

THE MACKINNON-MACNEILL TRUST
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2025

SCOTTISH CHARITY NO. SC006104

THE MACKINNON-MACNEILL TRUST**REPORT OF THE TRUSTEES****for the year ended 31 July 2025**

The Trustees present their annual report and the financial statements of the charity for the year ended 31 July 2025. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts 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 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).

OBJECTIVES AND ACTIVITIES**Summary of the charity's objectives and strategy for achieving them.**

The Trust is a body corporate continued in terms of The Mackinnon Macneill Trust Scheme 2000.

Following the closure of Keil School on 29 June 2000, the Trustees obtained from the Court a Variation of the Trust in order to establish a new educational endowment to provide bursaries for young people in Scotland.

ACHIEVEMENTS AND PERFORMANCE**Summary of the main achievements during the year**

The result for the year was a surplus of £91,892 (2024 - surplus of £382,775).

The Trust has retained ownership of an area of land of approximately nine acres, which is included in the Balance Sheet at a nominal value of £1.

Scholarship Awards

At the end of session 2024/25 the Trust was pleased to record 12 graduating scholars, including 5 Master's degrees, 4 Bachelor's with Honours and 2 medical degrees.

For session 2025/26, 53 applications were received and at the May Trustees meeting it was agreed to offer 12 scholarship awards. Following the verification process and exam results, all were able to confirm their university place and accept the scholarship. The Trustees agreed to increase the full scholarship amount from £2,500 to £3,000 for new scholars in 2025 in recognition of the increasing financial challenge facing students.

The annual cost of the new scholarships is £30,000. When combined with 45 continuing scholars, the total scholarship amount for 2025/2026 is projected to be £126,250.

THE MACKINNON-MACNEILL TRUST

REPORT OF THE TRUSTEES (cont'd) for the year ended 31 July 2025

FINANCIAL REVIEW

Powers Investment

Under the Trust deed, the charity has the power to make any investment which the Trustees think fit.

Investment Strategy

The funds are invested, on a discretionary basis, through Cazenove Capital Management who provide a valuation report every 3 months. A representative personally presents each Quarterly Report, with Trustees receiving copies in advance which allows close questioning and debate on the investment performance and continuing scrutiny of the investment mandate and strategy. The objective of the Board is to ensure that the total return from investments will meet the annual scholarship demands and running costs.

The portfolio value grew by £91,600 in the year.

Risk Management

The Trustees have considered the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

An annual internal scholarship check was implemented in 2024 where a Trustee verifies a sample of scholarship paperwork to ensure systems are robust and to mitigate risk.

Possible Financial Risk

The Scottish Child Abuse Inquiry investigated the abuse of children in care and included a case study on boarding schools, one of which was Keil School. In connection to the inquiry 2 former members of staff of Keil School have been convicted for sexual abuse in the 1990's.

The Trust has received a number of compensation claims concerning the historical abuse.

Any financial outcome in connection with the above is uncertain and reference to this is made in note 15 of the financial statements.

THE MACKINNON-MACNEILL TRUST

**REPORT OF THE TRUSTEES (cont'd)
for the year ended 31 July 2025**

Reserves Policy

It is the Policy of the charity to maintain unrestricted funds at a level to provide sufficient funds to cover management and administration costs for one year.

The investment managers maintain sufficient cash reserves to cover at least 2 years of costs. Scholarship awards made in any year are intended to continue for the duration of the student's first course, but applicants are advised that the Trustees reserve the right to withhold payments. This is intended to provide the Trust with the ability to react to a sustained stock market fall. There is also an inbuilt flexibility each year in determining the number of scholarships to award.

PLANS FOR FUTURE PERIODS

The Trustees have made a determination to give priority to maintaining the portfolio value in real terms, so far as possible.

The Trustees give close attention to both the annual running costs and the cost of scholarship awards. Attention to future projections ensures that the level of awards made each year is consistent with the Board's policy of retaining the Trust's capital value while continuing to support the students through all of their undergraduate years.

