

LB/SCA
PA0293-0001

JAMES PATERSON TRUST AND NURSING FUND

Scottish Charity No. SC017645

ANNUAL REPORT

and

UNAUDITED FINANCIAL STATEMENTS

From: 25 November, 2021

To: 24 November, 2022

JAMES PATERSON TRUST AND NURSING FUND

Report of the Trustees for the year ended 24 November 2022

The Trustees present their annual report and financial statements of the charitable trust for the year ended 24 November 2022. 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) (Effective 1 January 2019).

Objectives and activities

(Extracted from the second Cy-pres Scheme approved by the Court of Session on 12 July 1974)

"The Trustees shall have power to apply the income of said Fund as they in their sole discretion shall consider appropriate, for the payment of medical services and private accommodation in any hospital, nursing or convalescent home in Glasgow or the West of Scotland of such persons as they in their sole discretion shall determine of the class of beneficiaries aftermentioned.

The class of persons who shall be beneficiaries shall be confined to women and girls suffering from illness dwelling in the District of the City of Glasgow and in the contiguous Districts of Dumbarton, Clydebank, Bearsden and Milngavie, Bishopbriggs and Kirkintilloch, East Kilbride, Eastwood and Renfrew in the region of Strathclyde as defined in Schedule 1 to the Local Government (Scotland) Act 1973 who have worked or are presently working in said District of the City of Glasgow in factories or mills there employing from time to time a preponderance of female labour, priority always being given to women and girls dwelling there who have worked or are presently working in factories and mills in that part or area known as Bridgeton, Glasgow, as the Trustees shall in their sole discretion determine".

Having regard to the fact that the class of beneficiaries is a diminishing one and their requirement for private funding of medical care is decreasing, the income of the Trust is now predominantly applied in providing convalescent holidays for those within the class of beneficiaries.

Achievements and performance

The gross income (from all sources) of the Trust was £28,398. From the gross income there was deducted £9,647 in respect of investment management costs, NIL for direct charitable expenditure, and £9,166 in respect of support costs. This left a Revenue Surplus for the year of £9,585.

Financial review

The Trustees meet annually, normally around May, following the completion and independent examination of the annual Account to 24 November.

Potential beneficiaries telephone the Law Agents and, after satisfying them that they fall within the class of beneficiaries and that they require a convalescent break, a holiday is arranged for them by the Law Agents.

The number of admissions for convalescent holidays in the year were:

2014	2015	2016	2017	2018	2019	2020	2021	2022
22	23	20	15	11	6	2	2	0

In March 2022, in accordance with the agreement outlined in the previous year's report in respect of the lack of beneficiaries eligible for grants and convalescent holidays from the Charity, the Trustees submitted to OSCR an application for approval of a Charity Reorganisation Scheme under Section 39 of the Charities and Trustee Investment (Scotland) Act 2005 which was approved on 16th September 2022. The transfer of the charity will take place in May 2023.

The Scheme allows for all assets belonging to the Charity (after payment of any liabilities) be transferred to the Trades House of Glasgow (SC040548) to enable funds to be utilised for the benefit of those disadvantaged in the Bridgeton and Greater Glasgow area.

JAMES PATERSON TRUST AND NURSING FUND

Report of the Trustees for the year ended 24 November 2022

Investment policy and performance

In accordance with the Trust Deed, the Trustees have the power to invest in such stocks, shares, investment and property in the UK as they see fit. During the year the Trustees engaged Rathbone Investment Management as investment managers. The current investment objective is a balance between income and capital growth with a medium/high degree of risk. During the year the market value of investments decreased by approximately 5.69%

Reserves policy

The Trustees retain sufficient reserves to ensure that the Trust meets its overheads and objectives and maintains its capital base.

Risk management

The Trustees have considered the major risks to which the charitable Trust is exposed and have reviewed those risks and established systems and procedures to manage those risks.

Structure, governance and management

Founding Document and Trustees

The Trust was established by the Eighth Purpose of the Codicil of the late James Paterson dated 28 August 1909 and registered in the Books of Council and Session on 31 December 1909.

A Cy-pres Scheme amending the purposes of the Trust was approved by the Court of Session on 5 May 1936. A subsequent petition was submitted to the Court of Session to amend further the 1936 Scheme and the Eighth Purpose of said Codicil. The second Scheme was approved by the Court of Session on 12 July 1974 and the salient provisions, which now comprise the objectives of the Trust, are outlined below.

Trustees are appointed in terms of and in the manner provided by Section 21 Trusts (Scotland) Act 1921.

