



Foundation Scotland
15 Calton Road
Edinburgh
EH8 8DL

Company Limited by Guarantee
Company No. SC152949

Registered Charity
Scottish Charity No. SC022910

Annual Report and Financial Statements For the year ending 31 March 2025

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Chair's report

I would like to start by thanking Barry Sillers, my predecessor, who steered the Foundation Scotland Board with skill, knowledge and passion, and who stepped down last year. As I take on this role, this first annual report as Chair gives me the opportunity to say what a privilege it is to be leading an organisation of smart and experienced staff alongside a dedicated Chief Executive Officer [CEO] and an ambitious Board of Trustees. Together, we have a strong collective resolve to do more for Scotland's communities. While we are distributing more funding annually than ever, we are witnessing increasing need, and it will require us to be creative and collaborative in our approaches in order to respond to this.

We are in times that some categorise as VUCA - volatile, uncertain, complex and ambiguous. While holding firmly to our values and strategic goals, it's a time to support and listen carefully to the communities we fund. Our staff as our eyes and ears on the ground, be prepared to respond nimbly based on frequent assessments of conditions and carefully assess the outcomes and impacts of our activities to ensure they are landing as planned.

In the four years since I became a Trustee, Foundation Scotland as a charitable foundation and business has reinforced its ability to be an impactful funder by:

- Steadily attracting more funding from philanthropists and companies looking for an organisation with proven on-the-ground community relationships and expertise.
- Diversifying our operations in social investment and becoming host to a groundbreaking project - the Edinburgh Regenerative Futures Fund - to devise new community-led ways of reducing inequalities in our capital city. Increasing our distribution to community projects year-on-year, giving more than £32m this year.
- Investing in our staff base to bring in support for existing staff and to plan for the future.

Alongside, we support over 70 decision making fora across Scotland – collectively over 600 local people – making decisions routinely about funding in their communities whilst working with over 200 donors to maximise the difference their philanthropy can make to people and communities across the length and breadth of Scotland.

However, we know that conditions for many communities and for the most vulnerable within them have worsened. I can see this from my daily engagement supporting communities in the Highlands and through our networks with others across Scotland. It is being described as a poly-crisis: a synchronicity of rising costs, cuts in public spending with consequent drastic cuts in essential services, third sector organisations reeling from increasing overhead costs and volunteer-led bodies at constant risk of burn-out. Demand for funding is soaring while volunteer resource is falling.

Listening to the evidence from our staff, Trustees and networks, in March 2025 the Board agreed to provide additional funds to our grantees to help them survive unpredicted increases in overheads plus targeted support to critical third sector organisations working with hard-pressed communities. We will continue to monitor conditions on a regular basis, standing ready to act as appropriate.

Many factors have converged to create uncertainty for communities, but we recognise that even if some change, irreversible impacts may already be happening for the most vulnerable people. For instance, cuts in public spending are resulting in the withdrawal of critical services by local authorities with little likelihood of their reinstatement. This is leaving volunteer-led community groups to try to support families, friends and neighbours with social care, shelter, food, mental health and educational support. Groups who are not supported by a regular funding source report being at breaking point with burn-out a frequent occurrence for volunteers and staff. Communities in cities and in rural areas are being left to fend for themselves on many fronts but without the power or funds needed for these responsibilities.

Foundation Scotland is partnering with more third sector organisations and inviting funder networks, think tanks, philanthropists, community groups and other stakeholders to join us in thinking of new mechanisms to strengthen community resilience through VUCA times and beyond.

In closing I would like to recognise the contribution of all the staff and Trustees in collaboratively driving, guiding and delivering this wide range of developments and achievements this year and for their unwavering support toward our collective vision and the betterment of Scotland's communities.

Mamta Patel, Chair

Chief Executive Officer's report

This year, Foundation Scotland distributed over £32m to communities across Scotland, working alongside a wide range of donors and partners. Through our expertise in philanthropy, social investment, and place-based funding, we have continued to grow our impact while navigating an increasingly challenging landscape for communities and the third sector.

As economic and social pressures mount – from rising costs to the withdrawal of essential services – we have acted swiftly and strategically. Our newly established Response Fund is one such example, developed to help organisations cope with unpredicted cost increases and to support the long-term sustainability of community-led services. Alongside this, we advanced plans for a broader Community Futures Fund, set to ensure support reaches communities for both immediate and long-term needs.

The community benefit funds we support continue to grow, with 23 new funds developed and designed in the year across a range of net zero technologies. Local panels and boards are integral to the decision-making process of these funds, with a focus on funding projects which prioritise investment in community-owned or led assets and generating long-term benefit to communities. Related to this work, we contributed to a range of Scottish and UK government policy development in this area, published three Fund evaluations and co-authored “Guiding Principles and Actions for Enhancing Community Benefits from Community Benefit Funds” with the University of Strathclyde.

We saw further growth in our philanthropy work. We welcomed new philanthropists and established funds worth over £0.6m. Events like our ‘Mistakes in Philanthropy’ with Sir Tom Hunter inspired greater engagement and learning. We also increased our support to unrestricted giving, helping to test innovative models with amplified social impact, including the continuation of our Tackling Inequalities Fund which now extends to six years of support to organisations driving upstream, community-led solutions.

Our partnership with the Scottish Charity Regulator [OSCR] on the Revitalising Trusts Project has now unlocked over £6.5m from dormant charitable accounts. These revitalised funds are now supporting local causes from Aberdeen to the Borders, with real-time impact such as the support to AberNecessities, ensuring vulnerable families receive essential resources.

In social investment, we hit a milestone as our first investee, GalGael Trust, completed repayment of their 2014 loan. This year, we made over £1m new investments, supporting community recreation, education, and environmental initiatives across Scotland, from Dundee to Eigg. This work underscores our commitment to a resilient, inclusive economy underpinned by purpose-driven investment.

We launched the Edinburgh Regenerative Futures Fund – a £15m ten-year initiative co-designed with communities to tackle poverty, racism and climate change in Edinburgh. With unrestricted, long-term awards, and decisions made by those with lived experience, it is reshaping how funding can empower and transform. This pioneering model, funded by a range of donors, is a blueprint for deeper, more equitable change.

Internally, we've expanded our team and Board to strengthen capacity, governance, and specialism. We held our annual staff conference to support cohesion and shared learning, and we continue to invest in our people with new systems, training programmes, and a focus on wellbeing. We also appointed a People & Culture Business Partner to embed a learning culture and enhance our operational approach.

In every aspect of our work – from grantmaking and investment to evaluation and influence – we are driven by our belief in community power. As we prepare for the year ahead, we remain committed to being an open, trusted, and effective partner for Scotland's communities.

Thank you to our staff, trustees, partners, donors, and the many communities we work with, for your shared belief and action towards a fairer, more resilient Scotland.

Giles Ruck, Chief Executive Officer

Report of the Board of Trustees

The Trustees, who are also directors of the charity for the purpose of the Companies Act, present their annual report together with the financial statements for the charity for the year ended 31 March 2025, which are prepared to meet the requirements for a directors' report and financial statements for Companies Act purposes.

The financial statements comply with the Charities and Trustee Investment [Scotland] Act 2005 and the Charities Accounts [Scotland] Regulations 2006 [as amended] the Companies Act 2006, and the Statement of Recommended Practice ['SORP'] applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK [FRS102] [Charity SORP].

About Foundation Scotland

We were established in 1992 as the Scottish Community Foundation before changing our name to Foundation Scotland in 2012. For more than 25 years, we have been working to strengthen communities across the country.

All over Scotland, local groups and charities have ideas for how to make their communities happier, fairer, and more sustainable. We enable funders, donors, and philanthropists to support the building blocks of these communities – grassroots groups, charities, anchor organisations and enterprises. We focus on communities of place, and communities of shared interest.

We support philanthropists to help their personal giving make the most difference. We work with donors to invest in community action that enables people and places to flourish. We work alongside communities to ensure that local funds are distributed by communities themselves. And we offer social investment opportunities to enable social enterprises, community organisations and charities to grow and deliver positive social impact.

Our team provides a blend of strong financial expertise, funding experience and community-led, relationship-based approaches.

Since 1992, we have invested over £225m into communities. We are part of a movement of 47 Community Foundations in the UK, and of a global field of 2,000 foundations, each inspiring change in their community.

As an independent funder we can do things differently.

We recognise the importance of both charitable giving, often supporting the status quo or responding to crises, and strategic giving, which looks beyond the 'here and now', to find solutions to social and economic challenges for the long term. The latter approach looks to address the reasons why negative social and economic outcomes happen in the first place.

We also take a long-term view that is not limited by short-term funding cycles, so that our funding can be transformative. And we enable citizens to gather around a common vision, providing the resources so they can take action that is 'people powered.'

This year, on behalf of our donors, we distributed over £32m. Our knowledge of the non-profit sector allows us to identify organisations across the country, including charities, social enterprises, and community groups, ensuring our awards make an impact and create lasting change.

Our vision is of confident, thriving, resilient communities across Scotland.

For every community to thrive, it should be resourced to match its vision. **Our purpose** is to support communities to shape their future with the capacity and resources to do so.

Our Ambitions

We have created five long-term, transformational ambitions to underpin our work.

- Grow – Grow a range of income, focused on new, independent funding.
- Invest – Invest purposefully to create a financial return and positive social impact.
- Distribute – Work alongside stakeholders and communities to improve the design and delivery of grant and loan programmes.
- Learn – Build an evidence base of how we achieve positive social impact.
- Improve – Develop the Foundation and our people to improve delivery and our financial and environmental sustainability.

