

The TD Paton Trust

(Charity No: SC043819)

Annual Report and Financial Statements

For the Year Ended 28 February 2026

The TD Paton Trust
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for the Year Ended 28 February 2026

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The TD Paton Trust

Legal and administrative information

Trustees

Andrew Macdonald

Susan Masterton

Keri Vanderburg-Sole (Appointed 8 October 2025)

Principal Address

c/o Blair Cadell LLP

The Bond House

5 Breadalbane Street

Edinburgh

EH6 5JH

Independent Examiner

Findlay Paul CA

MHA

6 St Colme Street

Edinburgh

EH3 6AD

Bankers

The Royal Bank of Scotland plc

Edinburgh West End Office

142-144 Princes Street

Edinburgh

EH2 4EQ

Solicitors and Secretaries

Blair Cadell LLP

The Bond House

5 Breadalbane Street

Edinburgh

EH6 5JH

Investment Managers

Rathbones

The Athenaeum

8 Nelson Mandela Place

Glasgow

G2 1BT

Scottish Charity Number

SC043819

The TD Paton Trust

Trustees' Report

For the Year Ended 28 February 2026

The Trustees have pleasure in submitting their Annual Report for the Year Ended 28 February 2026.

Objectives

The Trust was established in line with the testamentary wishes of the late Mr Paton. The objectives of the Trust are to hold the residue of the estate and apply the income arising there from in the proportions the Trustees so determine in their sole judgement for the benefit of animal welfare, hospice services for children and young people, cancer research and cancer support services in any part of the United Kingdom. The Trust will also benefit wildlife conservation and the protection of endangered species and the environment in any part of the world, including the promotion of sustainable resources.

Distributions of income shall include but not be exclusive to: The Dogs Trust (formerly The National Canine Defence League), The Scottish Society for the Prevention of Cruelty to Animals (Scottish SPCA), Rachel House Childrens' Hospice Scotland and Cancer Research UK.

Review of Activities and Future Developments

During the year the Trustees continued to gather investment income and deposit interest and applied this income in making donations in line with the Trust's objectives.

Donations made to other charitable organisations totalled £188,000 (2025: £140,000) and are detailed in note 3 to the financial statements.

Financial Information

The financial position of the Trust is disclosed in the financial statements on pages 6 to 13.

The Trustees confirm that the assets of the Trust disclosed in the Balance Sheet are available to fulfil any of its obligations and that the financial position is satisfactory in view of the Trust's future plans and commitments.

Reserves Policy

The Trust has no identified minimum reserve requirement, however, in order to be able to meet commitments as they fall due, the Trustees take into account market volatility and, predicted income receipts in determining the reserve funds to be held. The "free" unrestricted general reserves, at the year end were £4,953 (2025: £1,712).

The TD Paton Trust

Trustees' Report (continued) **For the Year Ended 28 February 2026**

Investment policy and performance

During the year, Rathbones managed the invested funds of the Trust with the investment aim of achieving a balance between capital and income growth. The investment objective is to try and offset the effect of inflation and to generate an income which will be used by the Trust to provide grants to certain named charities at the Trusts' discretion.

At the year end the portfolio had a market value of £1,202,077 (2025: £1,302,963) and cash held at Brokers on their capital account amounted to £1,394 (2025: £2,397). With regard to performance, the portfolio had a total return after fees of -0.3% in the year to 28 February 2026. This compares to the benchmark which returned 3.6% over the same period.

Taxation

The Trust is a Scottish charity and is recognised as such by HMRC for taxation purposes. As a result, there is no liability to taxation on any of its income or gains to the extent that these are applied to its charitable objects. No tax charge has arisen in the Trust.

Constitution

The Trust was constituted by a Deed of Trust set up under the Will of the late Mr Paton dated 21 January 2005. The Trust was registered as a Scottish charity with effect from 1 March 2013.

Organisation and Trustee Appointment

Trustees are appointed and removed by the Board of Trustees in accordance with the Deed of Trust. The Trustees meet bi-annually to review the administration and activities of the Trust. The Trustees who held office during the year under review are detailed on page 1.

The TD Paton Trust

Trustees' Report (continued) For the Year Ended 28 February 2026

Trustees Responsibilities Statement

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with 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 and of the incoming resources and application of resources of the Trust for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Trust Deed. 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.

By order of the Trustees

Susan Masterton

**Susan Masterton
Trustee**

24 June 2026

Independent Examiner's Report to the Trustees on the Unaudited Financial Statements of The TD Paton Trust

I report on the financial statements for the year ended 28 February 2026 set out on pages 6 to 13.

