

Scotland Inheritance Fund

(Charity No: SC011836)

**Report of the Trustees and Unaudited Financial Statements
For the year ended 30 June 2025**

SCOTLAND INHERITANCE FUND
For the year ended 30 June 2025

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SCOTLAND INHERITANCE FUND

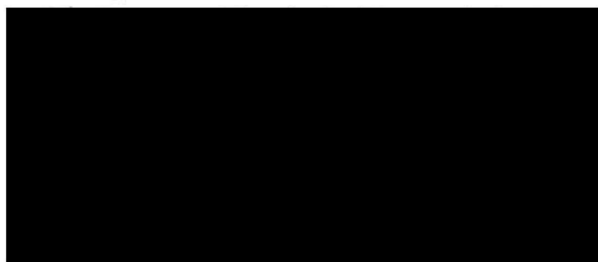
REFERENCE AND ADMINISTRATIVE DETAILS

For the year ended 30 June 2025

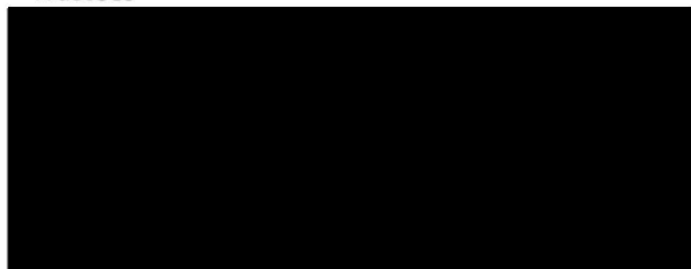
Registered Charity number

SC011836

Principal address



Trustees



Independent Examiner



Helen Lowe Ltd, Chartered Accountants
17-21 East Mayfield
Edinburgh
EH9 1SE

Bankers

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
ME19 4JQ

Investment Managers

Rathbones
George House
50 George Square
Glasgow
G2 1EH

Solicitors

Shepherd & Wedderburn
Scotland Court,
20 Castle Terrace
Edinburgh
EH1 2ET

Bankers

Virgin Money
Jubilee House
Gosforth
Newcastle upon Tyne
NE3 4PL

SCOTLAND INHERITANCE FUND

REPORT OF THE TRUSTEES

For the year ended 30 June 2025

The Trustees present their report with the financial statements of the charity for the year ended 30 June 2025.

OBJECTIVES AND ACTIVITIES

The Scotland Inheritance Fund was founded by Declaration of Trust dated 2 April 1985. The organisation has been registered as a charity by HM Revenue and Customs and is therefore generally exempt from taxation.

The Fund's main object is to aid research into the publication of material relating to the cultural and historical heritage of Scotland. The major activity of the fund is to provide funding for the European Ethnological Research Centre (EERC) at The University of Edinburgh. The Centre is a major institution in Ethnology and is internationally recognised.

The Fund also considers requests for support from other individuals and bodies whose aims and objectives are in line with those of the Fund.

The Fund is administered by a body of Trustees who hold regular meetings at least twice per year.

ACHIEVEMENTS AND PERFORMANCE

During the year, the Fund's major charitable activity was to continue to provide support for the European Ethnological Research Centre (EERC), and to assist the publication of research materials. The main activity of the EERC was the Regional Ethnology of Scotland Project (RESP).

FINANCIAL REVIEW

The Statement of Financial Activities shows a net decrease in funds over the year of £65,004 (2024: £139,673) of which £76,319 (2024: £161,419) related to a net deficit on operations, with net gains on investments of £11,315 (2024: £21,746).

Income for the year of £21,140 was lower than for the previous year (2024: £32,041) with decreases in investment income.

Net assets have decreased from £743,372 at 30 June 2024 to £678,368 at 30 June 2025 in line with the net decrease in funds. Of these net assets, £20,146 (2024: £20,146) were restricted and £658,222 (2024: £723,226) were unrestricted.