Public Benefit

Foundation Scotland provides public benefit in a range of ways and supports others to provide public benefit too. Through a process of research and due diligence and using long-term expertise, we bring together needs and opportunities across Scotland's communities with independent funders. We ensure that public benefit is targeted and has lasting impact.

Reference and administrative details

Board of Trustees

Angus Tulloch	[Resigned 27 November 2024]
Barry Sillers	[Chair, Resigned 25 September 2024]
Carlos Miranda	[Appointed 18 July 2024]
Deborah Paton	[Appointed 18 July 2024, Resigned 20 December 2024]
James Hilder	
Jennifer Gordon	
Kim Atkinson	[Appointed 18 July 2024]
Leslie Rance	[Vice Chair, from 25 September 2024]
Lisa Lim	[Appointed 27 November 2024]
Mairi Mickel	[Appointed 18 July 2024]
Mamta Patel	[Chair, from 25 September 2024]
Sarah Whitley	
Sharon Fairweather	[Vice Chair, from 25 September 2024]
Shona Smith	[Resigned 14 May 2024]
Stephen Connelly	[Resigned 27 November 2024]
Stewart Carruth	
Susan Murray	[Appointed 18 July 2024]
Tobias Jung	
Toby Anstruther	[Vice Chair, Resigned 27 November 2024]

Finance, Audit and Risk Committee

Jennifer Duvall		Co-opted member
Leslie Rance	[Resigned 04 February 2025]	Trustee
Mamta Patel	[Resigned 25 September 2024]	Trustee
Sharon Fairweather	[Chair]	Trustee
Stewart Carruth	[Appointed 04 February 2025]	Trustee
Susan Murray	[Appointed 04 February 2025]	Trustee

Investment Committee

Angus Tulloch	[Resigned 04 March 2025]	Trustee/Co-opted member
Frances Mullan	[Appointed 18 July 2024]	Co-opted member
John Naylor	[Resigned 22 August 2024]	Co-opted member
Leslie Rance	[Appointed 30 January 2025]	Trustee
Lisa Lim		Co-opted member/Trustee
Sarah Whitley	[Chair]	Trustee

People and Governance Committee

Jennifer Gordon		Trustee
Leslie Rance	[Chair]	Trustee
Toby Anstruther	[Resigned 27 November 2024]	Trustee

Impact Committee

Jennifer Wallace		Co-opted member
Kim Atkinson	[Appointed 23 January 2025]	Trustee
Mamta Patel	[Resigned 25 September 2024]	Trustee
Sam Curran		Co-opted member
Stephen Connelly	[Chair, Resigned 27 November 2024]	Trustee
Susan Murray	[Appointed 23 January 2025]	Trustee
Tobias Jung	[Chair, Appointed 27 November 2024]	Trustee

Social Investment Committee

Cameron Kinnaird		Co-opted member
Carlos Miranda	[Appointed 27 January 2025]	Trustee
James Hilder		Trustee
Jennifer Gordon		Trustee
Stewart Carruth	[Chair]	Trustee

Senior Management

Giles Ruck	Chief Executive Officer
Elizabeth Sams	Chief Finance and Operations Officer
Deborah Cowan	Head of Communications
Rachel Searle	Head of Communities and Impact
Vicki Moore	Head of Development
Helen Wray	Head of Philanthropy and Quality
Christopher Holloway	Head of Social Investment
Jane Jack	People and Culture Business Partner

Company Secretary

Elizabeth Sams	Chief Finance and Operations Officer
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Registered office

15 Calton Road, Edinburgh, EH8 8DL

Auditor

Henderson Loggie LLP	Level 5, The Stamp Office, 10-14 Waterloo Place, Edinburgh EH1 3EG
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Bankers and Building Societies

Nationwide	17 South St Andrew Street, Edinburgh EH2 2AU
Royal Bank of Scotland plc	36 St Andrew Square, Edinburgh, EH2 2YB

Investment advisors

RBC Brewin Dolphin Ltd	Sixth Floor, Atria One, 144 Morrison Street, Edinburgh, EH3 8BR
Charles Stanley & Co. Ltd	2 Multrees Walk, St Andrew Square, Edinburgh, EH1 3DQ
EQ Investors Ltd	Centennium House, 100 Lower Thames St, Billingsgate, London, EC3R 6DL
Rathbones Investment Management Ltd	George House, 50 George Square, Glasgow, G2 1EH
Aberdeen Group plc	1 George Street, Edinburgh, EH2 2LL

Solicitors

Shepherd & Wedderburn	9 Haymarket Square, Edinburgh, EH3 8FY
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Offices

All staff work from home. Whilst the Foundation no longer has any permanent offices, staff use regional co-working hubs and meeting spaces across Scotland for face-to-face meetings in addition to hybrid and virtual meetings.

Website

www.foundationscotland.org.uk

Structure, governance, and management

Legal and charitable status

Foundation Scotland is a charitable company limited by guarantee, registered as a charity in 1992 and incorporated in 1994. The organisation was established under a memorandum of association, which established the objects and powers of the organisation and is governed under its articles of association.

Whilst Foundation Scotland is a member of the UK Community Foundations network, the strategy, policies, and decision making are determined by the Board of Foundation Scotland.

Trustees

Members of the Board of Trustees are the directors of the company. The Trustees are responsible for establishing a vision and clear strategic priorities for the Foundation and ensuring strong governance of the organisation so that we meet all our legal duties and obligations. These priorities, together with underlying objectives and performance indicators, are established on a five-year and annual basis, and the Chief Executive reports on them at Trustee meetings. According to their skills, experience and interests, most Trustees take responsibility for one or more areas of activity, including appointment to a committee and/or a working group.

Our Trustees are drawn from a wide range of backgrounds and locations across Scotland and are mostly appointed following an open recruitment process which includes an interview with Trustees and members of the Senior Management Team.

Trustees are appointed by the Board and serve for three years, after which period they may put themselves forward for reappointment up to a nine-year total. The Trustees meet for governance purposes four times a year, including a full away day, and hold an Annual General Meeting. Those in office during 2024-25 and at the date of this report are set out in the reference and administrative details section of this report.

On appointment, each Trustee subscribes to a code of conduct and completes a register of interests, which is renewed annually. New Trustees and committee members receive a role description and appropriate strategy documents. They each attend an induction programme, covering the key aspects of our services, and visit grant funded projects to see the difference made to communities.

Committees

The Board of Trustees has five sub-committees which focus on specific areas and have relevant duties delegated to them through Terms of Reference.

The Finance, Audit and Risk Committee meets five times a year and assists the Board in the fulfilment of its governance duties in relation to financial oversight and risk management. It undertakes detailed reviews of financial management, financial planning, and the financial performance of the Foundation and makes recommendations to the Board to help it mitigate risks and ensure financial sustainability.

The Investment Committee meets four times a year and assists the Board in the fulfilment of its governance duties in relation to the oversight of the Foundation's owned and stewarded investments – the impact fund portfolio, other fund holdings, equities, bonds, and cash. It undertakes detailed reviews of investment performance and makes recommendations to the Board.

The People and Governance Committee meets four times a year and assists the Board in monitoring the composition and diversity of the Board, the recruitment of new Trustees and the annual review of the Board's performance and supports the executive and the Board with the remuneration and benefits framework for staff and reviews the impact of workplace and wellbeing policies.

The Impact Committee meets two times a year and assists the Board in the fulfilment of its governance duties in relation to the reporting and development of an Impact framework.

The Social Investment Committee meets four times a year and assists the Board in the fulfilment of its governance duties in relation to the oversight of the Foundation's social investment activity. It undertakes detailed reviews of social investment performance and makes recommendations to the Board.

Management and staff

The Board of Trustees hold collective responsibility for directing and discharging the purpose of the Foundation, ensuring it stays true to its charitable purposes and complaint with charity law. A Scheme of Delegation and Reserved Matters outlines the decisions which can be taken by the Chief Executive Officer and those where the Board retains authority.

The Senior Management Team comprises the key management personnel of the Foundation in charge of running and operating the Foundation on a day-to-day basis. The Senior Management Team consists of the Chief Executive, the Chief Finance and Operations Officer, the Head of Communities and Impact, the Head of Development, the Head of Communications, the Head of Philanthropy and Quality, the Head of Social Investment and the People and Culture Business Partner. On 31 March 2025, the Foundation employed 52 [2024: 42] people, of whom 12 [2024: 11] worked part-time.

Key management personnel remuneration

The key management personnel of the Foundation are comprised of the Board of Trustees and the Senior Management Team, with the trustees in charge of directing and controlling the Foundation, delegating authority and responsibility for the running and operation of the Foundation on a day-to-day basis to the Senior Management Team. All Trustees give of their time freely and no Trustee remuneration was paid in the year.

Details of Trustee expenses and related party transactions are disclosed in notes 9 and 22 to the accounts.

