

Charity Registration No. 1002267

SCOTT (EREDINE) CHARITABLE TRUST
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023

SCOTT (EREDINE) CHARITABLE TRUST

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SCOTT (EREDINE) CHARITABLE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees present their report and accounts for the year ended 31 December 2023.

The accounts comply with the Charities Act 2011, the charity's Trust Deed 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).

Our purposes and activities

The trust exists for such charitable objects as directed by the settlor or as the trustees shall from time to time determine.

The Charity's principal activity continues to be to generate investment income in order to provide grants to various charities in accordance with the trustees' wishes.

In shaping the objectives for the year and planning its activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'Public Benefit: Running A Charity (PB2)'.

Achievements and Performance (including Financial Review)

Income for the year was £573,388 (2022: £437,351). In 2023, the Trust made grants totalling £572,866 (2022: £530,735).

The overall surplus for the year was £504,362 (2022: deficit of £4,051,631) after accounting for unrealised gains on investments of £509,595 (2022: unrealised losses of £3,953,386). Unrealised gains are not cash items and solely reflect the movement of the investments with regard to the value of the investments at the year end.

Total funds carried forward total £11,942,796 (2022: £11,438,434) which are all unrestricted funds.

Under paragraph 5.2 of the trust deed the trustees have power to retain shares in John Swire and Sons Limited and are not under any duty to diversify to the extent that the trust fund comprises those shares. The shares are in the names of trustees K J Bruce-Smith and A J Scott who hold them as custodian trustees.

However, the trustees have also noted the statutory duty of care required by the Trustee Act 2000, in relation to their holding suitable investments and the need for diversification of investments so far as is appropriate to the circumstances of the trust.

The trustees' overall investment objective is to achieve a level of investment income growth which at least matches the rate of inflation, while protecting the value of the charity's capital in real terms.

Where investments have been donated to the charity, the trustees also consider whether a disposal of such investments could discourage similar donations in the future.

The trustees recognise that particular investment risks arise from lack of diversification where substantial holdings in unquoted companies are donated to the charity and retained. The trustees seek to mitigate the risks through the regular monitoring of such investments on receipt of published financial information. The charity does not operate an "ethical investment policy".

Reference and administrative details

Charity number: 1002267
Principal office: c/o Sinclair Gibson, 3 Lincoln's Inn Fields, London, WC2A 3AA

Our advisers

Auditors	TC Group	The Courtyard, Shoreham Road, Upper Beeding, West Sussex, BN44 3TN
Bankers	C Hoare & Co	37 Fleet Street, London, EC4Y 4DQ
Solicitors	Sinclair Gibson	3 Lincoln's Inn Fields, London, WC2A 3AA

SCOTT (EREDINE) CHARITABLE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Structure, Governance and Management

Trustees

The trustees serving during the year and since the year end were as follows:

A J Scott
K J Bruce-Smith
N H C Wills
J L Gibson

Governing Document

The trust was established by a charitable trust deed on 19 July 1990. It is registered as a charity with the Charity Commission.

Appointment of trustees

Trustees are appointed by existing trustees when it is thought necessary to do so. Training is provided by existing trustees.

Risk management

The major risks to which the trust may be exposed, as identified by the trustees, have been reviewed to confirm that systems, where appropriate, exist to manage those risks. The trustees recognise that the majority of the trust's investments are shares in a private company that were settled upon the trustees with the power contained in the Deed to retain and not to diversify those shares.

Grant making policy

Scott (Eredine) Charitable Trust look to support charities operating in the following areas:

- a. Physical or mental handicaps through accidents of birth, injury, wounds, illness old age etc.
- b. Adventurous challenge for the young
- c. Wildlife conservancy

Reserves policy

The charity look to hold reserves in order to provide a sufficient capital base to generate income to cover administrative expenditure and grants payable as documented in the trust deed. The charity held reserves of £11,942,796 at the balance sheet date (2022: £11,438,434) which is considered in line with the set policy.

Future plans

Scott (Eredine) Charitable Trust will continue to seek opportunities to assist beneficiaries with grants to support the charity's aims and objectives.

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware; and
- the trustees, having made enquiries of fellow trustees and the auditor that they ought to have individually taken, have each taken steps that they are obliged to take as a trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board of trustees



K J Bruce-Smith (Trustee)

Dated: 30 Sep 2024

SCOTT (EREDINE) CHARITABLE TRUST

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

The charity trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Charity law requires the trustees to prepare accounts for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year.

In preparing accounts giving a true and fair view, the trustees should follow best practice and:

- 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ensure that the accounts comply with the applicable law. 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.

SCOTT (EREDINE) CHARITABLE TRUST

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES' OF SCOTT (EREDINE) CHARITABLE TRUST

Opinion

We have audited the financial statements of Scott (Eredine) Charitable Trust (the 'charitable trust') for the year ended 31 December 2023. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its incoming resources and application of resources, including 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 Act 2011.

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 charitable company 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 director's 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 director with respect to going concern are described in the relevant sections of this report.

SCOTT (EREDINE) CHARITABLE TRUST

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE TRUSTEES' OF SCOTT (EREDINE) CHARITABLE TRUST

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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.

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 3, 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 charitable company'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 charitable trust 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

SCOTT (EREDINE) CHARITABLE TRUST

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE TRUSTEES OF SCOTT (EREDINE) CHARITABLE TRUST

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

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

Our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations;
- We identified the following areas as those most likely to have such an effect: General Data Protection Regulation (GDPR); fraud and bribery and corruption. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. The identified actual or suspected non-compliance was not sufficiently significant to our audit to result in our response being identified as a key audit matter.
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102 and the Charities Act 2011) and the relevant tax compliance regulations in the UK;
- We considered the nature of the industry, the control environment and business performance, including the key drivers for management's remuneration;
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit;
We considered the procedures and controls that the charity has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiring of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing 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, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

SCOTT (EREDINE) CHARITABLE TRUST

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE TRUSTEES' OF SCOTT (EREDINE) CHARITABLE TRUST

Use of our report

This report is made solely to the charity's members, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to him 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.

