

THE HENRY AND SULA WALTON FUND

Scottish Charity Number SC042589

REPORT AND FINANCIAL STATEMENTS

YEAR TO 31ST MARCH 2025

THE HENRY AND SULA WALTON FUND
GENERAL INFORMATION AND REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31st MARCH 2025

The Trustees present their annual report and financial statements for the charity for the year ended 31st March 2025. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the financial statements and comply with the Charity's Trust Deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard 102 applicable in the UK and Republic of Ireland (FRS 102) (second edition issued October 2019 and effective 1 January 2019).

Objectives and activities

Objectives of Trust

The Trustees are directed to hold the Trust Fund and the income therefrom for the advancement of the arts, heritage and culture to include the funding, gifting or lending of works of art to such public galleries and museums as the Trustees consider appropriate.

Professor Henry Walton died on 13th July 2012. His will declared that the residue of his estate was to be held in a charitable Trust for the benefit of the Scottish National Gallery of Modern Art. The assets received from the late Professor Walton's estate are therefore to be considered as a restricted fund.

The principal aims are to support the works of the Scottish National Gallery of Modern Art.

Grant-making policy

The Scottish National Gallery of Modern Art is the beneficiary of the restricted fund. In the event that the Trust receives unrestricted income in the future, consideration will be given to making donations which satisfy the objectives of the Trust Deed.

Following agreement with the National Galleries of Scotland, as the body responsible for the Scottish National Gallery of Modern Art, applications for assistance with the acquisition of new works of art would be discussed by the Trustees at the next meeting following receipt of the application.

Report on the activities
of the Trust

No grants were made to was made to the National Galleries of Scotland (SC003718) during the year (2024 £1,238,732.20).

Achievements and performance

Investment policy and
performance

In accordance with the Trust Deed, the Trustees have power to invest in such stocks, shares, investments and property in the United Kingdom or abroad as they in their sole discretion think fit. The Trustees engaged RBC Brewin Dolphin as investment managers.

There are no constraints placed upon the investments which may be held.

During the year the remaining portfolio was sold down in its entirety.

Dividend income decreased by 69.86% in the year. This is due to the above disposals.

THE HENRY AND SULA WALTON FUND
GENERAL INFORMATION AND REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31st MARCH 2025

Financial review

Financial report

At the close of the account the investments were valued at £Nil (2024 £83,601.66).

There are net current assets of £81,687.96 (2024 £5,683.56).

No grants were made to was made to the National Galleries of Scotland (SC003718) during the year (2024 £1,238,732.20).

Reserves policy

It is the policy of the Trustees to use the restricted fund to assist with the acquisition of more major works of art that are relevant and complimentary to the collection of the Scottish National Gallery of Modern Art subject to suitable works of art being sourced.

The Trustees have power to accumulate income for a period of twenty one years from the date of the Trust Deed.

They have instructed the investment managers to administer the core portfolio using a cautious risk approach with a view to freeing up around £120,000 per annum to be used for the charitable purposes.

The restricted fund is represented mainly by a portfolio of investments. These are managed on a discretionary basis by the investment managers. Whilst the Trustees have power to draw upon the fund in furtherance of the Trust's objectives their policy is to administer this as an Endowment Fund. At the year end the restricted funds amounted to £81,687.96 (2024 £89,285.22).

Risk management

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Trust and are satisfied that systems are in place to mitigate our exposure to the major risks.

As the Trust relies on its investment returns in order to make its donations, the principal risk faced by the Trust lies in the performance of its investments.

The Trustees have mitigated this by retaining investment managers to advise them and by having a diversified portfolio.

Going concern

The Trustees have no material uncertainties as to the Trust's ability to continue as a going concern.

