

**Provost James Rae Trust**  
**Scottish Charity Number SC044208**

REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR TO 31ST MARCH 2022

**PROVOST JAMES RAE TRUST**  
**GENERAL INFORMATION AND REPORT OF THE TRUSTEES**  
**FOR THE YEAR TO 31ST MARCH 2022**

The Trustees present their annual report and financial statements for the charity for the year ended 31st March 2022. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the financial statements 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 the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard 102 applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2019).

**Objectives and Activities**

**Objectives of Trust**

The Trustees are directed in terms of the Trust Deed to pay or apply the Income or Capital of the Trust Fund for the benefit or furtherance of such purposes, objects or institutions, charitable in law, as the Trustees in their absolute discretion shall determine. The Trustees are also authorised to accumulate Income for the twenty one year period from 17th June 2013.

Although the objectives as set out in the Trust Deed are far reaching, the Trustees favour supporting projects which provide public benefit especially, but not limited to, the following areas:-

- (i) The advancement of arts, heritage and culture;
- (ii) The advancement of education to include financially supporting young artists, emerging artists of any age and struggling artists working in Scotland as well as facilitating exhibitions of the work of the artists in Scotland.

The principal activity is grant making.

By support of projects in the favoured fields/areas it is the aim of the Trustees to provide a fund from which young artists, emerging artists of any age and struggling artists working in Scotland can be supported at crucial points in their artistic careers. The funds will also help to facilitate exhibitions of the work of artists working in Scotland. It is hoped that the Trust will eventually be in a position to provide grants and endowments to potential beneficiaries of the charity and, in doing so, strengthen, support and build the artistic culture in Scotland. It should be noted that the Trustees are not bound to continue supporting these areas and may in the future favour other areas.

**Grant Making Policy**

The Trustees have opted for a policy of making donations to those individuals they feel require most support and whose purposes fall within the spectrum of the Trust Deed, and also within the Trustees' currently favoured areas of support.

**Report on the Activities of the Trust**

During the period the Trust received cash donations of £97,640.00, including gift aid repayment (2021 £31,291.25, including gift aid), along with the gift of a piece of artwork, worth an estimated value of £5,000, from Trustee [REDACTED]. Two other small cash donations were also received.

The Trustees awarded one donation of £5,000.00 during the current year (2021 Nil). No future commitments were agreed during this financial statement.

During the financial year, a painting was sold to raise funds for the Trust.

**PROVOST JAMES RAE TRUST**  
**GENERAL INFORMATION AND REPORT OF THE TRUSTEES**  
**FOR THE YEAR TO 31ST MARCH 2022**

**Objectives and Activities**

**Report on the Activities  
of the Trust**

In November 2019, the Trustees acquired a studio which can be used to exhibit the artworks owned by the Trust and for other projects aimed at furthering the Trust's charitable objectives.

In December 2019, the Trustees requested the assistance of Michael Waight with the collation, cataloguing and digitally recording the Trust's work which is stored and displayed at the new premises.

During the year, the Trustees started the process of acquiring a flat which would be available for use by the Trust for accommodating its beneficiaries/ to reduce the cost of accommodating persons providing services to the Trust, and as a means of obtaining a return on the Trust's cash deposits.

**Future Plans**

The Settlor has transferred to the charity several works of art since 31st March 2015 to date, worth an estimated value of £315,000.00. These works of art will be used to generate a cash fund to enable the charity to fulfil its charitable purposes but no decision has yet been taken by the Trustees in relation to a timeline for carrying out sales of the works. This is likely to be a long-term strategy and it may be that additional works will be transferred to the charity during the Settlor's life and the Trust also expects to receive pieces in the event of the Settlor's death. Once a more substantial cash fund is available, the Trustees expect to be in a position to make more regular decisions about grants.

**Financial Review**

**Financial Review**

The Trust's ability to make meaningful donations is reliant on cash donations from the Trust's Settlor or sale of artwork donated by the Settlor.

There are net total assets of £760,305.29 (2021 £712,940.79) and current assets of £519,736.11 (2021 £473,985.31). The Trust received income of £102,703.80 (2021 £31,334.02), including a donations of £97,640.00 (including gift aid) during the financial period (2021 £31,291.25 including gift aid). The Trustees awarded one donation of £5,000.00 during the current year (2021 Nil). No future commitments were agreed during this financial statement.