RESERVES POLICY

The Reserves Policy accepts that the Trust is currently running down its funds to ensure that the EERC project is properly resourced. This will involve the sale of a growing proportion of its assets in the coming years. The Trust is nevertheless investigating opportunities for fundraising and will maintain a core sum to allow it to fund other, smaller projects and publications in the long-term, in the event that the EERC project is wound up.

SCOTLAND INHERITANCE FUND

REPORT OF THE TRUSTEES continued **For the year ended 30 June 2025**

RISK MANAGEMENT

The Trustees have a duty to identify and review the risks to which the Trust is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The key risk is a substantial reduction in the value of the investment portfolio arising from poor investment performance due to the overall falls in worldwide stock markets. The Trustees regularly review performance with the Trust's advisers with a view to restricting the risk to an acceptable level.

INVESTMENT POLICY AND OBJECTIVES

It is the intention of the Trustees to invest in the Stock Market to produce an income whilst maintaining the real value of funds with medium risk investments; the portfolio is reviewed at least twice per year in conjunction with the Trust's investment advisers, Rathbone Investment Management.

The Trustees consider the financial position of the Fund to be satisfactory.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Fund was founded by a Declaration of Trust dated 2 April 1985 and is governed by its Constitution.

The Scotland Inheritance Fund is established for charitable purposes whose objects are as follows;

- research into and publication of material relating to the Cultural and Historical heritage of Scotland together with the acquisition of items of significance or importance to such Cultural or Historical Heritage for the purpose of retaining these items within Scotland and ensuring access to them by the public, whether in the National Museums of Scotland or in such other Museum, gallery, library, trust or public body as the Trustees shall seem appropriate, for the education of the people of Scotland;
- the raising of funds for such acquisition, research and publication and
- the administration of funds set up or raised for similar purposes of a narrower or more selective use.

Plans for future periods

The Trust's priorities have been and will continue to be reviewed, discussed, and updated regularly.

Recruitment and appointment of new trustees

Trustees are recruited at the invitation of existing Trustees. Those invited to serve as trustees are generally familiar with the roles and duties of trusteeship. The Secretary acts to keep serving trustees aware of regulatory and legislative developments regarding the duties of trustees.

SCOTLAND INHERITANCE FUND

REPORT OF THE TRUSTEES continued For the year ended 30 June 2025

TRUSTEES' RESPONSIBILITIES STATEMENT

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

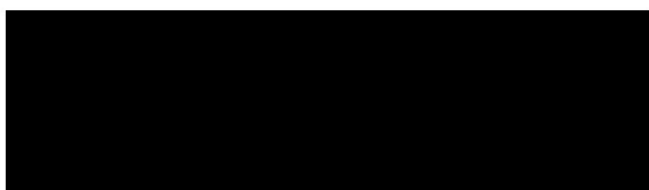
The law applicable to charities in Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources of the Trust for that period. In preparing these financial 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 UK 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 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.

The Trustees have been advised that an audit is not necessary and have appointed an Independent Examiner to review the Accounts.

On behalf of the Board of Trustees



INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF SCOTLAND INHERITANCE FUND
For the year ended 30 June 2025

I report on the financial statements of the charity for the year ended 30 June 2025 which are set out on pages 6 to 12.

Respective responsibilities of Trustees and Examiner

The 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 (as amended). The 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 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 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.

5 January 2026
2025

SCOTLAND INHERITANCE FUND

STATEMENT OF FINANCIAL ACTIVITIES For the Year Ended 30 June 2025

	Note	Restricted Funds £	Unrestricted General Funds £	2025 Total Funds £	2024 Total Funds £
INCOME FROM:					
Charitable Activities	2	-	1,579	1,579	2,599
Investments	3	-	19,561	19,561	29,442
Total income		-	21,140	21,140	32,041
EXPENDITURE ON:					
Raising funds	4	-	5,111	5,111	7,049
Charitable activities	5	-	92,348	92,348	186,411
Total expenditure		-	97,459	97,459	193,460
Net expenditure before gains on Investments		-	(76,319)	(76,319)	(161,419)
(Losses)/Gains on Investments	6	-	11,315	11,315	21,746
Net income and net movement in Funds			(65,004)	(65,004)	(139,673)
RECONCILIATION OF FUNDS					
Total funds brought forward		20,146	723,226	743,372	883,045
TOTAL FUNDS CARRIED FORWARD	8	20,146	658,222	678,368	743,372