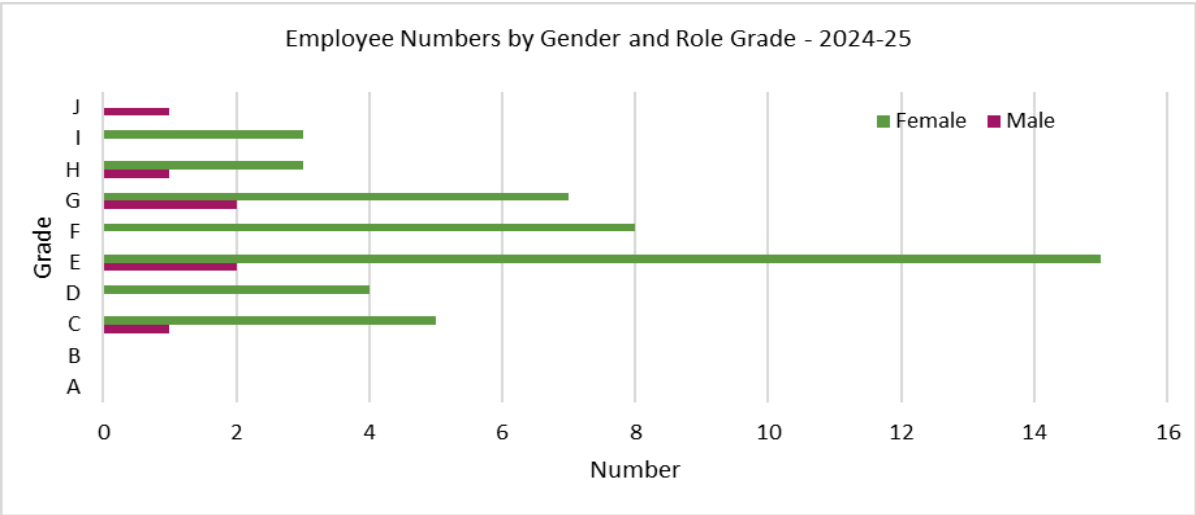
In addition to disclosing all relevant interests annually and in accordance with the Foundation's policy, Trustees are required to declare and withdraw from decisions where a conflict of interest arises.

The Foundation has a bespoke job evaluation scheme which seeks to be a fair, consistent, and progressive framework for the measurement of job roles. All jobs, including the Senior Management Team, are evaluated by a panel, and placed in a grade. The salary for each grade is based on a benchmarking exercise from equivalent roles across the charity sector in the UK, from organisations which are comparable in nature, staffing size and turnover to the Foundation. Each grade has 5 points with employees starting at point 1 and moving up a point annually until they reach the top. The Foundation aims to apply the increments each April, subject to affordability. In addition to moving points up a grade scale, the scales themselves change annually linked to a nationally recognised cost of living inflationary benchmark.

Pay Ratio and Gender Pay Gap

The Foundation is not required to report pay ratio or gender pay gap, as it is below the threshold for reporting. However, we are committed to improving diversity, equity, and inclusion across all our activities and calculate and monitor the pay ratio and gender pay gap, in line with the legislation. We have asked staff how they identify:

	2020-21	2021-22	2022-23	2023-24	2024-25
Ratio of highest salary to the median	2.36:1	2.49:1	2.52:1	2.59:1	2.50:1
Mean gender pay gap	22.4	32.7	28.4	30.1	20.8
Median gender pay gap	26.6	22.1	27.0	27.3	18.7



Volunteers

In addition to our Trustees, a further seven people volunteered during this year as co-opted members of our sub-committees, providing expertise, guidance, and advice to support the effective governance and strategic management of the Foundation.

Trustees’ indemnity insurance

As permitted by Section 233 of the Companies Act 2006, the Foundation has purchased insurance cover on behalf of the Trustees indemnifying them against certain liabilities which may be incurred by them in relation to the Foundation.

Strategic Report

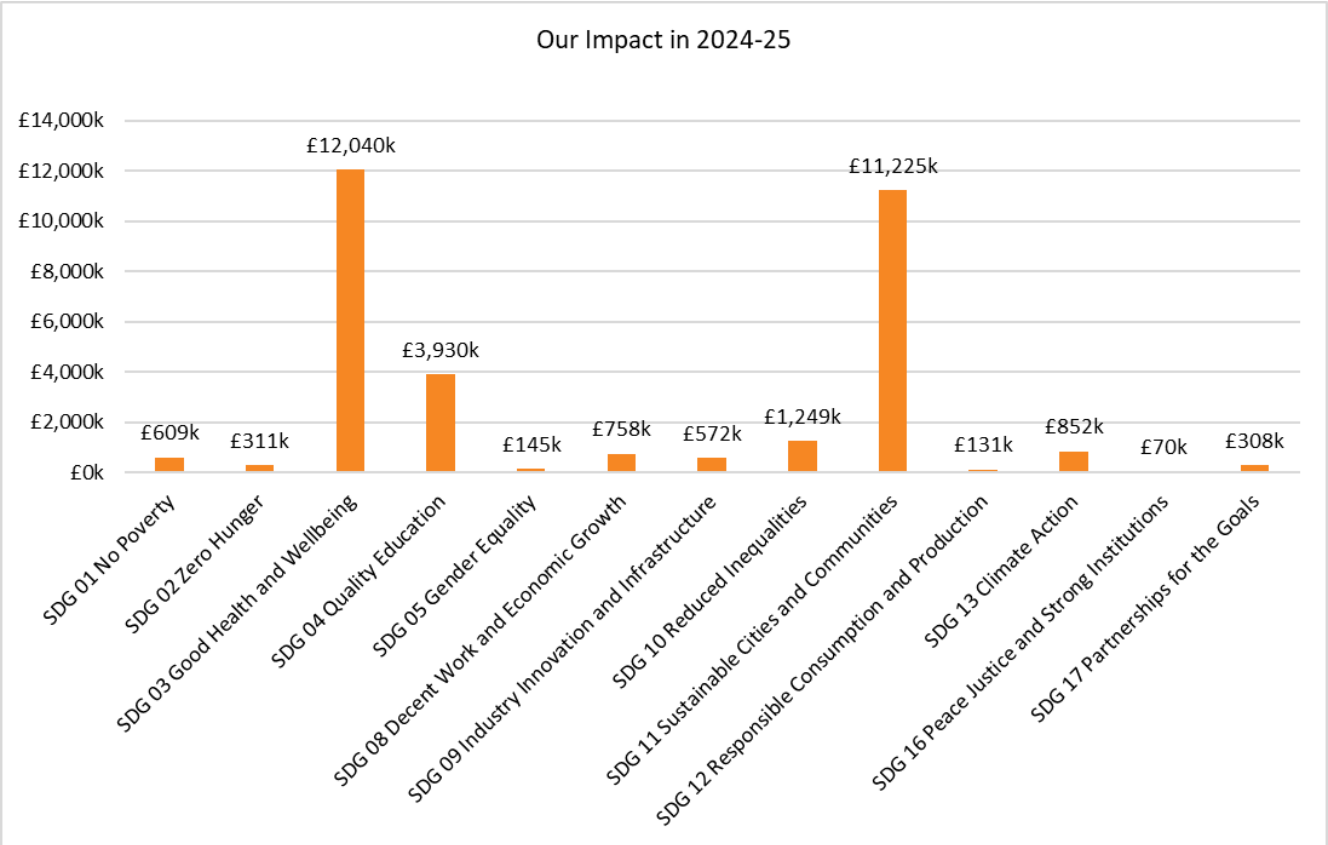
Fund distribution

In total, the Foundation received 5,369 applications and made 3,600 awards totalling £32.3m on behalf of its funding donors during 2024-25:

Applications and awards summary	2020-21	2021-22	2022-23	2023-24	2024-25
Number of applications received for grants during year	5,579	4,057	4,417	4,287	5,369
Number of awards made in year	4,303	2,905	2,713	3,030	3,600
Total value of awards in year [including accruals]	£37.m	£17.2m	£23.4m	£22.4m	£32.3m

The value and number of awards made varies from year to year depending on the funding received from donors and the type of grantmaking programmes being run. The large value in 2020-21 relates to pandemic response funding, via our Covid-19 Response, Recovery and Resilience [RRR] programme, including funds from the National Emergencies Trust.

Our awards met a broad spread of the 13 themed Sustainable Development Goals [SDGs] as shown below. In addition to measuring the monies spent, we also commission independent evaluations on the impact of our funding and we feed-in any learning from this into the design of subsequent programmes.



Our work this year

Ambition 1 – Grow: Grow a range of income, focused on new, independent funding

Objectives - Grow the number of new donors; Grow the value of donated funds for distribution and for investment.

Our Measures

	2020-21	2021-22	2022-23	2023-24	2024-25
Number of funds set-up	20	32	36	41	31
Total Restricted Contributions for Grantmaking	£28.7m	£17.6m	£22.4m	£22.6m	£26.0m
Total Unrestricted Donations	£1.28m	£7.22m	£0.07m	£55.50m	£0.05m
Total Donor Invested Funds Balance	£48.4m	£47.9m	£41.0m	£44.1m	£37.3m

Revitalising Charitable Trusts – continued progress in unlocking dormant funds for public benefit

Foundation Scotland’s ‘Revitalising Trusts’ project, which is run in collaboration with OSCR, has unearthed over 300 inactive charitable trusts of varying sizes and purposes, with forgotten funds often lying dormant in accounts for several decades and in some cases well over a century. The project, which launched in 2021, was set up to identify these inactive trusts and support them to reactivate.

Now in its 4th year, the project passed the £6.5m mark of funds revitalised, with a further £120k currently in process, and with funds totalling £95k reorganised and managed by Foundation Scotland.

This included a release of funds in the Aberdeen and Aberdeenshire area, following the winding-up of six dormant trusts, one of which had been set up more than 100 years ago. Working alongside the Foundation Scotland Philanthropy team and local legal firms, the Revitalising Trusts project reorganised all six funds into a small endowment to help deliver the greatest impact. Thanks to the project, these forgotten funds are now helping to tackle poverty and inequality in Aberdeen and Aberdeenshire, as was originally intended.