THE MACKINNON-MACNEILL TRUST**REPORT OF THE TRUSTEES (cont'd)
for the year ended 31 July 2025****STRUCTURE, GOVERNANCE AND MANAGEMENT****Nature of the Trust's Governing Document**

The Trust is governed by a Trust Deed.

Methods of Recruiting and Appointing New Trustees

The Board has a membership of eight with a balance of family members/nominees and others elected/selected for their particular expertise in business, law and education. In 2024/25 1 Trustee resigned and 3 were newly appointed.

Appointees are given a brief induction and a paper covering the 'Rules and Responsibilities of a Trustee' and a comprehensive OSCR publication 'Guidance for Charity Trustees'. In addition, new Trustees are given a short paper, specific to the Trust, entitled 'Origins of the Mackinnon Macneill Trust' which offers an historical perspective and a summary of the present strategy of the Trust. The Board is serviced by the Clerk whose background is in finance administration.

Board Meetings

The Board of Trustees, with the Clerk in attendance, meets every quarter either online or in person.

A representative of the investment managers also attends and discusses the Quarterly Report. The auditor presents the at the 2nd meeting of the following financial year. The Clerk completes the financial picture at each meeting with the quarterly financial statement of the business account.

Other agenda items include the Clerk's report on scholars and scholarships, an annual Risk Assessment and other relevant business.

Key Management Personnel Remuneration

The Trustees consider the Board of Trustees and the Clerk of the Trust as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. No Trustee receives remuneration from the Trust. The salary of the Clerk is set by the Board of Trustees and reviewed annually.

THE MACKINNON-MACNEILL TRUST

**REPORT OF THE TRUSTEES (cont'd)
for the year ended 31 July 2025**

Reference and Administrative Information

TRUSTEES

A Mackinnon (Chairman)

W Mackinnon

R Harvey-Jamieson (resigned 27th March 2025)

C Mackinnon

D Ferguson

F Kerr Jnr.

J Bell (appointed 13th January 2025)

L McBeath (appointed 13th January 2025)

S Thomson (appointed 13th January 2025)

CLERK TO THE TRUST

F Kerr

AUDITORS

Welsh Walker Limited

BANKERS

The Royal Bank of Scotland plc

SOLICITORS

Murray Beith Murray

INVESTMENT MANAGERS

Cazenove Capital Management, Schroder & Co Limited

SCOTTISH CHARITY NUMBER

SC006104

THE MACKINNON-MACNEILL TRUST

**REPORT OF THE TRUSTEES (cont'd)
for the year ended 31 July 2025**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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 charity and of incoming resources and application of resources, of the charity for that period.

In preparing the Financial Statements the Trustees are required to:

- . select suitable accounting policies and apply them consistently;
- . observe the methods and principles in the applicable Charities SORP;
- . make judgements and estimates that are reasonable and prudent;
- . state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- and
- . prepare the Financial Statements 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 at any time the financial position of the Charity and to enable them to ensure that the Financial Statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and 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 charity, and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees at their Meeting on 11th November 2025 and signed on their behalf by:-



C MACKINNON
Trustee

THE MACKINNON-MACNEILL TRUST

STATEMENT OF FINANCIAL ACTIVITIES
for the year to 31 July 2025

	NOTE	£	2025 £	£	2024 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Investment income	2		77,101		85,839
Other income	2		500		500
TOTAL INCOMING RESOURCES			77,601		86,339
RESOURCES EXPENDED					
Costs of generating funds					
Investment management costs	3	29,492		28,325	
Charitable activities					
Administration costs	4	32,659		28,034	
Scholarships	4	123,750		118,750	
Governance costs	5	4,053		3,835	
TOTAL RESOURCES EXPENDED			(189,954)		(178,944)
			(112,353)		(92,605)
Net Gain on investments			204,245		475,380
NET MOVEMENT IN FUNDS			91,892		382,775
RECONCILIATION OF FUNDS					
Total funds brought forward			5,089,950		4,707,175
Total funds carried forward			5,181,842		5,089,950
All funds are unrestricted					