**Post Balance Sheet Events**

On 13th April 2022, the Trust acquired a flat which would be available for use by the Trust for accommodating its beneficiaries/to reduce the cost of accommodating persons providing services to the Trust, and as a means of obtaining a return on the Trust's cash deposits.

**Reserves Policy**

It is the policy of the Trustees to use the funds of the Trust to both make grants and donations and to support the charitable activities of the Trust. The Trustees will consider the need to retain a reserve balance at the close of each financial year for its future activities having regard to their duties as charitable trustees. The Trustees intend that any surplus cash following this assessment will be distributed in a following year.

The funds of the Trust are wholly unrestricted and are represented by mainly the works of art but also funds held in a bank account. The Trustees have power to draw upon the fund in furtherance of the Trust's objectives whilst retaining sufficient funds to meet any commitments they may undertake.

**PROVOST JAMES RAE TRUST**  
**GENERAL INFORMATION AND REPORT OF THE TRUSTEES**  
**FOR THE YEAR TO 31ST MARCH 2022**

**Financial Review**  
**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 our exposure to the major risks.

As the Trust relies on donations from the Settlor in order to make its donations and to meet running costs, the principal risk faced by the Trust is whether donations are made to the Trust.

However, the Trustees believe that sufficient funds from disposal of investments can be realised to meet running costs and any award of donations will be made only where funds permit.

The Covid-19 pandemic has had a very low impact on the Trust. The Trustees continue to assess and consider the impact of the pandemic and its effect on current and future plans.

**Going Concern**

The Trustees have no material uncertainties as to the Trust's ability to continue as a going concern.

**Structure, Governance & Management**

**Founding Document**

Deed of Trust dated 17th June 2013 and registered in the Books of the Lords of Council and Session on 18th June 2013.

**Appointment of New Trustees**

Reserved to the Settlor provided they retain sufficient capacity to do so, whom failing, the Trustees in office.

**Decision making**

All Trustees are actively involved in the decision making process. Requests for funding are reviewed by the Trustees.

**Employees**

The Trust has no employees (2021 none). The Trustees have engaged Turcan Connell to undertake the administration of the Trust, remuneration for which is recorded in the financial statements.

**Related Parties**

During the period the Trust received donations of £96,140.00, including gift aid repayment (2021 £31,291.25 including gift aid) from Trustee [REDACTED] [REDACTED] paid expenses of £1,000.00 on behalf of the charity, all of which was outstanding at the year end.

**Management**

All Trustees are active in the management of the Trust.

**Reference and Administrative Details**

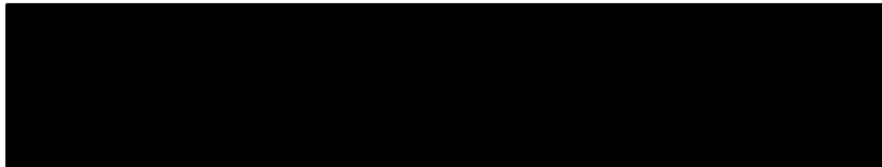
**Scottish Charity Number**

SC044208

**Address**

Turcan Connell  
 Princes Exchange  
 1 Earl Grey Street  
 Edinburgh  
 EH3 9EE

PROVOST JAMES RAE TRUST  
GENERAL INFORMATION AND REPORT OF THE TRUSTEES  
FOR THE YEAR TO 31ST MARCH 2022




Advisers

Solicitors

Independent Examiner

Turcan Connell  
Princes Exchange  
1 Earl Grey Street  
Edinburgh  
EH3 9EE

  
Whitelaw Wells  
Chartered Accountants  
9 Ainslie Place  
Edinburgh  
EH3 6AT

PROVOST JAMES RAE TRUST  
GENERAL INFORMATION AND REPORT OF THE TRUSTEES  
FOR THE YEAR TO 31ST MARCH 2022

Statement of Trustees'  
Responsibilities in  
Respect of the Accounts

The Trustees are responsible for preparing the Trustees' Annual Report and financial statements in accordance with applicable law and with the Financial Reporting Standards applicable in the United Kingdom and Republic of Ireland.