During the accounting year reported on the Trustees were:-

- 1 [REDACTED]
- 2 [REDACTED]

JAMES PATERSON TRUST AND NURSING FUND

Report of the Trustees for the year ended 24 November 2022

Reference and administrative information

Trustees

[REDACTED]

Principal Office and Solicitors

Mitchells Robertson
George House
36 North Hanover Street
Glasgow G1 2AD

Charity Number: SC017645

Independent Examiner

[REDACTED]
Mazars LLP, Chartered Accountants
100 Queen Street
Glasgow G1 3DN

Bankers

The Royal Bank of Scotland PLC
Glasgow City Branch
10 Gordon Street Glasgow
G1 3PL

Investment Adviser

Rathbone Investment Management
George House
50 George Square
Glasgow G2 1EH

JAMES PATERSON TRUST AND NURSING FUND

Report of the Trustees for the year ended 24 November 2022

Trustees' responsibilities in relation to the financial statements

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

Charity Law requires the Trustees to prepare or have prepared on their behalf Accounts for each financial year which give a true and fair view of the state of affairs of the Trust and of the income and expenditure of the Trust for that period. In preparing those accounts, the Trustees are required to:-

- 1 select suitable accounting policies and then apply them consistently ;
- 2 observe the methods and principles of the Charities SORP;
- 3 make judgements and estimates that are reasonable and prudent;
- 4 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;
- 5 prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable trust will continue in existence.

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

They are also responsible for safe-guarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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JAMES PATERSON TRUST AND NURSING FUND

Statement of Financial Activities
for the year ended 24 November 2022

	Note	Total Funds 2022 £	Total Funds 2021 £
Income and endowments from:			
Investment income	3	28,398	23,654
Total income		<u>28,398</u>	<u>23,654</u>
Expenditure on:			
Raising funds			
Investment management costs	4	<u>9,647</u>	<u>9,614</u>
Charitable activities			
Charitable donations	5	-	300
Support costs	6	<u>9,166</u>	<u>8,670</u>
Cost of charitable activities		9,166	8,970
Total expenditure		<u>18,813</u>	<u>18,584</u>
Net income before gains on investments		9,585	5,070
Net (losses) / gains on investments	7(c)	<u>(84,163)</u>	<u>136,290</u>
Net Movement in Funds		(74,578)	141,360
Reconciliation of funds:			
Total funds brought forward		<u>1,182,153</u>	<u>1,040,793</u>
Total funds carried forward		<u>1,107,575</u>	<u>1,182,153</u>

All funds are unrestricted.

JAMES PATERSON TRUST AND NURSING FUND

Balance Sheet as at 24 November 2022

	Note	2022	2021
		£	£
Fixed assets:			
Investments	7(b)	1,029,285	1,128,050
Total Fixed Assets		1,029,285	1,128,050
Current assets:			
Investments	8	9,836	2,075
Cash and cash equivalents		77,514	60,638
Total Current Assets		87,350	62,713
Current Liabilities:			
Creditors falling due within one year	9	(9,060)	(8,610)
Net Current Assets		78,290	54,103
Total Assets less Current Liabilities		1,107,575	1,182,153
The funds of the charity:	10		
Total Charity Funds		1,107,575	1,182,153

The notes at pages 7 to 11 form part of these financial statements

Approved by the Trustees on = _ and signed on their behalf by:

..... 

James Paterson Trust and Nursing Fund

Notes on the accounts

1 Accounting policies

(a) Basis of preparation

These financial statements have been prepared on the going concern basis and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), The Charities SORP (FRS102) 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 UK and Republic of Ireland (FRS 102) (Effective 1 January 2019), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The charity is 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 £.

The financial statements have been prepared under the historical accounting convention, modified to include the revaluation of investments at market value.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

In March 2022, in accordance with the agreement outlined in the previous year's report in respect of the lack of beneficiaries eligible for grants and convalescent holidays from the Charity, the Trustees submitted to OSCR an application for approval of a Charity Reorganisation Scheme under Section 39 of the Charities and Trustee Investment (Scotland) Act 2005 which was approved on 16th September 2022.

(b) Funds structure

Details of the fund structure are disclosed in note 11.

(c) Income recognition

All income is recognised in the Statement of Financial Activities (SoFA) once the charitable trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. As the Charity is exempt from taxation provision is made for the tax recovery following submission of a relevant tax claim.

(d) Expenditure recognition

Liabilities are recognised as expenditure in the SoFA 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 safely. All expenditure is accounted for on an accruals basis.

(e) Costs of raising funds

The costs of generating funds consist of investment management and other relevant fees.

(f) Charitable activities

Costs of charitable activities comprise grants made and support costs that comprise all administrative outgoings, independent examination, legal advice for Trustees, costs associated with constitutional and statutory requirements and strategic management throughout the year.

James Paterson Trust and Nursing Fund

Notes on the accounts

1 Accounting policies (contd)

(g) 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 balance sheet date using the closing quoted market price. The SoFA includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity 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.

(h) Gains and losses on investments

All gains and losses are taken to the SoFA 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 SoFA.

(i) Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

(j) Cash and Cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

(k) 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

(l) Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transactions costs, and are measured subsequently at amortised cost using the effective interest method.

James Paterson Trust and Nursing Fund

Notes on the accounts

1. Accounting policies (contd)

(m) Taxation

The Charity is exempt from tax on its charitable activities.

