

McDONALD'S IN THE COMMUNITY FOUNDATION

REPORT OF THE TRUSTEES

and

STATEMENT OF ACCOUNTS

YEAR ENDED 30 JUNE 2025

SCOTTISH CHARITY NO. SC050356

McDONALD'S IN THE COMMUNITY FOUNDATION

ANNUAL REPORT and STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2025

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McDONALD'S IN THE COMMUNITY FOUNDATION

Report of the trustees for the year ended 30 June 2025

The Trustees have pleasure in submitting their Annual Report for the year ended 30th June 2025. The accounts 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 second edition October 2019). FRS 102 (second edition issued in October 2019).

Objectives and activities

The objectives of the charity is to distribute the bag tax monies received each quarter to chosen charities within the local communities. There is also regular donations made to Ronald McDonald UK and Glasgow.

The Trustees are committed to supporting local charities in Scotland.

Grant making policy

The Trustees meet regularly throughout the year. They aim to distribute the majority of the funds available once suitable charities are selected. All applications are to be made using the application form which is provided by the Trustees to their chosen charities. The UK and Glasgow Ronald McDonald Houses are regularly chosen to receive available balances.

A review of the achievements and performance

The objectives of the charity during the period were to support local charities and the Ronald McDonald Houses in the UK and Glasgow. The Trustees fulfilled these objectives by making donations, those greater than £5,000 of the total donations made are detailed in note 4 of the accounts. The donations are agreed by the Trustees.

Financial review

The financial position of the charity at 30 June 2025 is as disclosed in the Statement of Financial Activities and Balance sheet on page 4 and 5. The results for the period show income of £1,614,658 (2024 £1,672,927) and expenditure of £1,828,672 (2024 £1,766,100), giving net expenditure for the period of (£214,014) (2024 net expenditure of £93,173). These funds are carried forward in unrestricted reserves at 30 June 2025.

Risk management

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finance of the Trust, and are satisfied that the systems are in place to mitigate their exposure to the major risks. The risks are mitigated by the use of external secretaries to ensure the organisation structure is appropriate. The trustees currently have a wide range of skills and seek advice where necessary. Funds are held by Anderson Strathern LLP.

Reserves policy

The aim of the charity is to distribute all available funds to chosen charities. A % of the bag tax funds each quarter are retained to meet ongoing management charges. At 30 June 2025, the charity has unrestricted reserves of £1,988,430 (2024 £2,202,444). These unrestricted reserves represent the free reserves of the charity.

Plans for the future

The Trustees aim to continue to collect the bag tax monies and distribute as much as possible to the charities selected by the Trustees. The main aim is to support local communities.

Structure, governance and management

The structure of the organisation consists of the Board, who hold regular meetings and control the activities. The Board also appoint charity trustees to fill vacancies, and the people serving on the Board have power to make changes to the constitution itself.

Training needs are assessed and met by the serving Trustees.

The organisation has power to do anything which is calculated to further its purposes or is conducive or incidental to doing so. No part of the income or property of the organisation may be paid or transferred (directly or indirectly) to the charity trustees - either in the course of the organisation's existence or on dissolution - except where this is done in direct furtherance of the organisation's purposes.

The charity will primarily be a grant giving trust, so will not actively fundraise.

Key management personnel remuneration

Adam Buchanan-Smith, Graham Angus and Anderson Strathern LLP (the Secretaries) look after the day to day management of the Trust. All Trustees give of their time freely and no trustee remuneration was paid in the year.

Trustees are required to disclose all relevant interests and register them with the Chairman and in accordance with the charity's policy withdraw from decisions where a conflict of interest arises.

McDONALD'S IN THE COMMUNITY FOUNDATION

Report of the trustees for the year ended 30 June 2025 (continued)

Reference and administrative information

Trustees

Adam Buchanan-Smith - Chairman
Alan Halliday
Alistair Reid
Allan Paterson
Andrew Gibson
Craig Duncan
Elliot Jardine
Graham Angus
Iain Fyfe
James Patrick
Jim McLean
Marc Shenken
Mike Hall
Nick McPartland
Robert Lindsay
Ryan Straub
Steve Maule
Mathew Jackson
McDonald's Group