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 follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to assume that the Trust will continue on that basis.

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 are responsible for the maintenance and integrity of the charity. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

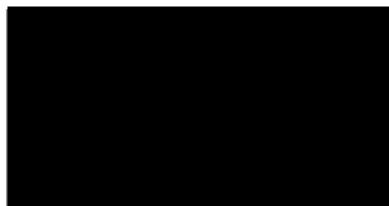
Financial statements preparation

The Trustees confirm that the financial statements for the year ended 31st March 2022 have been prepared so as to comply with current statutory requirements, the Charity SORP and the Trust's Constitution.

Approved on behalf of the Trustees

12 February 2024

Date



Trustee

Print Name

Provost James Rae Trust  
INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

I report on the financial statements of the Trust for the year ended 31st March 2022 which are set out on pages 8 to 13.

This report is made to the Trustees, as a body, in accordance with the terms of my engagement. My work has been undertaken to enable me to report my opinion as set out below and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Trust and the Trustees, as a body, for my work or for this report.

**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 & Trustee Investment (Scotland) Act 2005 ("the Act") and the Charities Accounts (Scotland) Regulations 2006 (as amended) ("the Regulations"). The charity Trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the 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 particular matters have come to my attention.

**Basis of independent examiner's report**

My examination is carried out in accordance with Regulation 11 of the Regulations.

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 seeks 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 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 Act and Regulation 4 of the Regulations; and
  - to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the 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.

Examiner

Date

Whitelaw Wells  
Chartered Accountants  
9 Ainslie Place  
Edinburgh  
EH3 6AT

12 February 2024

**PROVOST JAMES RAE TRUST**  
**BALANCE SHEET AS AT 31ST MARCH 2022**

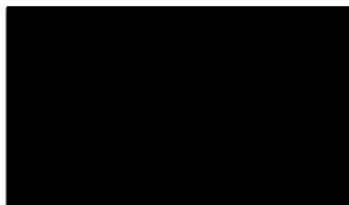
	<u>Notes</u>	<u>2022</u> £	<u>2021</u> £
<b><u>Fixed Assets</u></b>			
Land and Buildings	5	232,350.00	225,750.00
Fixtures and fittings	5	8,219.18	13,205.48
		<u>240,569.18</u>	<u>238,955.48</u>
 <b><u>Current Assets</u></b>			
Cash on deposit and in hand		205,098.28	197,558.10
Debtors	2	19,285.23	-
Investments held for sale	4	305,000.00	305,000.00
<b>Total Current Assets</b>		<u>529,383.51</u>	<u>502,558.10</u>
 <b><u>Liabilities:</u></b>			
Creditors: Amounts falling due within twelve months	3	9,647.40	28,572.79
		<u>9,647.40</u>	<u>28,572.79</u>
 <b>Net Current Assets</b>		<u>519,736.11</u>	<u>473,985.31</u>
 <b>Net Assets</b>		<u>760,305.29</u>	<u>712,940.79</u>
 <b><u>Represented by:</u></b>			
Unrestricted Funds		760,305.29	712,940.79
		<u>760,305.29</u>	<u>712,940.79</u>

*All funds are unrestricted in both the current and previous years.*

Approved by the Trustees and authorised to be signed on their behalf

12 February 2024

..... Date



.... Trustee

.... Print Name



PROVOST JAMES RAE TRUSTSTATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR TO 31ST MARCH 2022

	<u>Note</u>	<u>2022</u> <u>Total</u> <u>£</u>	<u>2021</u> <u>Total</u> <u>£</u>
<b><u>Income and endowments from:</u></b>			
Donations	6	102,640.00	31,291.25
Investments	6	63.80	42.77
<b>Total</b>		<u>102,703.80</u>	<u>31,334.02</u>
<b><u>Expenditure on:</u></b>			
<u>Charitable Activities</u>			
Operating Expense - Depreciation	5	(4,986.30)	(4,986.30)
Donations	7	(5,000.00)	-
Direct Expenditure	7	(38,710.40)	(98,096.72)
Support and Governance Costs	10	(7,642.60)	(8,261.80)
<b>Total</b>		<u>(56,339.30)</u>	<u>(111,344.82)</u>
		46,364.50	(80,010.80)
<u>Other recognised (losses)/gains</u>			
Net gains on investments	4	1,000.00	-
<b>Net income/(expenditure) and net movements in funds</b>		<u>47,364.50</u>	<u>(80,010.80)</u>
<b><u>Reconciliation of funds</u></b>			
Total funds brought forward		712,940.79	792,951.59
<b>Total funds carried forward</b>		<u>760,305.29</u>	<u>712,940.79</u>

