

Roland Sutton Trust

Annual Report & Accounts

PERIOD TO 31 JULY 2025

Charity No: SC018098

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Roland Sutton Trust

Report of the Trustees for the period ended 31 July 2025

The Trustees present the report and accounts for the period ended 31 July 2025.

History, Objectives and Activities of the Trust

The Trust was established as an unincorporated charity on 23 October 1984 by Mr and Mrs Roland Sutton to provide for deserving graduates or diplomats to assist them to carry out postgraduate research at the Craibstone campus of the then North of Scotland Agricultural College renamed SRUC on 1 October 2012. Initially research was conducted into grouse breeding but subsequently Mrs Sutton expressed her agreement that the remit of study be widened into environmental issues.

On 8 July 2025, the Trust has elected to extend its accounting period from 31 March to 31 July to align its financial reporting cycle with operational and strategic requirements. As a result of this change, the current reporting period is longer than the previous financial year. Accordingly, the comparative figures presented are not directly comparable, as they reflect a shorter accounting period.

Financial Review

During the period ended 31 July 2025, the Trust generated investment income of £29,342 (2024: £20,498).

The value of investments held by the Trust increased by £5,570 (2024: increased by £45,876) and together with the net surplus for the year of £29,342 (2024: £9,948) was transferred to the general reserve. There was no expenditure in the year due to lack of funding applications.

Reserves policy

The investment of capital is the only source of income and so the fund is invested with the objective of maintaining the capital value of the fund in real terms and generating an income available to spend on grants. The reserves of the Trust amounted to £956,411 at 31 July 2025 (2024: £921,499). The Trust deed allows the Trustees full discretion over the capital and income of the Trust in pursuit of the Trust's objectives.

Grant Making Policy

Commencing in October 2004, and in consultation with Mrs Sutton, the Trustees decided that a PhD research studentship, in an environmental subject, would best fulfil the aims of the Trust. The Trustees intend to continue providing grants in a similar way in the future but retain flexibility as to the timing, and scale of grant making.

Investment Policy

SRUC, on behalf of the Trust, employs a professional investment management firm to manage the Trust investments on a discretionary basis. The Trustees meet with the fund manager annually to review investment performance which is monitored by comparison to a long-

term investment objective of CPI+3%. Performance is also assessed against the peer group using the ARC Charity Steady Growth comparator. Finally, a market index driven benchmark is used, Rathbones Benchmark 4, in line with the risk level instructed by the Trustees. The combination of comparator metrics allowing the Trustees to assess performance, understanding that all comparators have certain issues, including the unusual market concentration issues seen in equity markets during the period under review.

The Trust is focusing on achieving a spread of risk, securing investment income and holding shares in well-financed businesses with long-term growth potential and operating in relatively stable industries. The investment objective is to achieve a balanced return combining capital growth and income.

The Trustees take a long-term view. The comparisons on a total return basis to 31st July 2025 are as follows:

	One Year	Three years
SRUC Trusts Fund	2.28%	9.89%
CPI+3% (1M Lagged)	6.67%	24.55%
ARC Charity Steady Growth	6.09%	17.32%
Benchmark 4	9.98%	27.59%

Management and Governance Arrangements

The Trustees have delegated authority to the SRUC Finance & Estates (F&E) Committee to oversee and direct the management of the Trust's funds.

The following Trustees held office during the year:

Prof C Argo
Dr K Black
Mr J Cruickshank
Mr W Ferguson
Miss J Craigie (appointed 31 March 2024,
resigned 11 June 2025)

Roland Sutton Trust

Report of the Trustees for the period ended 31 July 2025

In accordance with the Trust Deed, the Trust should be administered by five Trustees and it is in the power of the existing Trustees to appoint the appropriate persons. The Trustees meet at least once a year.

Caroline McGregor Argo

Appointment of Trustees

In accordance with the trust deeds the trustees include Roland Sutton appointed Trustees; the Chairman and Vice-Chairman of the SRUC Board or their nominees; and the Dean of the North Faculty of SRUC.

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By order of the Trustees

Prof Caroline Argo

Date: 09/03/26

Risk management

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems are in place to mitigate exposure to the major risks. Trustees are well placed to make informed decisions about the disbursements of funds within the agreed policy.

Trustees' Responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with 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).

Law applicable to charities in Scotland requires the trustees to prepare financial statements for each financial year which show a true and fair view of the state of affairs of the Trust and its financial activities for that period. In preparing financial statements, giving a true and fair view, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- 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;
- 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 which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006. The Trustees 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.