THE MACKINNON-MACNEILL TRUST

BALANCE SHEET

As at 31 July 2025

	NOTE	£	2025 £	£	2024 £
FIXED ASSETS					
Tangible Assets	7		1		1
Investments	8		5,178,199		5,086,599
			5,178,200		5,086,600
CURRENT ASSETS					
Debtors	9	33		32	
Cash at Bank		9,905		9,456	
		9,938		9,488	
CURRENT LIABILITIES					
CREDITORS - due within one year	10	6,296		(6,138)	
NET CURRENT ASSETS			3,642		3,350
TOTAL ASSETS LESS CURRENT LIABILITIES			5,181,842		5,089,950
RESERVES	11		5,181,842		5,089,950

Approved by the Trustees on 11th November 2025 and signed on their behalf.

C. Mackinnon

C MACKINNON
Trustee

J. Bell

J BELL
Trustee

THE MACKINNON-MACNEILL TRUST

STATEMENT OF CASH FLOWS

For the year ended 31 July 2025

	2025 £	2024 £
Net movement in Funds	91,892	382,775
(Gain) on revaluation of investments	(204,245)	(475,380)
(Increase) in debtors	(1)	(2)
Increase in creditors	<u>158</u>	<u>116</u>
Net cash movement before investing activities	(112,196)	(92,491)
Proceeds from sale of investments	1,030,893	1,142,903
Purchase of investments	(961,399)	(1,107,389)
Decrease in portfolio cash balance	<u>43,151</u>	<u>57,114</u>
Change in cash and cash equivalents in year	449	137
Cash and cash equivalents at the beginning of the reporting period	<u>9,456</u>	<u>9,319</u>
Cash and cash equivalents at the end of the reporting period	<u>9,905</u>	<u>9,456</u>

THE MACKINNON-MACNEILL TRUST**NOTES TO THE ACCOUNTS****For the year ended 31 July 2025****1. ACCOUNTING POLICIES****Basis of accounting**

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 notes to these accounts. The financial statements 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), 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 FRS 102.

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 £.

Preparation of accounts on a going concern basis

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. With respect to the next reporting period, 2025-26, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets (see the investment policy & performance and risk management sections of the Trustees' annual report for more information). In addition, there may be financial implications arising from the Scottish Abuse Inquiry and possible claims against the Trust.

Funds structure

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects.

Incoming recognition

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

THE MACKINNON-MACNEILL TRUST**NOTES TO THE ACCOUNTS (cont'd)**
For the year ended 31 July 2025**1. ACCOUNTING POLICIES (cont'd)****Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure includes any VAT which cannot be recovered, and is reported as part of the expenditure to which it relates:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- The costs of generating funds consist of investment management costs.

Fixed Assets

An area of land approximately 9 acres has been retained and is included in the Balance Sheet at the nominal value of £1. The site is at present listed as a local nature reserve and enjoys planning protection. Should this restriction ever be lifted then the site, which enjoys an excellent sea front, would be of significant development value.

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 MACKINNON-MACNEILL TRUST

NOTES TO THE ACCOUNTS (cont'd)
For the year ended 31 July 2025

1. ACCOUNTING POLICIES (cont'd)

Realised gains and losses

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.

THE MACKINNON-MACNEILL TRUST

NOTES TO THE ACCOUNTS (cont'd)
For the year ended 31 July 2025

2. INCOMING RESOURCES	2025	2024
	£	£
Bank Interest Received	185	327
Investment Income	76,916	85,512
Total Investment Income	<u>77,101</u>	<u>85,839</u>
Other Income		
James Clerk Maxwell Foundation	500	500
	<u>500</u>	<u>500</u>
All incoming resources are unrestricted		
3. RESOURCES EXPENDED - Costs of generating funds		
	£	£
Investment management costs	29,492	28,325
	<u>29,492</u>	<u>28,325</u>
All resources expended are unrestricted		
4. RESOURCES EXPENDED - Charitable activities		
	£	£
Salaries (incl NIC & Pension)	26,940	25,910
Sundry Expenses	5,411	1,818
Bank Charges	308	306
Scholarships	123,750	118,750
Legal Fees	-	-
	<u>156,409</u>	<u>146,784</u>
All resources expended are unrestricted		
5. GOVERNANCE COSTS		
	£	£
Auditor's remuneration -		
for audit	3,480	3,300
for other services	573	535
	<u>4,053</u>	<u>3,835</u>
All governance costs are unrestricted		