One project which benefited was AberNecessities who provide disadvantaged families with support, based on their belief that ‘No Child Should Go Without’. AberNecessities received over £38k as part of the unlocked funds. Danielle Flecher-Horn who started the project said: “We hope the original founders of these trusts would be proud of the support their legacy is delivering to some of the most vulnerable families living in our communities today.”.

Establishing and Supporting Community Benefit Funds

The Foundation’s Communities team works across the country, providing specialist support and fund management for community benefit funds linked to renewable energy projects such as wind farms. We work alongside communities to help them navigate and maximise these long-term funds, so that they can make significant and enduring investments in the places they live. We currently support over 350 communities to distribute more than £13m annually, from almost a hundred different community benefit funds. The funds vary significantly in terms of their value and numbers of communities involved. This will inform the structure and distribution arrangements for each fund. However, all share the common feature of communities being at the heart of decision-making arrangements on fund strategy and spend.

In the last year we undertook developmental work on eight pipeline community benefit arrangements in the Western Isles, East Ayrshire, Dumfries & Galloway, Argyll & Bute, and the Scottish Borders.

We also established seventeen new community benefit funds and were appointed as new administrators for six existing funds.

These included:

- Rumbling Bridge Hydro Community Fund: the Board of the Community Benefit Society that built and maintains the community hydro scheme near the village of Rumbling Bridge, Kinross.
- Haventus Ardersier Port Community Benefit Fund in Highland is our first community benefit fund linked to port infrastructure, specifically the Energy Transition Facility being built at the former site of Ardersier Port

- The Cockburnspath & Cove Community Fund: a new pooled arrangement bringing together community benefit funding from five commercial wind farms that the community of Cockburnspath & Cove benefits from.
- The Spagan Community Fund: Coimhearsnachd Bharraidh agus Bhatarsaidh Ltd, Barra's Community Company, engaged Foundation Scotland to help develop its approach to distributing their community fund linked to the community owned turbine.
- Cour Wind Farm Community Benefit Fund: Foundation Scotland was appointed as the new administrator of the fund, with a refreshed disbursement structure.
- Beinneun Wind Farm Community Benefit Fund opened in March 2024 after we were appointed as the new administrator but started distributing this financial year.
- EDF's West Benhar Fund in North Lanarkshire which is devolved to three different communities near to the project site.
- Kirkcowan Community Development Trust invited us to become their fund administrator and help build their capacity to better distribute funds they receive from a number of different renewables projects.

We also set up one Community Invested Fund, providing communities with the means to efficiently invest capital.

Encouraging Philanthropic Funding

During the year, Foundation Advised funds worth £1m and Donor Advised funds worth £21k were established with Foundation Scotland by philanthropic individuals, companies and by charitable trusts. £300k was distributed to organisations across Scotland from these funds across the year. These include The Dùsal Fund, which made three awards across Fife focussing on families, early years development and communities, and The ASFT Fund which made two initial awards to organisations focussing on young people, disabled people, and older people ahead of a Scotland-wide open programme beginning in Summer 2025 which will distribute £90k annually.

Encouraging Philanthropic Funding – unrestricted funding

The Foundation is fortunate to receive unrestricted fund donations each year. These enable us to target support in communities with specific needs and opportunities which are not met through our donor advised funds and also enable us to test out approaches that seek to significantly amplify social impact. During this year we received a £100k donation to support our Tackling Inequalities Fund. We also received £58k of unrestricted funding.

Encouraging Philanthropic Funding – inspiring philanthropy events

Part of our approach to encouraging new philanthropy is to deliver events with inspirational speakers. In November we delivered our third 'Mistakes in Philanthropy' event, where Sir Tom Hunter was our keynote speaker. Sir Tom has committed over £150m through The Hunter Foundation since his first business exit in 1998. His foundation focuses on supporting visionary leaders and fostering disruptive innovation in philanthropy. Sir Tom came along to discuss the successes, challenges, and lessons learned in his long career. His advice to other philanthropists in the room was: "Pull entrepreneurs together, bring people together – it's that shared experience, journey, knowledge and support – that's real secret sauce stuff."

Ambition 2 – Invest: Invest purposefully to create a financial return and positive social impact

Objectives - Build invested capital, underpinned by an impact investment approach; Develop social investment products and a portfolio of investees.

Our Measures

	2020-21	2021-22	2022-23	2023-24	2024-25
Capital Value of Invested Funds [see page 26]	£51.1m	£56.1m	£49.2m	£52.9m	£46.0m
Value of the Loan Portfolio	N/A	£2.5m	£2.4m	£2.6m	£2.7m

Developing Social Investment across Scotland

Through investment into social enterprises, some of the initiatives we have supported include community hubs, creative, arts and cultural education projects, community recreation initiatives, climbing and bouldering centres, water sports enterprises, regeneration projects and environmental projects. Social investment is designed to support these social enterprises, community organisations and charities, to enable them to grow and to deliver positive social impact that addresses local issues and needs.

This year saw our programme come full circle. Our very first social investment was made in 2014, working with a charity called the GalGael Trust in Govan, Glasgow, with an investment of £148k. This year, and still going strong, they repaid the last instalment of their loan, marking a milestone for our social investment programme of work.

In this financial year, £1m of investment was made across nine projects with a further £254k for two projects approved in the year awaiting drawdown. These investments were awarded to social enterprises/charitable organisations across Scotland: Edinburgh (4), Glasgow (1), Inverness (1), Dundee (2), Gairloch (1), Perth (1) and Eigg (1).

Among the projects supported this year was Dundee North West Community Sports Club. They deliver a wide range of community focused programmes, with participant ages ranging from 3 years of age to 90. The kids football section consists of 800 playing members, with a large percentage of participants living within the poorest areas of Dundee. Through their programme of work, they reach up to 400 young people using teamwork, problem solving, and communication activities delivered at local nurseries, primary and secondary schools.

They also deliver a summer holiday food programme and a daily camp over the school holiday to allow parents the opportunity to work.

Their activities also aim to tackle social isolation and mental health issues by engaging with up to 300 members of the local community via sports related projects including men's active groups, walking groups and healthier lifestyle initiatives.

In order to deliver this work, they had undertaken a major update of their facilities so that they could continue to be both competitive and inclusive to the community.

After approaching Foundation Scotland for a final funding push, they received £75k of social investment support to make the facilities fully functioning and useable. Dundee North West pitch was opened to the public in October 2024.

Ambition 3 – Distribute: Work alongside stakeholders and communities to improve the design and delivery of grant and loan programmes

Objectives - Distribute more funding into Scotland's communities; Deliver a range of distribution models, with increasing emphasis on co-produced approaches.

Our Measures

	2020-21	2021-22	2022-23	2023-24	2024-25
Total Annual Distribution (value per the Accounts)	£37.3m	£17.2m	£23.4m	£22.4m	£32.3m
Total Number of Awards	4,303	2,905	2,713	3,030	3,600

Delivering more funding into Scotland's communities

Development of a 'Response Fund' as part of a larger Foundation Scotland 'Transform Fund (or Community Futures Fund)'

Foundation Scotland developed a Response Fund as part of a longer-term Transform Fund, a ten-year plan to distribute unrestricted funds. The Response Fund was developed in response to reduced sector funding and recognising that many community organisations and charities were financially strained, and some closing. By the end of March 2025, plans were in place for deployment from April onwards, with the following objectives: Support the sector, with twin emphases on supporting the hardest-hit, and on the longer-term sustainability of community organisations where possible and distribute around £10m via ten Programmes during 2025-26 and 2026-27. The first wave of funding will be disbursed in April and May 2025. Our intention is also to test innovative ways to distribute funding, including via partnerships.

Nourish the Nation partnership

Nourish the Nation is a programme run in partnership between Sainsbury's and Comic Relief and aims to tackle food poverty by helping people access the balanced, nutritional, and sustainable food they need. Foundation Scotland acted as the grants distribution partner for Scotland during the summer of 2024, with 13 awards being made in Dundee, including grant funding for The Yard. The Yard is a hub for families of disabled children and young people, offering support, connection, and a place to belong.

Delivering and supporting a range of distribution models

Community Benefit Funds – distribution models and shared decision making

Many of the community benefit funds administered by Foundation Scotland have local decision-making panels, which are supported by our Communities team.

The panel members use their local knowledge to ensure that awards are making a direct impact in the community. Of the community benefit funds that Foundation Scotland supports, there are currently around 600 panel members involved in decision making. Other models include other forms of community participation. Nadara Westfield Wind Farm Community Fund in Benarty involved the whole community in a participatory grantmaking event. Applications were invited from projects working to improve the quality of life for local residents, and funding was awarded based on the results of public voting and recommendations by the Panel.

Edinburgh Regenerative Futures Fund – coproduction

The Edinburgh Regenerative Futures Fund [ERFF] is a pioneering ten-year community fund for Edinburgh. Hosted by Foundation Scotland, the £15m ERFF will help tackle root causes of poverty, racism, and climate change in Edinburgh. The fund puts decision-making into the hands of those who are most often excluded, enabling equity, power-sharing and long-term change. The fund was co-designed over 2 years by a group of individuals and activists with experience of living in poverty, of racism, and of inequality, and local community organisations who work closely with those groups. This means that the fund has had the voices and experiences of a diverse range of people included in the process from the beginning. After 2 years in development, the fund officially launched in March 2025.

