 2024
<u>Income & Endowments</u>							
Income from Investments & Deposits		£215,615.77		£215,615.77	£213,349.99		£213,349.99
Bank Interest		£8,695.56		£8,695.56	£8,284.56		£8,284.56
<u>Total Income & Endowments</u>		<u>£224,311.33</u>		<u>£224,311.33</u>	<u>£221,634.55</u>		<u>£221,634.55</u>
<u>Expenditure</u>							
Expenditure on Raising Funds		£35,778.23		£35,778.23	£34,101.74		£34,101.74
Expenditure on Charitable Activities	2	£118,248.21		£118,248.21	£241,001.50		£241,001.50
<u>Total Expenditure</u>		<u>£154,026.44</u>		<u>£154,026.44</u>	<u>£275,103.24</u>		<u>£275,103.24</u>
Net income and net movement in funds before (loss)/gain on investments		£70,284.89		£70,284.89	£(53,468.69)		£(53,468.69)
Net (loss)/gain on investments	3		£(126,340.44)	£(126,340.44)		£452,746.92	£452,746.92
Net movement in funds for the year		£70,284.89	£(126,340.44)	£(56,055.55)	£(53,468.69)	£452,746.92	£399,278.23
Reconciliation of funds							
Total funds at 5 April 2024		£1,246,510.09	£7,028,914.15	£8,275,424.24	£1,299,978.78	£6,576,167.23	£7,876,146.01
Total funds at 5 April 2025	6	£1,316,794.98	£6,902,573.71	£8,219,368.69	£1,246,510.09	£7,028,914.15	£8,275,424.24

The Arthur and Margaret Thompson Charitable Trust

BALANCE SHEET AT 5 APRIL 2025

	<u>Note</u>	<u>2025</u>	<u>2024</u>
<u>FIXED ASSETS</u>			
Investments	3	£7,838,429.55	£7,814,228.00
Loan re Kinross & District Men's Shed over 15 Swanacres, Kinross		<u>£125,000.00</u>	<u>£125,000.00</u>
		<u>£7,963,429.55</u>	<u>£7,939,228.00</u>
<u>CURRENT ASSETS</u>			
Debtors	4	£0.00	£15,221.89
Lindsays		£201,845.24	£275,073.49
Brewin Dolphin		<u>£71,856.57</u>	<u>£63,526.77</u>
		<u>£273,701.81</u>	<u>£353,822.15</u>
<u>CURRENT LIABILITIES</u>			
Sundry Creditors	5	<u>£(17,762.67)</u>	<u>£(17,625.91)</u>
		<u>£255,939.14</u>	<u>£336,196.24</u>
Total Assets less Current Liabilities		<u>£8,219,368.69</u>	<u>£8,275,424.24</u>
 <u>FUNDS</u>			
Capital	6	£6,902,573.71	£7,028,914.15
Revenue	6	<u>£1,316,794.98</u>	<u>£1,246,510.09</u>
		<u>£8,219,368.69</u>	<u>£8,275,424.24</u>

These accounts were approved by the Trustees on 15th December 2025
and signed on their behalf by:

Trustee Joseph L. Giacopazzi
Name JOSEPH LIVIO GIACOPAZZI

The Arthur & Margaret Thompson Charitable Trust

CASH FLOW STATEMENT FOR THE YEAR ENDING 5 APRIL 2025

	Note	<u>2025</u>	<u>2024</u>
Net cash used in operating activities	10	£(138,667.79)	£(267,591.52)
Cash flows from investing activities			
Interest and dividends	£224,311.33	£221,634.55	
Proceeds from sale of investments	£527,782.71	£997,071.17	
Investments purchased	<u>£(678,324.70)</u>	<u>£(993,291.94)</u>	
Net cash provided by investing activities		<u>£73,769.34</u>	<u>£225,413.78</u>
Change in cash and cash equivalents in the year		£(64,898.45)	£(42,177.74)
Cash and cash equivalents brought forward		<u>£338,600.26</u>	<u>£380,778.00</u>
Cash and cash equivalents carried forward		<u>£273,701.81</u>	<u>£338,600.26</u>
 <u>Analysis of cash and cash equivalents</u>			
Cash at bank in hand		£201,845.24	£275,073.49
Held by Investment managers		<u>£71,856.57</u>	<u>£63,526.77</u>
		<u>£273,701.81</u>	<u>£338,600.26</u>

The Arthur and Margaret Thompson Charitable Trust

Notes to the Accounts

Trust information

The Arthur and Margaret Thompson Charitable Trust is a charity registered in Scotland. The principal office is 10 Blackfriars Street, Perth PH1 5NS

1 Accounting Policies

Basis of Preparation and Assessment of Going Concern

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

At the time of approving the financial statements, the trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The financial statements are prepared in sterling, which is the functional currency of the Trust.