THE HENRY AND SULA WALTON FUND
GENERAL INFORMATION AND REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31st MARCH 2025

Structure, Governance & Management

<u>Founding document</u>	Deed of Trust by Professor Henry John Walton dated 11th July 2011.
<u>Appointment of new Trustees</u>	Reserved to the Trustees in office.
<u>Training of Trustees</u>	The Trustees receive advice from Turcan Connell regarding relevant changes in the regulation and governance of charities.
<u>Decision making</u>	All Trustees are actively involved in the decision making process. The Trustees meet to discuss business matters and more informal matters are dealt with electronically.
<u>Management</u>	All Trustees are active in the management of the Trust. Key management personnel are the Trustees listed below.
<u>Related parties</u>	The Trustee Patrick Elliott is Chief Curator of the National Galleries of Scotland who operate the Scottish National Gallery of Modern Art, the principal beneficiary of the restricted fund of the charity. He was specifically selected to be a Trustee by the Settlor due to his position within SNGMA and knowledge of art. During the year no grants were made to the SNGMA (2024 £1,238,732.30).
<u>Employees</u>	The Trust has no employees (2024 None). The Trustees engage Turcan Connell to undertake the administration of the Trust, remuneration for which is recorded in the financial statements.

Reference and administrative details

<u>Scottish Charity Number</u>	SC042589	
<u>Address</u>	Turcan Connell Princes Exchange 1 Earl Grey Street Edinburgh, EH3 9EE	
<u>Trustees (appointed by deed/assumption)</u>	Richard Calvocoressi Patrick Elliott Thomas Wilson	
<u>Advisers</u>	<u>Solicitors</u>	<u>Independent examiner</u>
	Turcan Connell Princes Exchange 1 Earl Grey Street Edinburgh, EH3 9EE	Kevin Cattanach CA Whitelaw Wells Chartered Accountants 9 Ainslie Place Edinburgh, EH3 6AT
	<u>Investment advisers</u>	
	RBC Brewin Dolphin Sixth Floor, Atria One 144 Morrison Street Edinburgh EH3 8EX	

THE HENRY AND SULA WALTON FUND
GENERAL INFORMATION AND REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31st MARCH 2025

Statement of Trustees'
responsibilities in
respect of the financial statements

The Trustees are responsible for preparing the Trustees' Annual 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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to assume 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'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.

Financial statements preparation

The Trustees confirm that the financial statements for the year ended 31st March 2025 have been prepared so as to comply with current statutory requirements, the Charity SORP and the Trust's constitution.

Approved by the Trustees and Typesigned on their behalf

Thomas Wilson

30th July 2026

Trustee

Date

Thomas Wilson

Full Name

**THE HENRY AND SULA WALTON FUND
INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES**

I report on the financial statements of the Trust for the year ended 31st March 2025 which are set out on pages 7 to 12.

This report is made to the Trustees, as a body, in accordance with the terms of my engagement. My work has been undertaken to enable me to report my opinion as set out below and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Trustees, as a body, for my work or for this report.

Respective responsibilities of Trustees and 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 ("the Act") and the Charities Accounts (Scotland) Regulations 2006 (as amended) ("the Regulations"). The charity Trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the 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 report

My examination is carried out in accordance with Regulation 11 of the Regulations.

An examination includes a review of the accounting records kept by the charity 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 charity's 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 Act and Regulation 4 of the Regulations; and
 - to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the 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.



Examiner

Date

30th July 2026

Kevin Cattnach CA
Whitelaw Wells
Chartered Accountants
9 Ainslie Place
Edinburgh
EH3 6AT

THE HENRY AND SULA WALTON FUND
BALANCE SHEET AS AT 31st MARCH 2025

	<u>Notes</u>	<u>2025</u> <u>£</u>	<u>2024</u> <u>£</u>
<u>Fixed assets</u>			
Investments	8	-	83,601.66
Total fixed assets		<u>-</u>	<u>83,601.66</u>
<u>Current assets</u>			
Cash on deposit and in hand		84,407.96	9,831.56
		<u>84,407.96</u>	<u>9,831.56</u>
<u>Less:</u>			
Current liabilities	2	(2,720.00)	(4,148.00)
		<u>(2,720.00)</u>	<u>(4,148.00)</u>
Net current assets		81,687.96	5,683.56
Net assets		<u>81,687.96</u>	<u>89,285.22</u>
<u>Represented by:</u>			
Restricted funds		81,687.96	89,285.22
		<u>81,687.96</u>	<u>89,285.22</u>