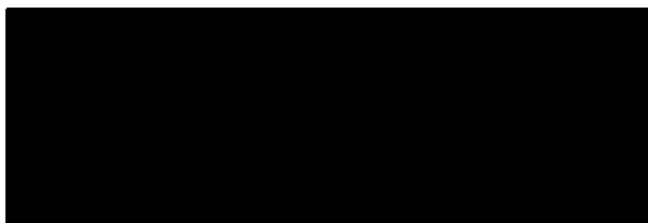
SCOTLAND INHERITANCE FUND

BALANCE SHEET

At 30 June 2025

	Note	Restricted Funds £	Unrestricted General Funds £	2025 Total Funds £	2024 Total Funds £
FIXED ASSETS					
Investments	6	-	567,802	567,802	697,306
		-	567,802	567,802	697,306
CURRENT ASSETS					
Cash at bank and in hand		20,146	92,826	112,972	111,771
		20,146	92,826	112,972	111,771
LIABILITIES					
Creditors: amounts falling due within one year	7	-	(2,406)	(2,406)	(65,705)
NET CURRENT ASSETS		20,146	90,420	110,566	46,066
NET ASSETS		20,146	658,222	678,368	743,372
FUNDS					
Restricted Funds	8			20,146	20,146
Unrestricted General Funds	8			658,222	723,226
				678,368	743,372

The financial statements were approved by the Trustees on 10-12-2025 and were signed on their behalf by:



SCOTLAND INHERITANCE FUND

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

1. ACCOUNTING POLICIES

Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention, modified by the revaluation of its investment assets, with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these financial statements.

The financial statements are presented in sterling, which is the functional currency of the Trust, and are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified by the revaluation of its investment assets, 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 Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Report Standard applicable in the UK and Republic of Ireland (FRS102) second edition – October 2019 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. Trustees have considered the impact of the COVID-19 pandemic on the financial position and future performance of the Trust and will continue to ensure grant awards are given only where there is sufficient income available to do so. Trustees are satisfied these efforts are sufficient and therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the Fund is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Investment income is earned through holding assets for investment purposes and is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the Trust's right to receive payment is established.

Expenditure recognition

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

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the Trust.

SCOTLAND INHERITANCE FUND

NOTES TO THE FINANCIAL STATEMENTS continued

For the year ended 30 June 2025

1. ACCOUNTING POLICIES (CONTINUED)

Expenditure recognition (continued)

Support costs are those that assist the work of the Fund but do not directly represent charitable activities and include office and governance costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

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 main form of financial risk faced by the Fund 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.

Cash at Bank

Cash at bank and in hand on the balance sheet comprise cash at banks and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

Creditors

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

Taxation

The Trust is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees. Restricted funds can only be used for the particular restricted purpose within the object of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Trustees remuneration

No trustee received any remuneration or other benefits in the year (2024: nil). Trustees are reimbursed for reasonable expenses incurred in the performance of their duties, mainly relating to travel and subsistence. During the year, no expenses were paid to trustees.