Day to day management

Adam Buchanan-Smith
Graham Angus
Anderston Strathern LLP

Principal Office

58 Morrison Street, Edinburgh, EH3 8BP

Charity Number: SC050356

Auditors

MHA
6 St Colme Street, Edinburgh, EH3 6AD

Bankers

Barclays Bank Plc
Leicester, LE87 2BB

Solicitors

Anderson Strathern LLP
58 Morrison Street, Edinburgh, EH3 8BP

McDONALD'S IN THE COMMUNITY FOUNDATION

Report of the trustees for the year ended 30 June 2025 (continued)

Reference and administrative information

Trustees' responsibilities in relation to the accounts

The charity trustees are responsible for preparing a trustees' annual report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting

The Law applicable to charities in Scotland requires the charity trustees to prepare accounts for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the accounts, the trustees are required to:

- > select suitable accounting policies and then apply them consistently;
- > observe the methods and principles in the applicable Charities SORP (FRS 102);
- > make judgements and estimates that are reasonable and prudent;
- > state whether applicable accounting standards have been followed, subject to any material departures in the accounts;
- > prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the accounts comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charity 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.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by the trustees on 1/4/2026

2026 and signed on their behalf by:



Adam Buchanan-Smith

McDONALD'S IN THE COMMUNITY FOUNDATION**Statement of Financial Activities
for the year ended 30 June 2025**

		Year Ended 30 June 2025 £	Year Ended 30 June 2024 £
Income	NOTE		
Donations from bag tax funds		1,566,862	1,620,403
Interest receivable	3	47,796	52,524
Total income		1,614,658	1,672,927
Expenditure on:			
Charitable activities:			
Donations	4	1,807,595	1,747,319
Support and governance costs	5	21,077	18,781
Cost of grant making		1,828,672	1,766,100
Total expenditure		1,828,672	1,766,100
Net (expenditure)	8	(214,014)	(93,173)
Net movement in funds		(214,014)	(93,173)
Total fund brought forward		2,202,444	2,295,617
Total funds carried forward	8	1,988,430	2,202,444

All funds are unrestricted

The notes on pages 7 to 11 form part of these accounts.

McDONALD'S IN THE COMMUNITY FOUNDATION**Balance Sheet
As at 30 June 2025**

	NOTE	2025 £	2024 £
Current assets:			
Debtors	6	385,968	373,841
Cash at Bank		1,613,369	1,837,990
		<u>1,999,337</u>	<u>2,211,831</u>
Liabilities			
Amounts falling due within one year:			
Creditors	7	10,907	9,387
Net current assets		<u>1,988,430</u>	<u>2,202,444</u>
Total assets less current liabilities		<u>1,988,430</u>	<u>2,202,444</u>

The funds of the charity:

Unrestricted funds	8	1,988,430	2,202,444
As at 30th June 2025		<u>1,988,430</u>	<u>2,202,444</u>

Approved by the Trustees and
signed on their behalf by

Adam Buchanan-Smith
Adam Buchanan-Smith

The notes on pages 7 to 11 form part of these accounts.

McDonald's in the Community Foundation
Statement of cashflows
for the year ended 30 June 2025

	NOTE	2025 £	2024 £
Cash flows from operating activities			
Net (expenditure) for the period (as per the SOFA)		(214,014)	(93,173)
Adjustments for:			
Income from investments		(47,796)	(52,524)
Decrease/(increase) in debtors		(12,127)	(63,051)
Increase in creditors		1,520	1,509
Net cash (used in)/ provided by operating activities		(272,417)	(207,239)
Cash flows from investing activities			
Interest received		47,796	52,524
Net cash provided by investing activities		47,796	52,524
Change in cash and cash equivalents in the period	9	(224,621)	(154,715)
Cash and cash equivalents at the beginning of the period		1,837,990	1,992,705
Cash and cash equivalents at the end of the period		<u>1,613,369</u>	<u>1,837,990</u>

McDONALD'S IN THE COMMUNITY FOUNDATION

Year ended 30 June 2025

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 items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. 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 United Kingdom and Republic of Ireland (FRS 102) (second edition - October 2019), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulation 2006 (as amended).

The charity constitutes a public benefit entity as defined by FRS 102.

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

(b) Funds Structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

All the funds of the charity are unrestricted.

(c) Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Any reversals of impairment are recognised in statement of financial activities immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

(d) Debtors

Accrued income is recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any discounts due.