The accounts are prepared under the historical cost convention as modified by the revaluation of investments. The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The following is a summary of the significant accounting policies adopted by the charity in the preparation of the accounts.

Income Recognition

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Donations, are recognised when the Trust has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the Trust is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Trust and it is probable that those conditions will be fulfilled in the reporting period. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust, this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor or the dividend yield of the investment portfolio.

The Arthur and Margaret Thompson Charitable Trust

Notes to the Accounts (Contd.)

Resources Expended and Irrecoverable VAT

All expenditure is included on an accruals basis when probable and when there is a legal obligation to pay for expenditure. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

- Charitable activities include expenditure associated with grant making, governance costs and an apportionment of support costs as shown in note 2.
- Costs of raising funds relates to the cost of managing investments which is charged against revenue. Any costs associated with the sale or purchase of investments are accounted for as part of the sale or purchase price of the investments.

Allocation of Support Costs and Governance Costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the Trust and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees, together with an apportionment of overhead and support costs.

Investments

Listed investments are included in the balance sheet at fair value.

Gains and losses on disposal and revaluation of investments are charged or credited to the SOFA. Realised gains and losses on investments representing the difference between sale proceeds and cost are dealt with in the SOFA. Unrealised gains and losses are calculated as the difference between the fair value at the year end and opening fair value (or purchase date if later).

Fund Accounting

Unrestricted funds are general funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Fund and which have not been designated for other purposes. Unrestricted funds are analysed between Capital Reserves and Revenue Reserves as although the Trustees have the power to spend capital it is their current policy only to encroach on capital in exceptional circumstances.

Grants and donations

Grants payable are charged in the year when the grant approved by the Trustees is unconditionally committed to the recipient.

Cash at bank

Cash at bank includes cash held in a deposit or similar account.

Financial instruments

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

Debtors policy

Sundry debtors are recognised at the settlement amount due.

Creditors policy

Creditors are recognised where the Trust has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount.

The Arthur and Margaret Thompson Charitable Trust

Notes to the Accounts (Contd.)

2 <u>Direct Charitable Expenditure</u>	<u>2025</u>	<u>2024</u>
Moira Hookham (The Kind Pantry), grant awarded	£400.00	
Louise Scott, grant for new lightweight walking aid	£490.00	
Uncashed annuity cheque to Mrs M Borland	£(350.00)	
November 2024 Annuities, 17 x £350	£5,950.00	£5,950.00
Returned annuity re Mrs J Nelson - has gone into care	£(350.00)	
Christmas 2024 Annuities, 15 x £250	£3,750.00	£4,250.00
Uncashed annuity cheque to Mrs Margaret Smith	£(350.00)	
Uncashed annuity cheque to J McGregor	£(350.00)	
March 2025 Annuities, 15 x £350	£5,250.00	£5,950.00
Uncashed cheque to Mr & Mrs John McNaughton		£(350.00)
March 2023 Annuity		£350.00
Janet Nelson, March 2020 annuity due (cheque was uncashed)		£300.00
Gregor Koziel, to support participation in Berlin Opera Academy summer course		£1,800.00
	<u>£14,440.00</u>	<u>£18,250.00</u>
 <u>Grants to Associations</u>		
Broke not Broken, third and final annual tranche of pledged funds for Kinross Food Bank plus additional one-off grant of £10,000	£35,000.00	£39,500.00
Kinross High School, grant to assist pupils attend an Outward Bound residential course at Ullswater	£2,246.00	
Imaginable Ltd, grant for part payment of wheelchair for Sarah Cheater	£4,110.00	
Kinross Centre, donation to help fund an afternoon tea event/celebration for volunteers	£1,000.00	
Kinross & District Mens Shed, to fund reporting and repair works to stonework on Kinross and District's Men's Shed	£12,866.44	£7,000.00
Swansacre Playgroup SCIO, grant to repair/replace heating system and boiler	£9,150.00	
Perth Festival of the Arts, grant to support costs of 2 art sessions in Milnathort and Kinross	£700.00	
Albion Mobility, balance of purchase price for new electric mobility wheelchair for Mrs K Spain	£6,495.00	
Perth & Kinross Council, grant towards a mobile coffee and juice cart at Kinross High School	£6,883.90	
Kinross-shire Partnership Ltd, to help fund planned Volunteer Recognition Scheme & Awards Ceremony to be held at the Kinross Golf Club at end of May 2025	£1,000.00	
King George V Development Account, to help extension and building works to changing rooms and car park at Kinross Rugby Club		£80,000.00
Perth & District Scout Council, to help Christina Findlay attend World Scout Jambouree In August 2023		£1,882.50
Milnathort Guide Hall Committee, release of conditional pledge for refurbishment of Milnathort Guide Hall		£26,000.00
Kinross-shire Agricultural Society, to help preserve photos, trophies etc as part of Gathering Memories Project		£1,346.90
Kinross Parish Church, cost of new t-shirts for Kinross Family Week		£840.00
Milnathort Film House, to support their work as an amateur film house		£2,000.00
Milnathort Guide Hall Committee, return of surplus funds		£(650.76)
Kinross KGV Development committee, further grant towards completion of works at Kinross Club KGV pavilion		£40,000.00
Kinross & District Mens Shed, cost of survey on the work required to stonework		£955.08
	<u>£79,451.34</u>	<u>£198,873.72</u>
 <u>Overhead and Support Costs</u>		
Secretarial and Management Fees (4/5)	£15,283.17	£15,267.17
 <u>Governance Costs</u>		
Secretarial and Management Fees (1/5)	£3,820.79	£3,816.79
Audit Fee	£4,440.00	£4,200.00
Trustees' Meetings/Dinners/Travel expenses	£792.91	£435.82
Registers of Scotland fees	£20.00	
Social Circumstances Report x 2		£158.00
	<u>£9,073.70</u>	<u>£8,610.61</u>
	<u>£118,248.21</u>	<u>£241,001.50</u>