Edinburgh Regenerative Futures Fund – distributing differently

The distribution model of the ERFF is pioneering in its approach, as funding awards will be for ten years and will be unrestricted, giving organisations the freedom to think and plan for the long-term.

Decisions on applications and fund distribution will be made by a panel of local residents with lived experience.

This is a pooled fund which has brought together some of the biggest funders in the UK, including Esme Fairbairn Foundation, National Lottery Community Fund, the Robertson Trust, Turn2Us, the City of Edinburgh Council and Foundation Scotland.

Tackling Inequalities Fund – distributing differently

The Tackling Inequalities Fund is a £500k initiative launched in May 2023 to support organisations in Scotland working to reduce inequalities through upstream, community-led interventions. The original intention of the fund was to award three years of funding to six projects, with no restrictions on how they spent their grants.

In Autumn 2024, we began a learning evaluation of the programme and in February 2025, a learning report was published on the Foundation Scotland website. Based on the rich data gathered and the clear benefit of longer term and unrestricted funding, in March 2025, each organisation was awarded a further three years of funding, bringing the total length of each grant to six years. We will continue to learn, evaluate, and share our findings.

Ambition 4 – Learn: Build an evidence base of how we achieve positive social impact

Objectives: Build an evidence and learning base through analysis of our approaches to donor support, fund distribution, grant and loan making, and its impact: Use our evidence and learning to grow our reach and visibility, and influence policy and funding

Our Measures

	2020-21	2021-22	2022-23	2023-24	2024-25
Number of published outputs (<i>recording commenced in 2022-23</i>)	-	-	29	13	19

Building our evidence base

At the tail end of the last financial year, we employed an Impact Learning and Knowledge [ILK] Manager, to lead on building our impact and evidence base and communicating key findings and learning. In this financial year, the ILK Manager has been critical in developing our new Impact Framework to help grantees report more easily and more meaningfully on the difference their grants have made, so that we can use this information to influence our own funding models and others more widely. We co-authored the Guiding Principles and Actions for Enhancing Community Benefits from Community Benefit Funds. Other work has included undertaking an evaluation of Education and Training Funds linked to community benefit funds, to be published in May 2025, and producing/publishing the Tackling Inequalities Interim Learning Report and a Cost-of-Living report based on a survey of our grantees, which is already helping to influence our work.

We also commissioned or co-commissioned the following:

- Vattenfall Unlock our Future Fund Evaluation and Review.
- EDF Renewables Dorenell Wind Farm Community Benefit Fund: review of Community Development Plan and Fund Strategy.
- Impact study of SSE Renewables Achany and RWE Rosehall wind farms: Believed to be unique in Scotland, the Achany and Rosehall community benefit funds are administered using a multi-community and multi-developer collaborative model. The report provides valuable insight into how such benefits could be maximised elsewhere.

Additionally, we have continued to build our own learning base as well as grow our reach, visibility, and influence through multiple channels.

Organisationally, we have produced and published four Quarterly Flash Reports, our first case-study based Annual Review, our Refreshed Strategic Plan, and many in-depth fund-specific case studies.

Collaboration, learning and influencing

We collaborated with the Corra Foundation on a response to the Department for Energy Security and Net Zero’s Electricity Infrastructure Consenting in Scotland consultation. We also contributed to Scottish and UK Government Advisory Groups on community benefit from transmission and renewables infrastructure and contributed to the 2024 All Energy Conference – the annual meeting place for the renewable and low carbon energy community.

We continued to participate in the national Community Benefit Advisory Group convened by Scottish Land Commission and became co-funders of the Natural Capital Community Partnerships Programme to ensure communities benefit from natural capital investment.

We contributed to the Cross Party Group on Wellbeing Economy session at the Scottish Parliament: Creating a community wealth fund for Scotland,

We were a funding partner of the Social Action Inquiry Scotland (along with the Corra Foundation, the Robertson Trust and the National Lottery Community Fund Scotland - Carnegie UK, SCVO and RSE were also core partners) which concluded in December 2024.

We are also members of, among others, the Scottish Funders Forum Climate Collaboration Group, the Environmental Funders Network, the SCVO Policy Network, SDG Network Scotland, Scottish Funders Forum Safeguarding group, the Scottish Government’s NPF Review Expert Advisory Group. Outside of Scotland, we are contributors to Philanthropy Europe (PHILEA) Environmental Strategy Group, and a learning exchange with other European community foundations via the European Community Foundation Initiative (ECFI).

East Lammermuir – building foundations for equitable distribution

East Lammermuir is at the rural edge of East Lothian and could see up to 14 new electricity infrastructure projects built in the area as part of the transition to net zero. Foundation Scotland will host an important new Energy Projects Partnership Manager role on behalf of SPEN and SSE Renewables to focus on balancing the needs of the environment, the residents of East Lammermuir, East Lothian Council, and the various energy developers and transmission companies coming to work in the area. A key element of this approach is to facilitate effective collaboration to ensure equity of decision making and distribution of any funds.

Ambition 5 - Improve: Develop the Foundation and our people to improve delivery and our financial and environmental sustainability

Objectives: Develop staff capabilities and engagement, to improve service delivery and staff satisfaction; Focus on continuous improvement to deliver in a financially and environmentally sustainable way

Our Measures

	2020-21	2021-22	2022-23	2023-24	2024-25
Staff Turnover	15%	18%	24%	6%	8%
Time spent on Learning and development	1.9%	3.3%	2.4%	3.7%	3.3%
Salary Costs as a % Donor Contributions [fees]	59%	97%	82%	109%	105%
Carbon Emission [tCO ₂ e] average per staff member	0.51	0.59	0.91	1.63	1.40

Team Cohesion – invest in building an engaged and impactful team

In June, we held our Annual Conference, which gathers all staff, Trustees, and committee members for a day of learning and team building. This fosters team cohesion and provides facilitated time and space to explore future organisational developments, ensuring staff engagement and ownership.

As an agile organisation, that blends digital and in-person working, we have secured space in working hubs in Glasgow and Edinburgh. We are also looking at other geographical hubs to support face to face and team working. This, alongside a range of other in-person meetings, will help us improve our approach to ensuring that our “Way We Work Framework” supports all staff, no matter their role, team, or location.

Team Expansion – invest in building an engaged and impactful team

We welcomed new staff members during the year, as part of our Team Expansion Plan, seeking to be ready for new funds and developments as they are established, to enhance our overall management capacity, and to further build capacity in impact, learning, and knowledge.

We also enhanced our Board and committee capability and range of specialist expertise by recruiting skill-specific trustees. We welcomed our new Chair Mamta Patel, who had already been a Trustee of Foundation Scotland for three years. Existing Trustees Sharon Fairweather and Leslie Rance became Board Vice-chairs, to support Mamta. We also welcomed new Trustees to our Board - Susan Murray, Carlos Miranda, Mairi Mickel, Kim Atkinson and Lisa Lim – and Frances Mullan to our Investment Committee.

Development and Training Programme – individual and team progress

While we are still making progress to embedding training and development programmes in a cross-organisation way, we recruited to a new role of People and Culture Business Partner. They have commenced the implementation of this programme as part of their project portfolio and are also conducting a review of HR policies and practices to reflect staff feedback and to enhance staff engagement and satisfaction.

Stakeholder Feedback

We seek stakeholder feedback to support continuous improvement and have carried out numerous feedback exercises to inform future developments. We conducted a survey of Foundation Scotland grantees to gain insight into the ongoing impact of the cost of living on projects and individuals, in order to inform our thinking and our funding. We also conducted, via a consultant, in depth interviews with a range of donors, funders and professional advisers to gain insight into perceptions of Foundation Scotland as an organisation, so that we could improve our communications, interactions, profile and clarity of purpose.

Open and Trusting Grantmaking

We continued to apply the eight principles of being an open and trusting funder to our work during the year, championed by IVAR [the Institute for Voluntary Action Research]. These have been adopted by a wide range of funders across the UK. These provide a helpful backdrop when developing service standards and processes.

Transparency is one of the IVAR principles, and we continue to make grant decisions available on the 360 Giving platform, which is open to the public. We publish data back to 2012 on 360 Giving, which was when our database was first implemented. Our data is updated and republished every quarter.

Climate Action

We continued to embed - and share - our approach to climate action. We participated in a UKCF event, where we talked about the importance of measuring our carbon footprint and decarbonizing our operations. To share our insights a recording of this webinar was promoted across all our communication channels.

We continued to include a question for every grant applicant during the year, asking about what action they are taking on a local level to improve the environment, and/or to focus on climate action. This has proven a helpful method for us to begin to build better insights into grassroots climate action.

We engaged with the European Philanthropy lead body, PHILEA, on its strategy on environment and climate action across its trusts and foundations membership.

Diversity, Equity, and Inclusion [DEI] Journey

While specific programmes have a DEI focus embedded, the organisational intent to enable learning and development which is led by a DEI strategy is unfulfilled. This remains an important action going forward.

Customer Relationship Management System [CRM] enhancements

We have continued to invest in enhancing the functionality of our CRM. A focus this year was the embedding of Artificial Intelligence [AI] tools to assist with the checking of documents submitted by grant applicants. After extensive testing and parallel running, we are confident these tasks can now be safely undertaken using AI, freeing our staff up to focus on more value-added activities such as providing more support to applicants. Our experience to date is that embracing AI in this aspect of our work has improved our efficiency and enabled the roles impacted to work on more fulfilling activities.