*All funds are unrestricted in both the current and previous years.*

**PROVOST JAMES RAE TRUST**  
**FOR THE YEAR TO 31ST MARCH 2022**

**Notes To The Accounts**

**1 Accounting Policies**

**a) Financial statements preparation**

The financial statements are prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (effective 1st January 2019) subject to the reporting exemptions available to Small Entities under section 1A of that Standard, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The Trust constitutes a public benefit entity.

The financial statements have been prepared on a going concern basis. The Trustees have assessed the Trust's ability to continue as a going concern and have reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The Covid-19 pandemic has had a very low impact on the Trust. The Trustees continue to assess and consider the impact of the pandemic and its effect on current and future plans.

**b) Current Asset Investments**

The Trust holds a collection of artwork which is currently held with the intention to sell the items and use the proceeds to support charitable activities. The collection is reported in the balance sheet at fair value, based on the Trustees' estimated market value.

Expenditure which is required to preserve or prevent deterioration of individual collection items is recognised in the Statement of Financial Activities when it is incurred. All of the artwork is presently being held in a storage unit on behalf of the Trustees.

**c) Fixed assets**

**Property**

The Trust acquired a heritable property on 20th November 2019. As this has only recently been acquired, no impairment review is envisaged and the property is therefore included at cost. No depreciation is provided on buildings as, in the opinion of the Trustees, the length of their estimated useful economic life and estimated residual value is at least to the book value. Having regard to this, it is considered that the depreciation of any such buildings would not be material. Costs of repairs and maintenance are charged to revenue as incurred.

The Trust is in the process of acquiring a flat, which will conclude in the next financial statement.

**Depreciation**

The Trust acquired a range of fixtures and fittings for the property on initial purchase, the cost of which has been capitalised. FRS102 requires all assets to be depreciated over their estimated economic life, taking account of any residual value. The Trustees have adopted a policy of depreciating the fixtures and fittings at the rate of 25% on a straight line basis. Assets costing in excess of £500 are capitalised.

**d) Income**

Investment income is included in the financial statements in the year in which the Trust becomes entitled to it, it can be reliably determined and there is probability of receipt.

Donations are included in the financial statements together with associated gift aid, where applicable, when the Trustees have been advised of the donation with notification of both amount and intended settlement date.

PROVOST JAMES RAE TRUST  
FOR THE YEAR TO 31ST MARCH 2022

1 Accounting Policies

e) Expenditure

Expenditure is included in the account on an accruals basis and recognised in full as soon as a constructive obligation exists, the sums payable can be reliably measured and there is probability of payment.

f) Governance and Support Costs

Fees charged by Turcan Connell for legal and accounting services are included in the financial statements as follows:

Governance (Accountancy Costs) - 25%

Support (Legal and Administrative Costs) - 75%

These are recorded in support and governance in the Statement of Financial Activities.

Independent Examination Fees are recorded in support and governance in the Statement of Financial Activities as appropriate.

All other governance and support costs are recorded in the Statement of Financial Activities as appropriate.

As the charity does not provide services directly but by way of grants to other organisations, governance and support costs are not allocated against individual grants or donations.

g) Grants

Grants authorised to be paid in respect of the accounting year or future years are provided for in the financial statements in the year in which they are authorised.

h) VAT

The Charity is not registered for VAT purposes and all VAT incurred is therefore irrecoverable. Where applied, VAT is included as part of the expense.