Key Management

Individual Trustees received no emoluments (2024 - £Nil) nor expenses in the year (2024 - £Nil).

The Arthur and Margaret Thompson Charitable Trust

Notes to the Accounts (Contd.)

3 Investments	2025	2024
At 5 April 2024 at cost	£5,737,418.00	£5,649,646.38
Unrealised appreciation	£2,076,810.00	£1,715,613.93
At 5 April 2024 at fair value	<u>£7,814,228.00</u>	<u>£7,365,260.31</u>
 <u>Movement in the year</u>		
Purchases at cost	£681,122.50	£993,291.94
Sales at cost	£(427,341.39)	£(905,520.32)
Equalisations	£(2,797.80)	
Net (decrease)/increase in unrealised appreciation	£(226,781.76)	£361,196.07
Closing Fair Value	<u>£7,838,429.55</u>	<u>£7,814,228.00</u>
 <u>Represented by:</u>		
Investments at cost	£5,988,401.31	£5,737,418.00
Unrealised Appreciation	£1,850,028.24	£2,076,810.00
Closing Fair Value	<u>£7,838,429.55</u>	<u>£7,814,228.00</u>
 <u>Net Gains & Losses on Investments</u>		
Gain on realisation	£100,441.32	£91,550.85
(Decrease)/increase in unrealised appreciation	£(226,781.76)	£361,196.07
	<u>£(126,340.44)</u>	<u>£452,746.92</u>
 UK Investments held at 5 April 2025	 <u>£7,838,429.55</u>	 <u>£7,814,228.00</u>
 <u>Investments representing more than 5% of the Portfolio</u>		
M1 Select Managers Bond INSTL (formerly Maitland Instr SVC Select Bond)	£433,208.91	£424,851.00
JPMorgan Fund ICVC JPM US Equity Income C2 GBP Net Dis	£397,568.80	
SSGA SPDR EFTS Europe I Plc SPDR S&P US Div Aristocrats UCIT ETF GBP	<u>£412,500.00</u>	

Investment Risks

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

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

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

* Currency risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.

* Interest rate risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changed in market interest rates.

* Other price risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Arthur and Margaret Thompson Charitable Trust

Notes to the Accounts (Contd.)

3 **Investment Risks (Cont'd)**

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

Further information on the Trustees' approach to risk management and the Trust's exposure to credit and market risks are set out below.

Credit Risk

The Trust invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles and is directly exposed to credit risks arising on the financial instruments held by the pooled investment vehicles.

Analysis of Direct Credit Risk

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements. The Trustees carry out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitor any changes to the regulatory and operating environment of the pooled manager.

Pooled investment arrangements used by the Trust comprise authorised unit trusts.

Indirect credit risk arises in relation to underlying investments held in the bond pooled investment vehicles. This risk is mitigated by only investing in pooled funds which invest in at least investment grade credit rated securities.

Currency Risk

The Trust is subject to currency risk because some of the Trust's investments are held in overseas markets, via the pooled investment vehicles.

Interest Rate Risk

The Trust is subject to interest rate risk through investments comprising bonds.

Other Price Risk

Other price risk arises principally in relation to equities held in pooled vehicles. The Trust manages this exposure to other price risk by constructing a diverse portfolio of investments across various markets.