Mr Mark Cummins FCCA (Senior Statutory Auditor)

For and on behalf of TC Group

Statutory Auditor

Office: Steyning, West Sussex

Dated:

SCOTT (EREDINE) CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
Income from:			
Investment income	4	572,581	437,351
Other income		807	-
Total income		573,388	437,351
Expenditure on:			
Charitable activities		578,621	535,596
Total expenditure	5	578,621	535,596
Net movement in funds before gains / (losses) on investments		(5,233)	(98,245)
Net gains/(losses) on investments	8	509,595	(3,953,386)
Net movement in funds		504,362	(4,051,631)
Reconciliation of funds			
Total funds brought forward		11,438,434	15,490,065
Total funds carried forward		11,942,796	11,438,434

All income, expenditure and investment movements are unrestricted for both years.

SCOTT (EREDINE) CHARITABLE TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Investments	8		11,785,790		11,276,195
Current assets					
Debtors	9	13,118		13,118	
Cash at bank and in hand		259,999		154,254	
		<u>273,117</u>		<u>167,372</u>	
Creditors: amounts falling due within one year					
	10	(116,111)		(5,133)	
Net current assets			<u>157,006</u>		<u>162,239</u>
Net assets			<u>11,942,796</u>		<u>11,438,434</u>
The funds of the charity					
Unrestricted income funds			11,942,796		11,438,434
			<u>11,942,796</u>		<u>11,438,434</u>

The accounts were approved by the Trustees on

30 Sept 2024


K J Bruce-Smith

Trustee

SCOTT (EREDINE) CHARITABLE TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Legal Status

The Trust is an unincorporated charity registered in England and Wales Number 1002267. Its principal office is shown in the trustee report.

2 Accounting policies

2.1 Basis of preparation

The accounts have been prepared in accordance with 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) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Scott (Eredine) Charitable Trust meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). There are no material uncertainties about Scott (Eredine) Charitable Trust's ability to continue as a going concern.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

2.2 Income

Investment income is accounted for when receivable.

2.3 Expenditure

Expenditure is accounted for on an accruals basis with the irrecoverable element of VAT included with the item of expense to which it relates.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. Grants payable are charged in the year when the commitment is made by the trustees to make the donation.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity. These are included within support costs.

All costs are allocated between expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned based on estimated usage as a proportion of directly attributable expenditure.

2.4 Fund accounting

Funds held by the Trust are Unrestricted general funds. These are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

2.5 Investments

Investments are included at fair value at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

2.6 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

SCOTT (EREDINE) CHARITABLE TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

2.7 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments. The Trustees seek to use short term deposits where possible to maximise the return on monies held at the bank and to manage cash flow.

2.8 Creditors and provisions

Creditors and provisions are recognised where the charity 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.

2.9 Critical accounting estimates and judgements

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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The trustees do not consider that there are any critical estimates or areas of judgement that need to be brought to the attention of the readers of the financial statements.

3 Taxation

The charitable company is registered as a charity and all of its income falls within the exemptions under Part 11 of the Income Tax Act 2007.

4 Investment income

	2023	2022
	£	£
Dividends from unlisted investments	569,625	437,077
Bank interest	2,956	274
	<u>572,581</u>	<u>437,351</u>

SCOTT (EREDINE) CHARITABLE TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

5 Total expenditure

	Admin costs £	Other costs £	Grant funding £	Total 2023 £	Total 2022 £
Charitable activities					
Grants payable	-	-	572,866	572,866	530,735
Support costs	360	5,395	-	5,755	4,861
	360	5,395	572,866	578,621	535,596

Grants were paid to 87 institutions during the year (2022: 90 institutions).

Analysis of support costs (including Governance costs)

	2023 £	2022 £
Administrative expenses	360	360
Governance costs:		
Audit and accountancy	5,395	4,501
	5,755	4,861

Governance costs is made up of audit fees for both years.

6 Trustees

None of the trustees (or any persons connected with them) were reimbursed expenses or received any remuneration during the year.

7 Employees

There were no employees during the year (2022: none).

SCOTT (EREDINE) CHARITABLE TRUST

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

8 Fixed asset investments

	£
Fair value at 1 January 2023	11,276,195
Unrealised gains	509,595
Fair value at 31 December 2023	11,785,790
Historical cost:	
At 31 December 2023	3,938,275
At 31 December 2022	3,938,275

The investments are made up of 536,416 ordinary and 327,945 8% preference shares held in John Swire & Sons Limited. These are held in the names of K J Bruce-Smith and A J Scott as custodian trustees.

The total ordinary shares are valued at £11,457,845 (2022: £10,948,250) and the total 8% preference shares are valued at £327,945 (2022: £327,945).

The gain on investments of £509,595 (2022: loss of £3,953,386) as shown in the Statement of Financial Activities comprises unrealised losses on investments held at the year end.

9 Debtors: amounts falling due within one year	2023	2022
	£	£
Accrued income	13,118	13,118
	13,118	13,118
	116,111	5,133
	116,111	5,133

10 Creditors: amounts falling due within one year	2023	2022
	£	£
Accruals	116,111	5,133
	116,111	5,133

11 Related parties

No one party has overall control of the Trust.

There were no related party transactions during the year.