THE MACKINNON-MACNEILL TRUST

NOTES TO THE ACCOUNTS (cont'd)
for the year ended 31 July 2025

6. STAFF COSTS

	2025	2024
	£	£
Wages and salaries	26,497	25,497
Social Security costs	1,922	1,505
Employers NI Allowance	(1,922)	(1,505)
Pension costs	443	413
	<u>26,940</u>	<u>25,910</u>

The average number of employees
in the year was -
Administration

No.	No.
<u>2</u>	<u>2</u>

7. TANGIBLE FIXED ASSETS (See Note 1)

	Land and Buildings etc.
	£
Written down value 1 August 2024 and 31 July 2025	<u>1</u> <u>1</u>

8. INVESTMENTS

Investments are held primarily to provide an investment return for the charity.

Movement in fixed asset listed Investments	2025	2024
	£	£
Carrying value (market value) at 1 August 2024	5,086,599	4,703,847
Add: Additions to investments at cost	961,399	1,107,389
Less: Disposals at carrying value	(1,015,916)	(1,124,354)
Gain on revaluation	189,269	456,831
Movement in cash balance within portfolio	(43,152)	(57,114)
	<u>5,178,199</u>	<u>5,086,599</u>

Net cash released from investments this year was £160,000 (2024: £150,000)

Investments at fair value comprised:

	2025	2024
	£	£
Equities	3,214,759	3,120,811
Bonds	829,408	696,557
Multi-Asset Funds	-	143,628
Hedge Funds	93,716	82,264
Private Equity	320,235	335,006
Commodities	309,018	256,915
Other Securities	202,036	199,238
Cash held in Investment Portfolio	142,574	198,169
Cash held in reserve account	66,453	54,011
	<u>5,178,199</u>	<u>5,086,599</u>

THE MACKINNON-MACNEILL TRUST

NOTES TO THE ACCOUNTS (cont'd)
for the year ended 31 July 2025

All investments are carried at fair value.
Holdings are valued using prices obtained from independent pricing sources.
The price type varies depending on asset class and liquidity source.
Funds/unit Trusts are priced on a net asset value basis and structured products are valued on a mark to market basis.

The significance of financial instruments to the ongoing financial sustainability of the Trust is considered in the Financial Review and Investment Policy & Performance sections of the Trustees Annual Report.

9. DEBTORS

	2025	2024
	£	£
Prepayments	33	32
	<u>33</u>	<u>32</u>

10. CREDITORS due within one year

	£	£
Accruals	5,897	5,783
PAYE Creditor	310	275
Pension Creditor	89	80
	<u>6,296</u>	<u>6,138</u>

11. FUNDS

All funds are unrestricted. These are funds which the Trustees are free to use in accordance with the charitable objects.

	Unrestricted Funds General	Unrestricted Funds General
	£	£
Balance at 1 August 2024	5,089,950	4,707,175
Transfer from Income & Expenditure	91,892	382,775
	<u>5,181,842</u>	<u>5,089,950</u>

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	2025	2024
	£	£
Fixed assets	5,178,200	5,086,600
Current assets	9,938	9,488
Current liabilities	(6,296)	(6,138)
Net assets at 31 July 2025	<u>5,181,842</u>	<u>5,089,950</u>

THE MACKINNON-MACNEILL TRUST

NOTES TO THE ACCOUNTS (cont'd)
for the year ended 31 July 2025

13. MOVEMENT IN FUNDS 2024/2025

	At 1 August 2024 £	Incoming Resources £	Outgoing Resources £	Net Gain / (Loss) on Investments £	At 31 July 2025 £
Unrestricted Funds:					
General Funds	5,089,950	77,601	(189,954)	204,245	5,181,842