McDONALD'S IN THE COMMUNITY FOUNDATION

Year ended 30 June 2025

(e) Creditors

Creditors are recognised where the charity has a present obligation resulting from past events 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

All administration expenses are included on an accruals basis and are recognised when there is a legal or constructive obligation to pay for expenditure, it is probable that settlement will be required and the amount of the obligation can be measured.

(f) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(g) 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 measured reliably.

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in reporting period.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

(h) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is 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. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (i) below.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grants 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 attaining to that grant is outside of the control of the charity.

The Trustees do not normally make multi-year grants but encourage recipients to reapply where there is a particular interest.

(i) Charitable activities

Costs of charitable activities include grants made, governance costs and support costs as shown in note 4 and 5.

(j) Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

McDONALD'S IN THE COMMUNITY FOUNDATION**Year ended 30 June 2025****2 Related party transactions and trustees' expenses and remuneration**

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind. No trustees were reimbursed for their travel expenses in the period.

All Trustees are owners of McDonald's franchisee. During the year, the franchisees donated a total of £1,469,595 (2024 £1,435,577) from bag tax funds to the charity.

A donation of £Nil (2024 £197,382) was made to RMHC Glasgow, a charity in which Trustee Adam Buchanan-Smith is also a Trustee.

3 Investment income

	Unrestricted 2025 £	Unrestricted 2024 £
Interest on cash deposits	47,796	52,524
	<u>47,796</u>	<u>52,524</u>

4 Charitable donations

	2025 £	2024 £
Action for Children	8,000	-
Archie Foundation	-	40,000
Ardgowan Hospice	12,000	10,000
Baby Loss Retreat	-	8,000
Beatson Cancer Charity	20,000	23,000
BBC Children in Need	500,000	-
Big Hearts	17,427	11,862
Bo'ness United Community FC	5,000	-
Bonnyrigg Rose Community Football Club	10,000	-
Borders Additional Needs Group	12,500	-
Brain Tumour Research	-	40,000
British Heart Foundaton	10,000	10,000
Cancer Research UK	-	10,000
Carnoustie and Monifieth Men Shed	8,100	-
CHAS	24,000	41,000
Children In Poverty Inverclyde	10,000	6,500
Clydebank Women's Aid	-	7,500
3D Drumchapel	10,000	-
Dad's Rock	5,000	-
Dalgety Community Trust	11,000	15,000
DEBRA	-	20,000
Denis Law Legacy	10,000	-
Doing it for Daniel	5,000	5,000
Down's Syndrome Scotland	6,750	6,560
Dunbartonshire Catterburn Fund	20,000	-
Dundonald Castle	-	5,000
Edinburgh City Youth Café Association	-	10,000
Emmie Smillie Charity Foundation	-	10,000
Faceyouth SCIO	-	10,000
Falkirk Football Community Foundation	-	30,000
FAMS	-	20,000
Friends of Broadway Prestwick	25,000	25,000
GAF Media	-	10,000
Glasgow Care Foundation	10,000	5,000
Glasgow Hutcheston's Alosian Sports Club	10,000	-
Glasgow City Mission	20,000	-
Glasgow Golden Generation	5,000	-
Grangemouth Rotary Club	15,000	5,000
Harbour Ayrshire	6,000	-
Harlequin Youth Theatre	12,000	8,425
	<u>807,777</u>	<u>424,347</u>

C.fwd

McDONALD'S IN THE COMMUNITY FOUNDATION**Year ended 30 June 2025****Charitable donations - Cont'd**