Cyber risks: awareness and training

All staff now receive training with related follow-up testing on an ongoing basis. The results from testing are positive and show heightened awareness of phishing and the need to protect data. In parallel the organisation has continued to strengthen its cybersecurity infrastructure and protocols, including the implementation of multi-factor authentication across all its systems, regular system updates, and ongoing monitoring to detect and respond to potential threats. Safeguarding the integrity of our systems and data does however require ongoing attention and will continue to feature heavily in our annual programme of work.

Data Analysis from CRM to make Data-Informed Decisions

We recognise the need to strengthen our ability to analyse and act on the data we collect. During the year, we have continued to explore how our CRM data can better inform our decision-making processes. Steps have included identifying key data, reviewing reporting capabilities, and standardising reporting to ensure quality and consistency. This groundwork has been essential and will enable us to support the Foundation's plan for growth by providing and making more informed, evidence-based decisions across the organisation.

Financial review

The Statement of Financial Activities for the year is set out on page 36 and the Balance Sheet on page 37.

Overview

The Financial year 2024-25 has been a period of significant activity for Foundation Scotland. Annual distribution increased 44% on the previous year and the number of awards by 19%. The Foundation managed total funds of £132m, which reduced by £5m in the year due primarily to an intentional withdrawal from endowment funds into grantmaking activity.

Income

In 2023-24 income was dominated by an extraordinary donation of £55m gifted to Foundation Scotland by one of its longstanding donors. Excluding this amount from the comparatives, total income in 2024-25 increased £6.1m (24%) on the previous year.

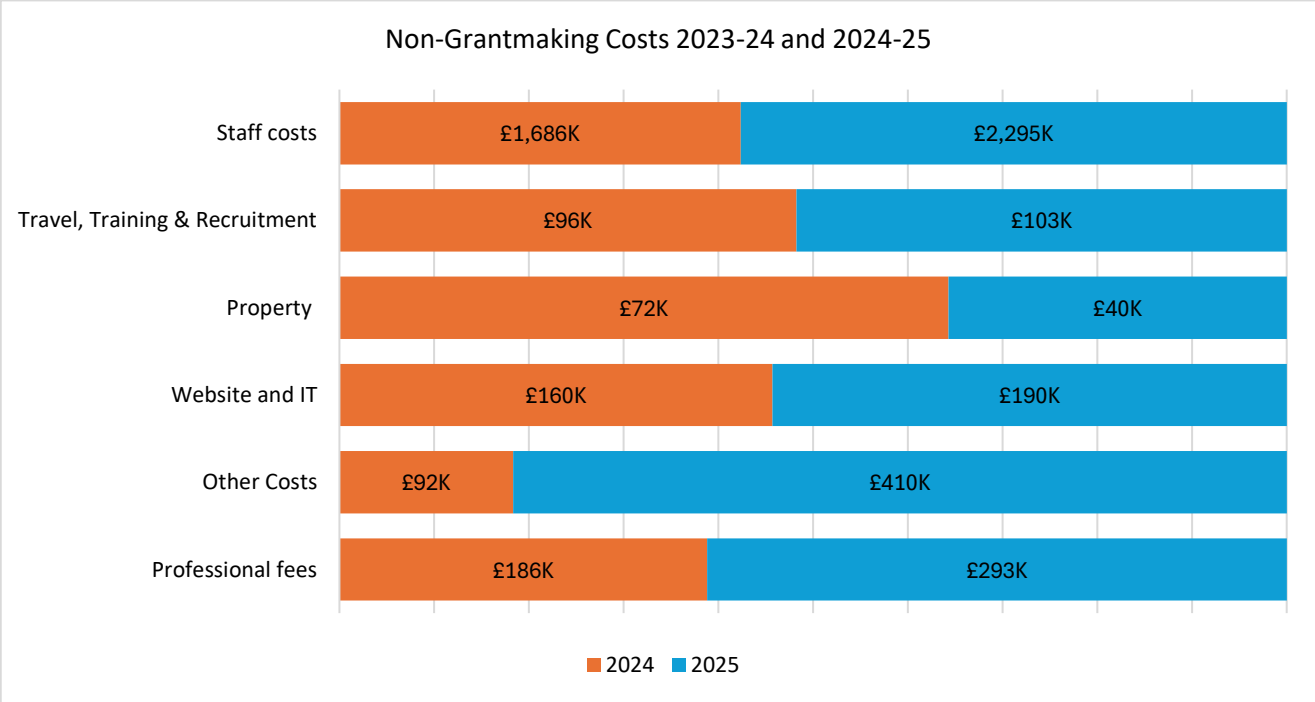
The £55m gift is designated and is being held in short-term deposits, rather than being invested, until the timeframe for its deployment has been finalised. As a result, one of the major contributors to the increase in income was bank interest on the £55m which generated an increase of £3m on the previous year.

Interest on loans from social investment increased as new loans were added this year. 68% of endowment funds are now invested in the Foundation Scotland EQ Investment Portfolio [FSEQIP], although this has a focus on long-term growth stocks rather than income, dividend income increased by £146k on the previous year. Importantly, the FSEQIP also produces social returns which are listed on page 27.

New funds opened in the year contributing to an 15% increase in monies available for grant-making. However, the amounts contributed to invested funds fell by £220k reflecting concerns by donors with global economic conditions.

Expenditure

Total expenditure for Foundation Scotland was £35.8m with grantmaking constituting 90% of this. Non-grantmaking costs totalled £3.5m reflecting the balance between maximising grantmaking activity with the need to resource people and systems to deliver effectively. This ratio of grantmaking to service costs 90:10 is consistent with 2023-24.



Staff costs rose from £1.7m to £2.3m reflecting the increase in average headcount from 37 to 46 and the incorporation of results from the independently commissioned reward review undertaken in the previous year. Travel costs increased but were offset by a drop in recruitment fee costs as the recruitment phase of the staff expansion plan completed.

Property costs fell as the lease of an office ended. There will continue to be property-related costs as use is made of hot-desking and meeting facilities across Scotland.

Website and IT costs increased partly due to software licencing costs, related to increased staff numbers, but also due to a project to embed AI tools within the Customer Relationship Management System.

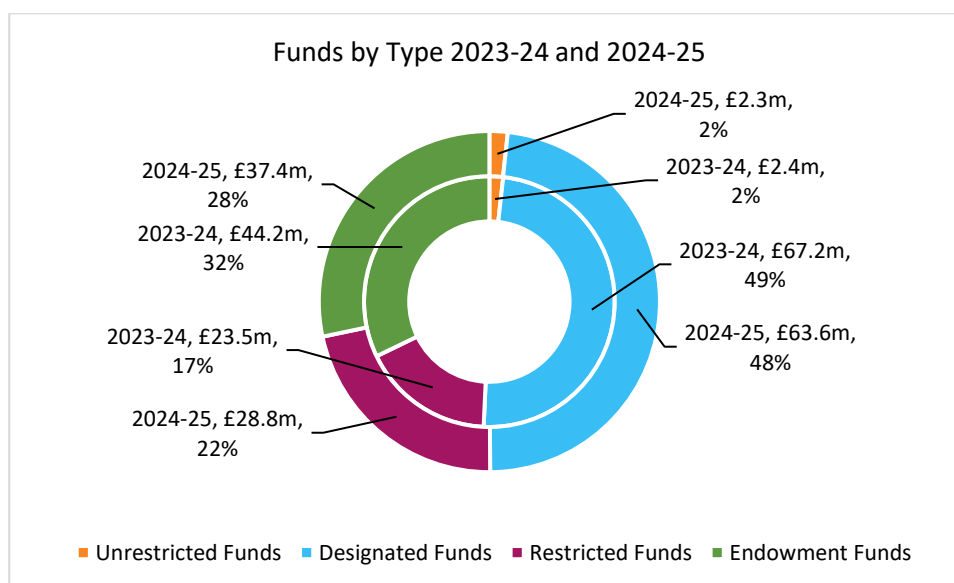
Other costs increased due to a one-off payment of £317k associated with exiting from the Defined Benefit Pension Scheme, which had been frozen to new entrants since 2010. The decision to exit was taken by the Board after taking professional advice and considering the risks and uncertainties associated with remaining in the scheme.

Professional fees increased due to several projects undertaken by the Board: A Governance Review; a Stakeholder Survey and an Investment Strategy. There were also professional fees in relation to the AI project.

Development costs are allocated from support costs [Note 8]. These increased by £232k compared with 2023-24. These costs reflected the increase in headcount and salaries noted previously however also included increased time logged by staff across the organisation on development work as well as the annual programme of in-person events.

Balance Sheet

Fund Balances at 31st March compared to last year are shown below. Restricted Funds increased due to new funds being established and a transfer from Designated Funds to the Foundation's Social Investment Fund. Designated Funds reduced as they were deployed for grantmaking and boosting loanmaking funds.



Investments fell by £6.9m. There was a strategic draw down of £6m to fund grantmaking activity and a net investment loss of 0.9m in market value.

Debtors remained broadly in line with the previous year. The provision of bad debts increased by £100k with loans assessed in line with our provisioning methodology. Cash balances increased due to the interest earned on the £55m donation.

Creditors increased due to an increase in grants payable of £1.6m. Grants accrued represent grants committed which may not be paid out for some time - driven by several large strategic awards.

Conclusion

Despite the challenging external environment, Foundation Scotland's position remains robust and able to support grantmaking and long-term sustainability. The growth in restricted funds and substantial designated funds provides opportunities to expand our grantmaking and impact for the benefit of communities across Scotland.