The Arthur and Margaret Thompson Charitable Trust

Notes to the Accounts (Contd)

4 Sundry Debtors	2025	2024
Brewin Dolphin	£0.00	£15,221.89
	<u>£0.00</u>	<u>£15,221.89</u>

5 Sundry Creditors	2025	2024
Secretarial and Management Fees	£4,775.99	£4,775.99
Audit Fees	£8,640.00	£4,200.00
Brewin Dolphin management fees to April 2025	£4,346.68	£8,649.92
	<u>£17,762.67</u>	<u>£17,625.91</u>

6 Funds - Capital	2025	2024
At 5 April 2024	£7,028,914.15	£6,576,167.23
(Deficit)/Surplus for the year	£(126,340.44)	£452,746.92
At 5 April 2025	<u>£6,902,573.71</u>	<u>£7,028,914.15</u>

Funds - Revenue	2025	2024
At 5th April 2024	£1,246,510.09	£1,299,978.78
Surplus/(Deficit) for the year	£70,284.89	£(53,468.69)
At 5 April 2025	<u>£1,316,794.98</u>	<u>£1,246,510.09</u>

7 **Analysis of Net Assets between Funds**

	Unrestricted revenue funds 2025	Unrestricted capital funds 2025	Total 2025	Unrestricted revenue funds 2024	Unrestricted capital funds 2024	Total 2024
Investments		£7,838,429.55	£7,838,429.55		£7,814,228.00	£7,814,228.00
Net current assets	£1,316,794.98	£(935,855.84)	£380,939.14	£1,246,510.09	£(785,313.85)	£461,196.24
	<u>£1,316,794.98</u>	<u>£6,902,573.71</u>	<u>£8,219,368.69</u>	<u>£1,246,510.09</u>	<u>£7,028,914.15</u>	<u>£8,275,424.24</u>

8 **Financial Instruments**

Carrying amount of financial instruments	2025	2024
Financial assets measured at fair value through statement of financial position	£7,838,429.55	£7,814,228.00

Financial assets measured at fair value through profit and loss comprises listed investments.

The Arthur and Margaret Thompson Charitable Trust

Notes to the Accounts (Contd)

9 Conditional Commitments

Broke not Broken

Third and final tranche of £25k, £10k of which is to be used as a contribution to the Broke not Broken's energy support project, £5k to be used to support the said charities counselling services and £10k to help with the purchase of food for the charity's foodbank itself. Paid 25th June 2024.

10 Cash Flow from Operating Activities

	2025	2024
Net movement in funds	£(56,055.55)	£399,278.23
Deduct interest income shown in investing activities	£(224,311.33)	£(221,634.55)
Gain on investments	£(100,441.32)	£(91,550.85)
(Increase)/decrease in unrealised appreciation	£226,781.76	£(361,196.07)
(Increase) in debtors	£15,221.89	£(768.20)
Increase in creditors	£136.76	£8,279.92
	<u>£(138,667.79)</u>	<u>£(267,591.52)</u>

11 Analysis of Changes in Net Funds

	At 6 April 2024	Cashflows	At 6 April 2025
Cash at bank and in hand	£338,600.26	£(64,898.45)	£273,701.81
	<u>£338,600.26</u>	<u>£(64,898.45)</u>	<u>£273,701.81</u>

12 Related party transactions

There were no related party transactions during the year.

The Arthur and Margaret Thompson Charitable Trust

Independent Auditor's Report to the Members of The Arthur and Margaret Thompson Charitable Trust

Opinion

We have audited the financial statements of The Arthur and Margaret Thompson Charitable Trust (the 'charity') for the year ended 05 April 2025, which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, comprising Charities SORP (FRS 102) and 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) (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 05 April 2025 and of its results 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

The Arthur and Margaret Thompson Charitable Trust

Independent Auditor's Report to the Members of The Arthur and Margaret Thompson Charitable Trust

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; 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 4), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The Arthur and Margaret Thompson Charitable Trust

Independent Auditor's Report to the Members of The Arthur and Margaret Thompson Charitable Trust

Identifying and assessing potential risks related to irregularities

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:

- the nature of the regulated sector, control environment and understanding of the entity including, but not restricted to, the prevalence of fraud in the sector especially in the current uncertain economic environment;
- results of our enquiries of trustees about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Charity's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities that may exist within the organisation for fraud and identified the greatest potential for fraud in relation to charitable payments made. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the charity's own Constitution, and various charity-specific legislation, including The Charities and Trustee Investment (Scotland) Act 2005.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of Trustees and other relevant parties concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- selected a sample of grants paid during the year, checking approval to the minutes, and ensured all relevant paperwork was completed and authorised, as appropriate;

The Arthur and Margaret Thompson Charitable Trust

Independent Auditor's Report to the Members of The Arthur and Margaret Thompson Charitable Trust

- proof in total of investment income was conducted, and consideration given to revenue recognition accounting policies;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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 auditor's report.

Use of our report

This report is made solely to the charity trustees, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our work has been undertaken so that we might state to the trustees those matters we are required to state to trustees in an auditors' 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Morris & Young, Statutory Auditor
Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006
Chartered Accountants
6 Atholl Crescent
PERTH
PH1 5JN

Date: 24.12.25