	B.fwd	
Head and Neck Cancer UK	807,777	424,347
Held in Our Hearts	20,000	-
Highland Cycly Ability Centre	14,000	31,500
Highland Group Riding for the Disabled Association	30,000	-
HorseBack UK	10,000	5,000
Inverness Caledonian Thistle	-	-
JMTH Rugby Football Club	100,000	-
Kidney Kids	5,000	-
Lochend Football Academy	-	20,000
Lothian Phoenix Wheelchari Basketball Club	-	30,000
Love Douglaston SCIO	5,000	-
Maggie Keswick Jencks Cander Caring Centre	-	5,000
Mahler Players	35,000	10,000
Man On! Inverclyde SCIO	10,000	7,500
Mikeysline	-	6,000
Morton in the Community	-	43,000
MND Scotland	9,240	-
My Name's Doddie Foundation	8,000	-
Nairn Community and Arts Centre	5,000	-
Nairn Hydrotherapy Trust	20,000	-
NAT Trust	10,000	-
Neil's Hugs Foundation	-	10,000
Neuroendocrine Cancer UK	-	15,000
Oceans Youth Trust Scotland	-	10,000
Parkhead Housing Association Limited	-	8,000
Parklea Branching Out	-	10,000
Partick Thistle Charitable Trust	-	10,000
Phew Scotland	-	10,000
Port Glasgow Juniors Community Sports Club	-	10,000
Reeltime Music Project	5,000	5,000
RIG Arts	-	6,000
Right Track Scotland	-	6,000
RMHC Glasgow	-	7,000
RMHC UK	-	197,382
Royal Brompton & Harefield Hospitals Charity	204,698	457,157
Scottish Footbal Partnership Trust	-	200,000
Shining Stars ASN Theatre School	140,000	20,000
Shiresmill Therapy Riding Centre	10,000	10,000
Soulspan Minisries	5,000	-
St Andrews Hospice Lanarkshire	-	5,000
St Vincent's Hospice	-	5,000
Starchild in memory of Frankie Marsh	-	30,000
Start up Stirling	5,000	-
Stirling Albion Foundation	-	20,000
Strathcarron Hospice	5,000	-
Street Assist	20,000	-
Sullivans Heroes	10,000	-
Tayside NHS Board	74,850	-
The Ayrshire Hospice	10,000	-
The Galaxy Foundation SCIO	5,000	-
The Machan Trust	-	20,000
The Saturday Café' Clubs	-	5,500
Tranent Colts Football Club	-	-
Tullibody St Serf's Football Club	10,000	-
University Court of the University of Glasgow	6,000	-
Vics in the Community	100,000	-
WASP	-	6,000
Watermill Foundation Ltd	5,000	-
West Dunbartonshire Leisure	30,000	30,000
	-	25,433
	1,739,565	1,687,319
Donations less that £5,000	68,030	60,000
Total Donations	1,807,595	1,747,319

McDONALD'S IN THE COMMUNITY FOUNDATION**Year ended 30 June 2025**

5 Allocation of governance and support costs	Unrestricted 2025 £	Unrestricted 2024 £
Governance		
Auditor's remuneration	6,575	7,249
	<u>6,575</u>	<u>7,249</u>
Support costs		
Secretaries fees	14,502	11,532
	<u>14,502</u>	<u>11,532</u>
	<u>21,077</u>	<u>18,781</u>

6 Debtors	2025 £	2024 £
Bag tax funds due April to June 2025	385,968	373,841

7 Analysis of current liabilities and long term creditors Creditors under 1 year	2025 £	2024 £
Donation to CHAS	1,000	-
Anderson Strathern management fees	3,600	3,630
Audit fee	6,298	5,749
Commission	9	9
	<u>10,907</u>	<u>9,387</u>

8 Movement in funds	At 1 July 2024 £	Income £	Expenditure £	At 30 June 2025 £
Unrestricted funds	2,202,444	1,614,658	(1,828,672)	1,988,430

	At 1 January 2023 £	Income £	Expenditure £	At 30 June 2024 £
Unrestricted funds	2,295,617	1,672,927	(1,766,100)	2,202,444

9 Analysis of net funds	At 1 July 2024 £	Cashflows	At 30 June 2025 £
Cash at bank	1,837,990	(224,621)	1,613,369

	At 1 January 2023 £	Cashflows	At 30 June 2024 £
Cash at bank	1,992,705	(154,715)	1,837,990

Independent Auditor's Report to the Trustees of McDonald's in the Community Foundation

Opinion

We have audited the financial statements of McDonald's in the Community Foundation (the 'charity') for the year ended 30 June 2025 which comprise the statement of financial activities, the balance sheet, and notes to the financial statements, including 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 30 June 2025, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

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.

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.

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 report of the trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the report of the trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent Auditor's Report to the Trustees of McDonald's in the Community Foundation (continued)

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 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' report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 regulations made under that Act.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Independent Auditor's Report to the Trustees of McDonald's in the Community Foundation (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of charity management and those charged with governance to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including the testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of the charity's activities and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This 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 Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



MHA
Statutory Auditor
6 St Colme Street
Edinburgh
EH3 6AD

31 March 2026

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542).

MHA is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.