Future plans

Ambition 1 - Grow: Grow a range of income, focussed on new, independent funding

Objectives - Grow the number of new donors; Grow the value of donated funds for distribution and for investment.

- We will create a refreshed development plan, working closely with our new Development Working Group. This will inform priorities going forward.
- Through our Revitalising Trusts project, we will continue to work with Charitable Trusts that have been dormant to unlock funds and support local causes.
- We will continue to work on the set up of new community-based funds from the renewable energy and land sectors.
- We will continue to encourage philanthropic giving, by providing philanthropists, companies, and charitable trusts with the means to establish charitable funds, and gain advice and support on best approaches and programmes to deliver grant and other fund distribution.

Ambition 2 - Invest: Invest purposefully to create a financial return and positive social impact.

Objectives: Build invested capital, underpinned by an impact investment approach; Develop social investment products and a portfolio of investees.

- We will complete a review of our Impact Investment approach and implement recommendations from our findings.
- We will continue to increase our Social Investment reach, so that it covers all geographical regions of Scotland.
- We will provide more extensive direct community investment, including Community Shares.
- We will continue to provide specific invested fund services:
 - Community Invested Fund – providing whole communities with the means to efficiently invest capital.
 - Charity Invested Fund – providing individual charities with the means to efficiently invest capital.
 - Donor Advised / Foundation Advised Funds – a service for individual philanthropists, with clarity on the level of advice sought for fund distribution; we will also promote the opportunity to establish legacies.
 - We will offer donors the opportunity to support priorities we identify, including via our Tackling Inequalities Fund.
 - We will offer donors the opportunity to support perpetual philanthropy, through our social investment loan plus grant model.

Ambition 3 - Distribute: Work alongside stakeholders and communities to improve the design and delivery of grant and loan programmes

Objectives: Distribute more funding into Scotland's communities; Deliver a range of distribution models, with increasing emphasis on co-produced approaches.

- We will implement a Community Futures Fund, in response to a new funding landscape, as charities and community organisations are finding it increasingly difficult to source grant funding. This fund has twin emphases of supporting the hardest hit in society, while also seeking to build capacity and resilience across the community sector. Funding for Community Futures is provided by our unrestricted funds, generously supported by donors.
- We will continue to work closely with the ERFF, a multi-funder, co-designed programme, working in the context of anti-poverty and anti-racism in the capital. ERFF will begin to provide funding support in the year ahead.
- We will continue to develop approaches which enable communities to design and inform local funding. This will include a pilot in Clackmannanshire, working with the local authority and The Hunter Foundation.
- We will continue to support donors and philanthropists to invest impactfully, and in ways that are meaningful to them.

Ambition 4- Learn: Build an evidence base of how we achieve positive social impact.

Objectives: Build an evidence and learning base through analysis of our approaches to donor support, fund distribution, grant and loan making, and its impact: Use our evidence and learning to grow our reach and visibility, and influence policy and funding

- We will share learning from research about our community benefit work delivered by the University of Strathclyde, including raising awareness of the impact of community benefit funding via a parliamentary reception.
- We will commission reviews on a range of funds, to learn what works, and what doesn't, and share this learning to inform policy and practice.
- We will gain learning from recent Response Funds and our Community Futures Fund, in response to a changing funding landscape. In particular, this learning will help further distribution.
- We will hold multi-stakeholder events so that we can share our work and seek to learn from others through new partnerships, particularly where we are moving into new investment and funding spaces.
- We will continue to assess impact data to support a deeper understanding and reporting of impact across our funding programmes.
- We will continue to engage with stakeholders and in forums so that Foundation Scotland can influence policy and practice, based on the knowledge and impact we have gathered through evaluation of our funding.
- We will also respond to national policy consultations relevant to our stakeholders and our work, in particular those policies which are designed to improve capacity and resilience of communities.

Ambition 5 - Improve: Develop the Foundation and our people to improve delivery and our financial and environmental sustainability

Objectives: Develop staff capabilities and engagement, to improve service delivery and staff satisfaction; Focus on continuous improvement to deliver in a financially and environmentally sustainable way

- We will implement key learning from a Board Governance review.
- We will refresh our performance management system, allied to new competency frameworks, which will support our growth: almost a doubling of team size over the past three years.
- We will test a range of ways to connect across the organisation, especially in-person, including training events and volunteer days.
- We will continue to learn and revise our digital processes and practice, in particular regarding use of AI tools.
- We will further strengthen our IT security through a programme of measures designed to protect data and mitigate emerging cyber risks.
- We will continue to drive continuous improvement across all areas of the Foundation, with a focus on enhancing efficiency, streamlining processes, and delivering greater value for our people, partners and Scotland's communities.

Reserves policy

Foundation Scotland wishes to ensure that it achieves a position of financial strength so that, in turn, it can fulfil its purpose of growing long-term independent funding, providing social investment, and building financial capital to strengthen Scottish communities.

To achieve this, the Foundation reviews its reserves policy annually to ensure that reserve levels are set to cover risks and liabilities but equally that reserves work hard, and investments and developments are undertaken in line with the strategic plan.

Free reserves are those that are available to spend on any charitable purpose. These are represented by Unrestricted Funds less Designated Funds [which includes fixed assets reserves]. In the case of the Foundation, free reserves are represented by the General Funds in note 19.

The levels of reserves and designated funds are set by the Board, with advice from the Finance, Audit and Risk Committee, and are based on identified risks and the strategic plan. The main areas with the potential to impact or requiring use of reserves have been identified and are:

- Foundation Scotland's operating income arises throughout the year however there is one peak in the year – April. To provide for lags in income coming through and to ensure positive cash flow, two months of operating costs will be held – in liquid form – in unrestricted reserves. The sum required to cover this is £555k.
- As the Foundation undertakes investment in line with the current strategic plan, net expenditure of £900k in 2025-26 will be covered by both income generated during the year and designated reserves that have been purposefully established to support these investments.

In order that developments are undertaken in line with the strategic plan, the Board has designated the following unrestricted funds:

- Development – Philanthropy – to accelerate the growth of new donors.
- Downstream – Responsive – to support communities in some form of short-term crisis, such as affected by floods or other environmental disasters.
- The Endowment Builder Fund - to support the establishment of Endowment Funds.
- The Income Generation Fund – to generate returns to contribute to the Foundation's operating income each year.
- The IT Infrastructure Fund – to support technological innovation and to ensure IT hardware is fit for purpose.
- Midstream – Grassroots Support Fund – to ensure a regular flow of small and local community organisation support which may not have an upstream focus, but which is not in crisis response.
- Property Fund – to represent the value of the Investment Property, which is illiquid and not available for spending.
- Response Fund – to establish a fund to support a suite of emergency programmes undertaken in April and May 2025.
- Returns Fund – to hold the bank interest accruing on designated funds which will be subsequently allocated to projects.
- The Strategic Plan Investment Fund – to support the execution of the Strategic Plan.
- Upstream-Place-Community-led Fund - to build community capacity and community-owned assets through seed funding combined with support for community-led planning of funds allocated to specific communities of place, in city, urban and rural areas.
- Upstream – Sector Infrastructure Fund - to support specific third sector and charity sector infrastructure organisation development, which in turn helps to build capacity in the local communities they serve.
- Upstream – Thematic Development Fund - to improve the lives of people affected within social issue themes, by supporting leaders of thematic work and by funding development of their related programmes.

The Finance, Audit and Risk Committee reviews the level of reserves held against this policy at quarterly intervals throughout the year and reports on reserves coverage to the Board. The amounts identified to be designated as at 31 March 2025 to be able to deliver the Strategic Plan total £63.6m. Post year-end, funds of £12m have been committed. The amount required from free reserves is £1.4m and the actual level of free reserves held is £2.2m. Given the economic uncertainties, the Board has agreed that the excess sum of £0.8m will be held as reserves for 2025-26.

Investment Policy and Performance

Foundation Scotland aims to invest purposefully to create a financial return and positive social impact. The comprehensive/full investment policy is available on our website. As owners or legal custodians, Foundation Scotland held investments with a value of £46.0m at the end of March 2025, compared with £52.9m at the end of the previous year. Of this figure, £31.5m (68%) is invested at Foundation Scotland's discretion in a portfolio of around 10 social impact funds managed by EQ investors – "The FS EQ Impact Portfolio - FSEQIP". The balance of funds, amounting to £14.5m (32%) is invested as advised by the original donors, or their stockbroking agents, mainly in investment trusts and other collective vehicles. Except for cash deposits, Foundation Scotland does not itself undertake any investing directly and uses a selection of Investment Managers.

Through the FSEQIP, we pursue an investment objective of maximising total return from income and capital growth whilst seeking to maintain the real value of our investments after taking into account any withdrawals for grantmaking. Income is either re-invested or held as cash for distribution. This Portfolio also seeks to achieve positive social impact. Broker and donor-managed funds are encouraged to pursue similar investment objectives. Attention is paid both to the products and services provided by the underlying companies held in the portfolios, and to their business practices. Other than the FSEQIP, there are no specific Environmental, Social or Governance (ESG) restrictions on most of our investment funds. However, the Trustees consider that both fund managers and Board directors of invested companies have an increasing stewardship responsibility to all their stakeholders. The Board also believe that funds and companies which ignore ESG issues will be more at risk of reputational, and consequently financial, damage.