Respective responsibilities of trustees and independent examiner

The charity's Trustees are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the financial statements as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the Trust and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the financial statements.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations;
- have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Findlay Paul

Findlay Paul, CA
Independent Examiner
MHA
6 St Colme Street
Edinburgh
EH3 6AD

24 June 2026

The TD Paton Trust
Statement of Financial Activities
For the Year Ended 28 February 2026

	Notes	Revenue Fund (unrestricted) £	Capital Fund (expendable endowment) £	2026 Total £	2025 Total £
Income from:					
Investments	2	31,929	-	31,929	37,881
Total Income		<u>31,929</u>	<u>-</u>	<u>31,929</u>	<u>37,881</u>
Expenditure on:					
Raising funds – investment management fees		-	3,580	3,580	9,813
Charitable activities	3	194,188	-	194,188	149,054
Total expenditure		<u>194,188</u>	<u>3,580</u>	<u>197,768</u>	<u>158,867</u>
Net (expenditure) before gains on investments		(162,259)	(3,580)	(165,839)	(120,986)
Net gains on investment assets	5	-	68,122	68,122	84,417
Net (expenditure)/ income		(162,259)	64,542	(97,717)	(36,569)
Transfers between funds		165,500	(165,500)	-	-
Net movement in funds		3,241	(100,958)	(97,717)	(36,569)
Funds at 1 March 2025	8,9	1,712	1,303,752	1,305,464	1,342,033
Funds at 28 February 2026	8,9	<u>4,953</u>	<u>1,202,794</u>	<u>1,207,747</u>	<u>1,305,464</u>

The statement of financial activities includes all gains and losses in the year.

The T D Paton Trust

Balance Sheet

At 28 February 2026

	Notes	2026 £	2025 £
Fixed Assets			
Investments	5	<u>1,203,471</u>	<u>1,305,360</u>
Current assets			
Debtors	6	8,868	2,749
Cash on deposit		<u>10,825</u>	<u>43,671</u>
		19,693	46,420
Liabilities: Creditor amounts falling due within one year	7	<u>(15,417)</u>	<u>(46,316)</u>
Net current assets		<u>4,276</u>	<u>104</u>
Net assets		<u><u>1,207,747</u></u>	<u><u>1,305,464</u></u>
Represented by:			
Revenue – unrestricted funds	8,9	4,953	1,712
Capital – endowment funds	8,9	<u>1,202,794</u>	<u>1,303,752</u>
		<u><u>1,207,747</u></u>	<u><u>1,305,464</u></u>

These financial statements were approved and authorised for issue by the Trustees on 24 June 2026 and signed on their behalf by:

Susan Masterton

Susan Masterton

Trustee

The T D Paton Trust

Notes to the Financial Statements For the Year Ended 28 February 2026

1 Accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

Basis of preparation and assessment of going concern

The financial statements are prepared on a going concern basis under the historical cost convention with items recognised at cost or transaction values unless otherwise stated in the relevant notes to the financial statements. The financial statements are presented in sterling which is the functional currency of the Trust and rounded to the nearest £.

The financial statements have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended), 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) issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and UK Generally Accepted Accounting Practice.

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

The financial statements have been prepared on a going concern basis. In December 2025, Trustees agreed to start the process of winding-down the charity over the next couple of years by encroaching on capital and making larger donations. Trustees regularly monitor the income streams and projected expenditure and have concluded that the Trust has adequate resources to continue in operational existence for a period of at least 12 months from approving the financial statements. Therefore, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust. This is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividends have been declared and notification has been received of the dividend due.

Expenditure

Expenditure is recognised as soon as there is a legal or constructive obligation committing the Trust to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Expenditure on raising funds include costs associated with generating income for the Trust through its investment portfolio. Expenditure on charitable activities includes costs incurred in delivery of the Trust's objectives. It includes both the direct costs of grant making and those costs of an indirect nature necessary to support them.

Donations payable are payments made to third parties in the furtherance of the charitable objects of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the grant.

The T D Paton Trust

Notes to the Financial Statements

For the Year Ended 28 February 2026

1 Accounting policies (continued)

Expenditure (continued)

Support costs are allocated between governance costs and other support costs. Governance costs comprise those costs involving the public accountability of the Trust and therefore include the cost of Independent Examination. Other support costs relate to the administration costs of running the Trust.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The 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 investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

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

Debtors

Debtors are measured at their recoverable amount and included when reasonable certainty exists over their receipt.

Cash

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

Creditors

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

Financial investments

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

The T D Paton Trust

Notes to the Financial Statements

For the Year Ended 28 February 2026

1 Accounting policies (continued)

Funds structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds can include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

Endowment funds represent those investment assets which must be held permanently by the Trust. Income arising on the endowment funds can be used in accordance with the objects of the Trust and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and any legal advice relating to the fund are charged against the fund.

Judgements in applying the key sources of estimation uncertainty

In the application of the Trust's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts 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. The Trustees do not consider there to be any significant judgements in accounting policies, or key sources of estimation or uncertainty requiring disclosure.