All funds are restricted

The notes on pages 9 to 12 form part of these accounts

All activities relate to continuing operations

Approved by the Trustees and Typesigned on their behalf

30th July 2026

.....

Thomas Wilson

Thomas Wilson

Trustee

Full Name

THE HENRY AND SULA WALTON FUND
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31st MARCH 2025

		<u>Restricted</u>	<u>2025</u>	<u>2024</u>
	<u>Note</u>	<u>Fund</u>	<u>Total</u>	<u>Total</u>
		<u>£</u>	<u>£</u>	<u>£</u>
<u>Income and endowments from:</u>				
Investments	9	2,324.06	2,324.06	9,376.81
Total		<u>2,324.06</u>	<u>2,324.06</u>	<u>9,376.81</u>
<u>Expenditure on:</u>				
<u>Raising funds</u>				
Investment management fees	6	(313.33)	(313.33)	(3,868.99)
<u>Charitable activities</u>				
Donations	5	-	-	(1,238,732.30)
Support and governance costs	7	(8,928.03)	(8,928.03)	(11,542.36)
Other recognised losses		-	-	(3,475.71)
Total		<u>(9,241.36)</u>	<u>(9,241.36)</u>	<u>(1,257,619.36)</u>
		(6,917.30)	(6,917.30)	(1,248,242.55)
Net gains/(losses) on investment assets	8	(679.96)	(679.96)	10,913.33
Net (expenditure) and net movement in funds		<u>(7,597.26)</u>	<u>(7,597.26)</u>	<u>(1,237,329.22)</u>
<u>Reconciliation of funds</u>				
Total funds brought forward		89,285.22	89,285.22	1,326,614.44
Total funds carried forward		<u>81,687.96</u>	<u>81,687.96</u>	<u>89,285.22</u>

The notes on pages 9 to 12 form part of these accounts

All activities in the current and prior year relate to restricted funds

THE HENRY AND SULA WALTON FUND

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2025

1 Accounting policies

a) Financial statements preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these financial statements. The financial statements have been prepared in accordance with the : Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (second edition issued October 2019 and effective 1 January 2019) 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 Trust constitutes a public benefit entity as defined by FRS102.

Going concern

The financial statements have been prepared on a going concern basis. The Trustees have assessed the Trust's ability to continue as a going concern and have reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Financial statements preparation

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

b) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date. The Statement of Financial Activities includes the net gains or losses arising on revaluation and disposals throughout the year.

Fair value revaluation of the portfolio at the account date is done at either mid market price or bid price depending on the nature of the investment.

c) Investment gains and losses

All gains or losses are taken to the statement of financial activities as they arise. Realised gains and losses are calculated as the difference between the 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 gains and losses are combined in the statement of financial activities.

d) Income

Investment income is restricted and is included in the financial statements in the year in which the Trust becomes entitled to it, it can be reliably determined and there is probability of receipt.

e) Expenditure

Expenditure is included in the account on an accruals basis and recognised in full as soon as a constructive obligation exists, the sums payable can be reliably measured and there is probability of payment.

THE HENRY AND SULA WALTON FUND

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2025

f) Cost of raising funds

Investment management charges are included on an accruals basis and recognised in full as soon as a constructive obligation exists.

g) Support and governance costs

Support costs are the costs associated with the direct management of the charity.

Governance costs are the costs of compliance with the statutory and regulatory requirements of the charity.