2 Debtors

Bank Interest  
Recoverable Tax

<u>2022</u>	<u>2021</u>
£	£
57.23	-
19,228.00	-
<u>19,285.23</u>	<u>-</u>

3 Creditors

Turcan Connell Fees  
Independent Examination Fee  
Cataloging works of art invoice for March  
Property expenses  
[REDACTED] - Retention for property

<u>2022</u>	<u>2021</u>
£	£
6,487.40	5,294.20
2,160.00	1,440.00
-	2,500.00
-	19,338.59
1,000.00	-
<u>9,647.40</u>	<u>28,572.79</u>

PROVOST JAMES RAE TRUST  
FOR THE YEAR TO 31ST MARCH 2022

4 Current Asset Investments

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
	<u>Pictures</u>	<u>Pictures</u>
<u>Fair value:</u>		
31st March 2021 <i>(estimate)</i>	305,000.00	305,000.00
Add: Donated artwork	5,000.00	
Less: Sale	(5,000.00)	-
31st March 2022 <i>(estimate)</i>	<u>305,000.00</u>	<u>305,000.00</u>

*Investments comprise of works of art that were valued by the Trustees as at 31 March 2022*

Sale proceeds	6,000.00	-
Book value of disposal	(5,000.00)	-
Gain on Sale	<u>1,000.00</u>	

5 Fixed Assets

	<u>Land and</u>	<u>Furniture</u>	
	<u>buildings</u>	<u>Fixtures and</u>	<u>Total</u>
	<u>£</u>	<u>equipment</u>	<u>£</u>
Cost at 1 April 2021	225,750.00	20,000.00	245,750.00
Additions in year	6,600.00	-	6,600.00
As at 31 March 2022	<u>232,350.00</u>	<u>20,000.00</u>	<u>252,350.00</u>
Accumulated depreciation at 1 April 2021	-	6,794.52	6,794.52
Charge for year	-	4,986.30	4,986.30
As at 31 March 2022	<u>-</u>	<u>11,780.82</u>	<u>11,780.82</u>
Net book value			
At 31 March 2022	<u>232,350.00</u>	<u>8,219.18</u>	<u>240,569.18</u>
Net book value			
At 31 March 2021	<u>225,750.00</u>	<u>13,205.48</u>	<u>238,955.48</u>

6 Investment and other income

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Bank interest	63.80	42.77
Voluntary Income -		
Cash donations & gift aid	97,640.00	31,291.25
Artwork donation	5,000.00	-
	<u>102,703.80</u>	<u>31,334.02</u>

PROVOST JAMES RAE TRUST  
FOR THE YEAR TO 31ST MARCH 2022

**7 Charitable Activities**

	<u>£</u>	<u>2022</u> <u>£</u>	<u>2021</u> <u>£</u>
<u>Grants and donations</u>			
Individual - [REDACTED]		5,000.00	-
<u>Direct expenditure</u>			
Storage/insurance costs	-		2,961.86
Cataloguing works of art	15,000.00		21,666.67
Property expenditure	23,470.40		73,444.19
Other costs	240.00		24.00
		<u>38,710.40</u>	
		<u>43,710.40</u>	<u>98,096.72</u>

**8 Related Party Transactions**

The Trust has no employees.

During the period, the Trust received donations of £96,140.00 including gift aid (2021 £31,291.25 including gift aid) from the Trustee [REDACTED] paid expenses of £1,000.00 on behalf of the charity, all of which was outstanding at the year end.

**9 Trustees' Expenses**

No fees or expenses have been paid to the Trustees (2021 Nil). All Trustees act gratuitously.

**10 Support and Governance Costs**

	<u>£</u>	<u>2022</u> <u>£</u>	<u>2021</u> <u>£</u>
<u>Support Costs</u>			
Administration		5,191.95	5,656.35
<u>Governance</u>			
Accounting	1,730.65		1,885.45
Independent Examiner's Fees	720.00		720.00
		<u>2,450.65</u>	
		<u>7,642.60</u>	<u>8,261.80</u>

**11 Post Balance Sheet Events**

On 13th April 2022, the Trust acquired a flat which would be available for use by the Trust for accommodating its beneficiaries/to reduce the cost of accommodating persons providing services to the Trust, and as a means of obtaining a return on the Trust's cash deposits. However, in November 2022 the trustees decide to sell the property.