2 Investment income	2026 £	2025 £
Dividends received	31,575	37,589
Bank interest	354	292
	<u>31,929</u>	<u>37,881</u>

The T D Paton Trust

Notes to the Financial Statements

For the Year Ended 28 February 2026

3 Charitable activities	2026 £	2025 £
Donations payable		
- The Dog's Trust	15,000	10,000
- Scottish SPCA	15,000	10,000
- CHAS – for Rachel House Children's Hospice	15,000	10,000
- Cancer Research UK	15,000	10,000
- Canine Partners	15,000	10,000
- Hwange Conservation Society	15,000	10,000
- PDSA	15,000	10,000
- Renewable World	-	5,000
- Animals for Asia	5,000	5,000
- John Muir Trust	-	5,000
- Surfers against Sewage	-	5,000
- Campaign to Protect Rural England	5,000	5,000
- St Vincent's Hospice	-	5,000
- St Columbas Hospice	5,000	5,000
- Scottish Seabird Sanctuary	5,000	-
- Maggie's Centre, Edinburgh	5,000	5,000
- Scotland; The Big Picture	-	5,000
- Cats Protection	5,000	5,000
- Farm Animal Rescue Sanctuary	5,000	5,000
- Royal Zoological Society	5,000	5,000
- The GRAB Trust	-	5,000
- R R P B	5,000	5,000
- Bumblebee Conservation Society	5,000	-
- Good Life Dog Rescue	5,000	-
- Leukaemia UK	5,000	-
- Sam Dams Worldwide	5,000	-
- Dynamic Earth Charitable Trust	5,000	-
- Pet Fostering Service Scotland	5,000	-
- Outdoor Access Trust for Scotland	5,000	-
- UNICEF	3,000	-
	<u>188,000</u>	<u>140,000</u>
Support costs:		
Secretarial fees	2,328	3,858
Bank charges	340	225
Storage costs	50	-
Governance costs:		
Independent Examiner's fee	2,400	2,298
Secretarial fees	998	1,653
Professional fees	72	1,020
	<u>6,188</u>	<u>9,054</u>
	<u>194,188</u>	<u>149,054</u>

The T D Paton Trust

Notes to the Financial Statements (Continued) For the Year Ended 28 February 2026

4 Trustees' remuneration

No trustee received any remuneration or was reimbursed expenses during the current or prior year.

5	Fixed Asset Investments	2026 £	2025 £
	Opening market value at 1 March	1,302,963	1,324,961
	Add: Acquisitions at cost	1,259,502	65,758
	Less: Disposal proceeds	(1,428,510)	(172,173)
	Net gains on revaluation	<u>68,122</u>	<u>84,417</u>
		1,202,077	1,302,963
	Cash held by brokers – capital account	<u>1,394</u>	<u>2,397</u>
	Market value at 28 February 2026	<u><u>1,203,471</u></u>	<u><u>1,305,360</u></u>
	Historical cost at 28 February 2026	<u><u>1,117,067</u></u>	<u><u>974,315</u></u>
6	Debtors	2026 £	2025 £
	Dividends receivable	<u><u>8,868</u></u>	<u><u>2,749</u></u>
7	Creditors: Amounts falling due within one year	2026 £	2025 £
	Donations payable	10,000	40,000
	Independent Examiner's fees	2,400	2,298
	Secretarial fees	2,340	2,410
	Investment manager's fees	<u>677</u>	<u>1,608</u>
		<u><u>15,417</u></u>	<u><u>46,316</u></u>

The T D Paton Trust

Notes to the Financial Statements (Continued)

For the Year Ended 28 February 2026

8 Movement in funds

2025/2026	At 1 March 2025 £	Income £	Expenditure £	Gains £	Transfers £	At 28 Feb 2026 £
Income funds:						
General unrestricted	1,712	31,929	(194,188)	-	165,500	4,953
Capital funds:						
Expendable endowment	1,303,752	-	(3,580)	68,122	(165,500)	1,202,794
Total funds	<u>1,305,464</u>	<u>31,929</u>	<u>(197,768)</u>	<u>68,122</u>	<u>-</u>	<u>1,207,747</u>
2024/2025	At 1 March 2024 £	Income £	Expenditure £	Gains £	Transfers £	At 29 Feb 2025 £
Income funds:						
General unrestricted	7,885	37,881	(149,054)	-	105,000	1,712
Capital funds:						
Expendable endowment	1,334,148	-	(9,813)	84,417	(105,000)	1,303,752
Total funds	<u>1,342,033</u>	<u>37,881</u>	<u>(158,867)</u>	<u>84,417</u>	<u>-</u>	<u>1,305,464</u>

9 Analysis of net assets between funds

	Income Fund £	Capital Fund £	2026 Total £	Income Fund £	Capital Fund £	2025 Total £
Investments	-	1,203,471	1,203,471	-	1,305,360	1,305,360
Net current assets	<u>4,953</u>	<u>(677)</u>	<u>4,276</u>	<u>1,712</u>	<u>(1,608)</u>	<u>104</u>
	<u>4,953</u>	<u>1,202,794</u>	<u>1,207,747</u>	<u>1,712</u>	<u>1,303,752</u>	<u>1,305,464</u>

10 Related parties

The firm of Blair Cadel LLP, of which Andrew Macdonald, Susan Masterton and Keri Vanderburg-Sole are partners, received a fee of £3,326 (2025: £5,511) including VAT in respect of administration and secretarial services provided during the year. Creditors at the year-end included £2,340 (2025: £2,410) in respect of these fees.