Fees charged by Turcan Connell for legal and accounting services are included in the financial statements as follows:

Support (legal and administrative costs) - 85%

Governance (accountancy costs) - 15%

These are recorded in the Statement of Financial Activities

Independent examination fees are recorded in support and governance costs in the Statement of Financial Activities.

All other governance and support costs are recorded in the Statement of Financial Activities as appropriate.

As the charity does not provide services directly but by way of grants to other organisations, governance and support costs are not allocated against individual grants or donations.

h) Grants

Grants payable are payments to third parties in 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 one-year or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Trust.

Grants authorised to be paid in respect of the accounting year or future years are provided for in the financial statements.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient.

i) VAT

The Charity is not registered for VAT purposes and all VAT incurred is therefore irrecoverable. Where applied, VAT is included as part of the expense.

j) Funds

The restricted fund comprise those funds where a restriction has been imposed on the use of the funds. The restricted fund is for the benefit of the Scottish National Gallery of Modern Art. Unrestricted funds comprise those funds which the Trustees are free to use in accordance with the charity's charitable objectives. There are currently no unrestricted funds.

THE HENRY AND SULA WALTON FUNDNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2025k) 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 at transaction value and subsequently measured at their settlement value.

<u>2 Creditors</u>	<u>2025</u>	<u>2024</u>
	<u>£</u>	<u>£</u>
Turcan Connell, legal fees	2,000.00	2,000.00
Whitelaw Wells, examination fees	720.00	-
CT, independent examination fees	-	1,848.00
RBC Brewin Dolphin, management fees	-	300.00
	<u>2,720.00</u>	<u>4,148.00</u>

3 Related party transactions

The Trustee Patrick Elliott is Chief Curator of the National Galleries of Scotland who operate the Scottish National Gallery of Modern Art ("SNGMA"), the principal beneficiary of the restricted fund of the charity. During the year no grants were made to the SNGMA (2024 £1,238,732.30).

4 Trustees' expenses

No fees or expenses have been paid to the Trustees (2024 Nil). All Trustees, who are also the key management personnel, act gratuitously.

<u>5 Donations</u>	<u>2025</u>	<u>2024</u>
	<u>£</u>	<u>£</u>
Scottish National Gallery of Modern Art	-	1,238,732.30
	<u>-</u>	<u>1,238,732.30</u>

<u>6 Cost of raising funds</u>	<u>2025</u>	<u>2024</u>
	<u>£</u>	<u>£</u>
Investment management fees	313.33	3,868.99
	<u>313.33</u>	<u>3,868.99</u>

THE HENRY AND SULA WALTON FUNDNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2025

<u>7 Support and governance costs</u>		<u>2025</u>	<u>2024</u>
		<u>£</u>	<u>£</u>
<u>Support costs</u>			
Administration		6,805.44	8,062.08
Other costs		9.63	41.56
		6,815.07	8,103.64
<u>Governance costs</u>			
Accounting	1,200.96		1,422.72
Independent examination fees	912.00		2,016.00
		2,112.96	
		8,928.03	11,542.36
<u>8 Investments</u>		<u>2025</u>	<u>2024</u>
		<u>£</u>	<u>£</u>
Fair value of investments at 01/04/24		83,601.66	1,275,670.95
<u>Add</u>			
Purchases		-	21,985.07
		83,601.66	1,297,656.02
<u>Less</u>			
Sales		(82,921.70)	(1,224,967.69)
		679.96	72,688.33
Realised gains	832.89		17,178.84
Realised (losses)	(1,512.85)		(10,217.31)
Unrealised (losses)/ gains		-	3,951.80
		(679.96)	
Fair value of investments at 31/03/25		-	83,601.66

During the year the remaining portfolio was sold down and all funds are now held in cash.

<u>9 Investment income</u>		<u>2025</u>	<u>2024</u>
		<u>£</u>	<u>£</u>
Dividends & interest		986.81	3,273.97
Deposit interest		1,036.08	5,821.10
Royalties		301.17	281.74
		2,324.06	9,376.81