SCOTLAND INHERITANCE FUND

NOTES TO THE FINANCIAL STATEMENTS continued For the year ended 30 June 2025

	2025 £	2024 £
2. CHARITABLE ACTIVITIES		
Unrestricted Funds		
Sales/Royalties of books	1,579	2,599
	<u>1,579</u>	<u>2,599</u>
3. INVESTMENT INCOME		
Unrestricted Funds		
Bank and other interest	513	715
Dividends	19,048	28,727
	<u>19,561</u>	<u>29,442</u>
4. RAISING FUNDS		
Unrestricted Funds		
Investment management costs	5,111	7,049
	<u>5,111</u>	<u>7,049</u>
5. CHARITABLE ACTIVITIES		
Restricted Funds		
Grants Paid	-	-
	<u>-</u>	<u>-</u>
Unrestricted Funds		
Grants Paid	10,780	6,700
Accountancy	611	492
University of Edinburgh contract costs	79,698	177,958
Independent examination fees	1,200	1,200
Bank charges	59	61
	<u>92,348</u>	<u>186,410</u>
6. FIXED ASSET INVESTMENTS		
At 1 July 2024	697,306	883,071
Additions	42,911	107,555
Disposals	(152,087)	(377,343)
Change in cash held by broker	(31,643)	62,277
Net (losses)/gains on revaluation	11,315	21,746
Fair value at 30 June 2025	<u>567,802</u>	<u>697,306</u>
Historical cost value at 30 June 2025	<u>429,895</u>	<u>558,067</u>

SCOTLAND INHERITANCE FUND

NOTES TO THE FINANCIAL STATEMENTS continued For the year ended 30 June 2025

	2025 £	2024 £
7. LIABILITIES: Creditors falling due within one year		
Independent examiner fee	1,200	1,200
Investment management fee	1,206	1,535
University of Edinburgh	-	62,970
	<u>2,406</u>	<u>65,705</u>

8. MOVEMENT IN FUNDS

	At 1 July 2024 £	Income £	Expenditure £	Gains on investments £	At 30 June 2025 £
Unrestricted Funds					
General Funds	723,226	21,140	(97,459)	11,315	658,222
	<u>723,226</u>	<u>21,140</u>	<u>(97,459)</u>	<u>11,315</u>	<u>658,222</u>

Restricted Funds

Greta Michie Glenesk Research	1,027	-	-	-	1,027
William Will Fellowship	19,119	-	-	-	19,119
	<u>20,146</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,146</u>
	<u>743,372</u>	<u>21,140</u>	<u>(97,459)</u>	<u>11,315</u>	<u>678,368</u>

	At 1 July 2023 £	Income £	Expenditure £	Gains on investments £	At 30 June 2024 £
Unrestricted Funds					
General Funds	862,899	32,041	(193,460)	21,746	723,226
	<u>862,899</u>	<u>32,041</u>	<u>(193,460)</u>	<u>21,746</u>	<u>723,226</u>

Restricted Funds

Greta Michie Glenesk Research	1,027	-	-	-	1,027
William Will Fellowship	19,119	-	-	-	19,119
	<u>20,146</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,146</u>
	<u>883,045</u>	<u>32,041</u>	<u>(193,460)</u>	<u>21,746</u>	<u>743,372</u>

SCOTLAND INHERITANCE FUND

NOTES TO THE FINANCIAL STATEMENTS continued For the year ended 30 June 2025

8. Statement of Financial Activities to 30 June 2024

The Statement of Financial Activities for the year to 30 June 2024 on page 7 distinguishes between unrestricted and restricted funds. The comparative breakdown for the previous year is as follows

	Note	Restricted Funds £	Unrestricted General Funds £	2024 Total Funds £
INCOME FROM:				
Charitable Activities	2	-	2,599	2,599
Investments	3	-	29,442	29,442
Total income		-	32,041	32,041
EXPENDITURE ON:				
Raising funds	4	-	7,049	7,049
Charitable activities	5	-	186,411	186,411
Total expenditure		-	193,460	193,460
Net expenditure before gains/(losses) on Investments		-	(161,419)	(161,419)
Gains/(losses) on Investments	6	-	21,746	21,746
Net (expenditure)/income and net Movement in Funds		-	(139,673)	(139,673)
RECONCILIATION OF FUNDS				
Total funds brought forward		20,146	862,899	883,045
TOTAL FUNDS CARRIED FORWARD	8	20,146	723,226	743,372