MOVEMENT IN FUNDS 2023/2024

	At 1 August 2023 £	Incoming Resources £	Outgoing Resources £	Net Gain / (Loss) on Investments £	At 31 July 2024 £
Unrestricted Funds:					
General Funds	4,707,175	86,339	(178,944)	475,380	5,089,950

14. FUTURE COMMITMENTS

As stated in the Trustees Report, awards made in any year are intended to continue for the duration of the student's first course, although the certificate of award does state that the Trustees reserve the right to withhold payment.

On the assumption that all awards made to date are honoured, the total payable in respect of the year to 31 July 2026 will be £126,250 (2025 - £123,750). It is anticipated that this will be fully met out of income.

15. CONTINGENT LIABILITY

Further claims may be actioned against the Trust for compensation following allegations of abuse perpetrated by members of staff in the 1980s and 90s. At present the extent of any further potential liability is unquantifiable.

WELSH WALKER LIMITED

179A Dalrymple Street
Greenock
PA15 1BX
Tel. No. 01475 722233

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF MACKINNON MACNEILL TRUST FOR THE YEAR ENDED 31 JULY 2025

Opinion

We have audited the financial statements of Mackinnon Macneill Trust (the 'charity') for the year ended 31 July 2025 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and related 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, 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 July 2025 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations (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.

Emphasis of matter - Contingent Liability

We draw your attention to note 15 to the financial statements concerning the uncertain outcome of possible claims for damages. The outcome for the Trust cannot be determined at present or financially quantifiable. No provision for any liability that may result for the Trust has been made in the financial statements. Our opinion is not modified for this matter.

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.

THE MACKINNON-MACNEILL TRUST**INDEPENDENT AUDITORS' REPORT (cont'd)**

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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 the 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 in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' annual report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- 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.

THE MACKINNON-MACNEILL TRUST**INDEPENDENT AUDITORS' REPORT (cont'd)****Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement (set out on page 6), 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

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect to irregularities, including fraud and non-compliance with laws & regulations, we considered the following:

- Enquiries of management, including obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations.
 - Whether they were aware of any instances of non-compliance.
- As with all audits performed under ISAs (UK), performance of procedures to respond to the risk of the management override of controls.
- We obtained an understanding of the legal and regulatory frameworks in which the charity operates, focussing on those laws which had a direct effect on the material balances and disclosures in the charity's financial statements. Key laws & regulations considered in this context were:
 - The Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102)
 - Charities Accounts (Scotland) Regulations 2006

In addition, we considered other laws & regulations that do not have a direct effect on the financial statements, but compliance is necessary for the continued operations of the charity, or to avoid a material penalty.

THE MACKINNON-MACNEILL TRUST

INDEPENDENT AUDITORS' REPORT (cont'd)

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statement disclosures, and testing to supporting documentation.
- Enquiring of management concerning any actual or potential litigation or claims.
- Reviewing minutes of meetings of those charged with governance, and correspondence with HMRC and OSCR.
- In the assessment of the risk of fraud through management override of controls, we have tested the appropriateness of journal entries, assessed whether the judgements made in the charity making accounting estimates are indicative of a potential management bias, and evaluated the business rationale of any significant transactions that are outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://frc.org.uk/auditorsresponsibilities>. The description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) (as amended) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to charity's Trustees those matters we are required to state to them in an Auditor's report, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Tracey Orr (Senior Statutory Auditor)

11th November 2025

For and on behalf of Welsh Walker Limited
Chartered Accountants
Statutory Auditor
179A Dalrymple Street
Greenock
PA15 1BX

Welsh Walker Limited is eligible for appointment as auditor of the charity under regulation 10(2) of the Charities Accounts (Scotland) Regulations by virtue of its eligibility under section 1212 of the Companies Act 2006.