Future Plans

The Trustees plan to monitor the investment portfolio closely to ensure that disbursements do not exceed the income available.

Independent Examiner's Report to the Trustees of the Roland Sutton Trust

I report on the financial statements of the charity for the period ended 31 July 2025 which are set out on pages 5 to 8.

Respective Responsibilities of Trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 (the 2005 Act) and the Charities Accounts (Scotland) Regulations 2006 (the 2006 Accounts Regulations).

The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the 2005 Act and to state whether particular 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 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, 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 accounts.

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 accounts 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 accounts to be reached.

Kelly Adams

Name: Kelly Adams
Relevant Professional Qualification: Institute of Chartered Accountants of Scotland
For and on behalf of RSM UK Tax and Accounting Limited

Third Floor
2 Semple Street
Edinburgh
EH3 8BL

Date: 09/03/26

Roland Sutton Trust
Statement of Financial Activities for the period ended 31 July 2025

		16 months to 31 July 2025	Y/E 31 March 2024
	Note	Restricted £	Restricted £
Incoming resources			
Investment income		29,342	20,498
Total incoming resources		<u>29,342</u>	<u>20,498</u>
Charitable Expenditure			
Grants awarded		-	10,550
Total charitable expenditure		<u>-</u>	<u>10,550</u>
Net income for the year		29,342	9,948
Gain on investments	3	5,570	45,876
Movement in net funds		<u>34,912</u>	<u>55,824</u>
Total funds at 1 April 2024		<u>921,499</u>	<u>865,675</u>
Total funds at 31 July 2025		<u><u>956,411</u></u>	<u><u>921,499</u></u>

Balance Sheet as at 31 July 2025

		2025 £	2024 £
Investments	3	956,411	921,499
Net assets		<u>956,411</u>	<u>921,499</u>
General Reserve - Endowment		<u><u>956,411</u></u>	<u><u>921,499</u></u>

The notes on pages 6 to 8 form part of these financial statements.

The accounts were approved on 15 December 2025 and signed on behalf of the Trustees by

Caroline McGregor Argo

Prof Caroline Argo

Date: 09/03/26

Roland Sutton Trust

Notes to the Accounts

1. Accounting Policies

a) Basis of preparation and assessment of going concern

The accounts have been prepared under the historical cost convention with the exception of investments which are shown at market value. The accounts 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 (FRS102) and the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The Trust constitutes a public benefit entity as defined by FRS102.

The reporting period has been extended to 16 months from 31 March 2025 to 31 July 2025. As a result, the current period figures may not be directly comparable with those of the previous 12-month period.

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, 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 and performance and risk management sections of the trustees' annual report for more information).

b) Funds structure

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor of the trust deed. All the funds in this trust are regarded as restricted.

c) Income 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 reliably measured.

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 reliably measured.

All expenditure is accounted for on an accruals basis.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the award or the grant has been paid, whichever is the earlier. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside control of the Trust.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing or the amount of the grant payable.

The provision for a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Trust that would permit the trust to avoid making the future payment(s), settlement is probable and the effect of discounting is material.

Roland Sutton Trust

Notes to the Accounts

1. Accounting Policies (cont'd)

f) 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 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 subsectors.

g) 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 gains and losses are shown combined in the Statement of Financial Activities.

2. Operating Costs

Administration expenses have been borne by SRUC (registered number: SC103046 and charity number: SC003712). The Trustees transferred control over the assets of the Trust to the Directors of SRUC.

3. Investments

	2025 £	2024 £
Unit Trusts	<u>956,411</u>	<u>921,499</u>
Movements in fixed asset investments were:		£
Carrying value (market value) at 1 April 2024		921,499
Additions to investments at cost		29,342
Net Gain on revaluation		<u>5,570</u>
Carrying value (market value) at 31 July 2025		<u><u>956,411</u></u>

The investments are managed by Rathbone Investment Management Limited on a commission basis.

Roland Sutton Trust

Notes to the Accounts

4. Taxation

No taxation has been provided for during the year as the Roland Sutton Trust has charitable status.

5. Related party transactions and trustees' remuneration

The trustees give freely of their time and expertise without any form of remuneration or benefit in kind. No expenses were paid to the trustees (2024 - £nil).

There were no related party transactions.

General

Address	West Mains Road Edinburgh EH9 3JG
Trustees	Prof C Argo Dr K Black Mr J Cruickshank Mr W Ferguson
Independent Examiner	RSM UK Tax and Accounting Limited Third Floor 2 Semple Street Edinburgh EH3 8BL
Investment Managers	Rathbone Investment Management Limited George House 50 George Square Glasgow G2 1EH