2. Related party transactions and trustees' remuneration

Trustees received no emoluments (2022 £nil) and no expenses (2021 £nil).

Donald B Reid, a Trustee of the James Paterson Trust and Nursing Fund, is also a Consultant of Mitchells Robertson. The fee due to Mitchells Robertson for the year ended 24 November 2022 is £7,920 (2021 - £7,920)

3. Investment income

	2022 £	2021 £
Dividends - UK equities	19,987	19,288
Dividends - Property income Distributions	116	757
Dividends - Unit Trust	953	182
Dividends - Overseas	7,035	1,492
Interest - Unit Trust	-	1,494
Interest - UK Government and other securities	300	302
Interest - Overseas securities	-	248
Interest on cash deposits	8	-
Tax refund provision written out	-	(109)
	<u>28,398</u>	<u>23,654</u>

4. Investment management costs

	2022 £	2021 £
<u>Stockbroker fees</u>		
Rathbone Investment Management	9,647	9,614
	<u>9,647</u>	<u>9,614</u>

5. Analysis of charitable expenditure

	2022 £	2021 £
Grants	-	300
	<u>-</u>	<u>300</u>

6. Support costs

	2022 £	2021 £
Administration fees: Mitchells Robertson	7,920	7,920
Independent Examiner's fees: Mazars LLP	1,230	750
	<u>9,150</u>	<u>8,670</u>

James Paterson Trust and Nursing Fund

Notes on the accounts

7. Fixed asset investments

	2022	2021
	£	£
(a) Total net proceeds from disposals	193,246	651,202
Less: book value	(203,081)	(602,733)
Net (losses) / gains on disposals	(9,835)	48,469
(b) Movement in fixed asset investments	2022	2021
	£	£
Market value brought forward	1,128,050	957,217
Add: additions to investments at cost	178,644	685,745
Disposals at carrying value	(203,081)	(602,733)
Add: unrealised (losses) / gains on revaluation	(74,328)	87,821
Market value as at 24th November	1,029,285	1,128,050
(c) Net (losses) / gains on investments	2022	2021
	£	£
On disposals as above	(9,835)	48,469
On revaluation as above	(74,328)	87,821
	(84,163)	136,290
Investments at market value		
Comprised:	2022	2021
	£	£
UK Equities	455,657	568,848
Non-UK Equities	457,198	419,053
Unit Trust	116,430	126,607
UK Government and other securities	-	14,082
Total	1,029,285	1,128,590

8. Investments

This represents cash held by Rathbone Investment Management in a capital account for reinvestment.

James Paterson Trust and Nursing Fund

Notes on the accounts

9. Creditors falling due within one year

	2022	2021
	£	£
Support costs accrued		
Mitchells Robertson	7,920	7,920
Mazars LLP	1,140	690
	<u>9,060</u>	<u>8,610</u>

10. Analysis of charitable funds

Analysis of Fund movements	Balance at 25 November 2021 £	Income £	Expenditure £	Gains and losses £	Balance at 24 November 2022 £
Total Funds	1,182,153	28,398	(18,813)	(84,163)	1,107,575

(a) The Trust Deed allows for the application by Trustees of the income and capital of the Trust Funds for charitable purposes.

(b) The policy of the Trustees is to meet all expenditure out of income.

11. Post balance sheet event

The transfer of the Trust took place in May 2023.

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE JAMES PATERSON TRUST AND NURSING FUND

I report on the financial statements of the James Paterson Trust and Nursing Fund for the year ended 24 November 2022 which are set out on pages 5 to 11.

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 and the Charities Accounts (Scotland) Regulations 2006. The charity's Trustees consider that the audit requirement of the Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply and that an independent examination is needed..

It is my responsibility to:

- examine the financial statements in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006;
- follow the procedures laid down in accounts as required under section 44(1)(c) of the 2005 Act; and
- state whether particular matters have come to my attention.

Basis of Independent Examiner's statement

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006.

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 seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the financial statements present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent Examiner's statement

In connection with my examination, which is complete, no matters have come to my attention which give me reasonable cause to believe that in any material respect:

- accounting records were not kept in respect of the James Paterson Trust and Nursing Fund in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; or
- the financial statements do not accord with those records; or

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE JAMES PATERSON TRUST AND NURSING FUND (CONTINUED)

- the financial statements do not comply with the applicable requirements concerning the form and content of financial statements set out in Regulation 8 of the 2006 Accounts Regulations, other than any requirement that the financial statements give a "true and fair" view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached

This report, including my statement, has been prepared for and only for the charity's Trustees as a body. My work has been undertaken so that I might state to the charity's Trustees those matters I am required to state to them in an independent examiner's report 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 charity's Trustees as a body for my examination work, for this report, or for the statements I have made.

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Partner
Mazars LLP

Date Jun 19, 2023

Relevant Professional Body: Institute of Chartered Accountants of Scotland
100 Queen Street, Glasgow G1 3DN