The Board agrees a level of cash to be withdrawn from the funds on an annual basis from capital and income. The level is reviewed annually with the aim of achieving long term sustainability. In setting the withdrawal rate, the Investment Committee will consider a range of issues including but not exclusively: investment performance; inflation; needs of beneficiaries; and the needs of Foundation Scotland guided by our Strategic Plan. The current standard level of withdrawal is four percent per annum, less Foundation Scotland's administration fee. With the prior agreement of Foundation Scotland, the level of cash withdrawal for any specific fund may be varied to suit the donor's grantmaking requirements.

It is the policy of Foundation Scotland to be as helpful as possible to potential donors. We are open to a discussion on accepting donations of investments as a transfer from a donor's personal investment portfolio. These donations may remain invested with the donor's investment manager but that would be subject to a minimum level of at least £500k. Where a donor does not have a sufficiently large fund to create a distinct portfolio, their monies will be invested in the FSEQIP.

The Board has delegated the review and monitoring of investment performance to the Investment Committee. The Investment Committee reviews the performance of the portfolios against agreed comparators on a quarterly basis. The minutes of these meetings and a summary performance report are reviewed by the Finance, Audit and Risk Committee and the Board.

Foundation Scotland began measuring combined investment performance in April 2019. Prior to that date the relevance of composite numbers was limited by the diversity of managers, fund objectives and styles involved. Over the year to end March 2025, a total Foundation Scotland return of -1.4% is recorded versus the appropriate Asset Risk Consultants [ARC] peer group average figure of 2.9%. For the year ended 2024, the corresponding figures were 10.4% and 10.9%.

In January 2021, we transferred our discretionary investments from a mainstream fund into the FSEQIP. Over the year to March 2024, an FSEQIP return of -2.8% was recorded, below that of the corresponding ARC number of 2.9% and 5.6% for the CPI +3% benchmark. For the 51-month period since the inception of the FSEQIP the corresponding figures are 3.5%, 16.1% and 31.8% respectively.

Over the year to 31st March 2025, global markets experienced greater volatility. Whilst the broader US market delivered modest gains, smaller companies and international markets, where EQ maintains significant exposure, generally lagged behind. Against this backdrop, many fund managers found it challenging to outperform the global indices. EQ's focus on investing in companies that deliver positive social and environmental impact, combined with its bias towards smaller and mid-sized businesses, meant that performance remained behind the major global benchmarks over the period.

During the period EQ have reassessed a number of the funds held. This led to a reduction from 14 to 10 funds in our portfolio and reorientating towards sustainably labelled funds. Despite this, performance has been disappointing.

Foundation Scotland is investing for the longer term, and the emphasis is on a three-to-seven-year horizon when assessing performance. However, the significant underperformance of the FSEQIP since inception triggered the Board to request a review of EQ’s performance. This review will complete in the Autumn, and the findings communicated to stakeholders.

Notwithstanding the financial performance, the longer-term challenges of climate change and issues that arise from rapid AI adoption, both positive and negative, are where the EQ portfolios are focused. These issues are not going away, but this does not always synchronise with movements in markets, particularly when, for example there is a rise in the oil price as the portfolios are not exposed to fossil fuels. However, investing in companies that are on the right side of history and look after their shareholders should be beneficial over time.

In addition to the financial returns, we are pleased to report that the FSEQIP portfolio produced 76% lower emissions than had the investments been held in the FTSE 100 index and generated the following social impacts over the last year.

Environmental Impact		Social Impact	
Avoided 3,739 tonnes of CO2 emissions Equivalent to taking 813 cars off the road	Recycled 529 tonnes of waste Equivalent to 535 households annual waste	Treated 2,201 patients	Made 40,000 medical interventions
Generated 2.2GWh of renewable energy Equivalent to 818 households’ usage	Installed 130 KW of renewable energy capacity Enough to supply 48 homes	Delivered 156,000 hours of school, further and higher education	Reached 2,000 people with preventative healthcare
Provided 51m litres of clean water Equivalent to 399 households’ usage	Treated 174m litres of wastewater Equivalent to 1,363 households’ wastewater	Provided 428 people in developing markets access to financial services	Given 173 people in developing markets access to mobile networks

Risks

Our Risk Management Policy includes an assessment of the strength of the underlying controls and mitigating measures. Risks are scored in terms of their impact and their likelihood. Whilst not included in any score of risk, the velocity of risk is also assessed and used as an indication of whether formal contingency plans need to be established – with those of a high impact and high-risk score requiring a plan. The Foundation is also refining its approach to risk appetite to ensure it informs business management and planning decisions.

The Foundation uses a risk management system – RiskMate - which ensures consistency, visibility and reporting around risks, incidents, and complaints.

Responsibilities for risk management are outlined below: -

Staff	Report incidents on RiskMate and assist in identifying risks.
Team Heads	Build a risk management culture in their team, ensure controls are carried out and identify and report changed risks on RiskMate.
Chief Finance and Operations Officer	Develops the risk management policy, develops the risk and incident management system [including RiskMate], co-ordinates risk management and controls activity, reviews RiskMate and compiles reports for the Chief Executive and the Finance, Audit and Risk Committee.
Chief Executive	Understands the most significant risks and leads on the mitigation activities assigned to the executive function.
Finance, Audit and Risk Committee	Regularly reviews the design, implementation and effectiveness of the Risk Management Framework and Risk Management Policy. Reviews the risks in RiskMate, with a focus on strategic and significant operational risks, and reviews and monitors the financial risks and progress against the related mitigating actions. Reviews the risk statements in the Annual Report and Accounts.
Investment Committee	Reviews and monitors the investment related risks and progress against the related mitigating actions.
People and Governance Committee	Reviews and monitors the people and governance related risks and progress against the related mitigating actions.
Impact Committee	Reviews and monitors the impact related risks and progress against the related mitigating actions.
Social Investment Committee	Reviews and monitors the social investment risks and progress against the related mitigating actions.
Board	Reviews the strategic risks and incidents annually, approves the risk statements in the Annual Report and Accounts and approves the Risk Management Policy.

The key controls of the Foundation include:

- Formal structure and agendas for the Board and sub-committees governed in line with detailed terms of reference.
- Comprehensive business planning, budgeting, and management accounting.
- Established organisational structure and lines of reporting.
- Formal written policies including authorisation and approval procedures.

The most significant risks facing the Foundation are:

Risk	Mitigating actions:
The Foundation fails to demonstrate and communicate impact leading to a poor profile, reputation, and inability to grow.	A member of the Senior Management Team [SMT] has specific responsibility for the development of impact measurement and its communication to stakeholders. A member of staff focusing on Impact and Knowledge has been appointed and resources committed to gathering insights from our data and feedback from our programmes. An Impact Framework, containing a series of initiatives to improve the measurement and communication of impact, has been developed. The Foundation's aim is to shift its grantmaking to deliver sustainable longer-term resilience and preventative funding which is being operationalised.

Risk	Mitigating actions:
Concentration of donor base.	We benefit from long-standing relationships with a small number of large donors alongside many small donors. We exercise additional stewardship to retain these large donors while continuing our efforts to diversify our donor base to ensure longer term stability.
External IT Infrastructure or Cyber Attack	Threat software is in place. Cyber security training is mandatory for all staff and Trustees who use the Foundation's systems. Cyber Essentials certification is in place and is re-examined annually. A Business Continuity Plan is in place with local backups supplementing online backups and enhanced rolling backup systems are also in place. A programme of enhanced security measures is being rolled out in 2025-26.
Failure to harness the benefits of AI technology.	FS recognises that the integration of artificial intelligence (AI) tools into its operations presents both operational risks — such as data privacy issues, biases, and reliance on inaccurate outputs — and strategic risks, including the potential loss of competitive advantage and missed opportunities for efficiency gains and innovation. We have developed protocols for the use of AI Tools and an AI Policy. We have invested in AI tools and their integration with our grant management systems and delivered training to staff on responsible usage.
Social Impact Investment Strategy fails to achieve satisfactory long-term returns.	A specialist Investment Committee is in place including three members with fund management experience. There are regular interactions with the Investment Manager and there are formal reviews annually. Investment performance is tracked against comparators and benchmarks. An Interim review of the Social Impact Portfolio has been undertaken, and the Board are considering the next steps, against the backdrop of the current turbulence in the markets.

The global landscape continues to be characterised by persistent uncertainty and volatility. Ongoing conflicts, alongside the rise of populism, increased polarisation, and widespread disinformation, continue to destabilise societies worldwide. These challenges, compounded by the worsening climate crisis, economic pressures, and rapidly evolving technological disruption, continue to disproportionately impact the most vulnerable in our society.

The change in UK Government in 2024 has brought about significant shifts in policy direction, regulatory frameworks, and economic strategy. While this transition creates short-term uncertainty, it also presents potential opportunities for the voluntary sector. The new government's focus on economic reform amid inflationary pressures, and strained public services presents both challenges and possibilities for the voluntary sector.

The Foundation recognises that these multiple and overlapping crises affect not only its operational capacity but also influence both donor behaviour and the increasing demands for support from communities across Scotland. The cost-of-living crisis continues to strain household finances, exacerbating existing inequalities and escalating demands for support.

The Board remains vigilant to the continued turbulence ahead. Although the Foundation is fortunate to have a strong reserve base it regularly assesses and manages risks to ensure organisational resilience whilst continuing to strive to maximise positive impact across Scottish communities.

Sustainability

The Foundation’s strategic plan outlines a commitment to act sustainably: investing in people, place and planet. In connection with this, the Foundation commissioned a review of its carbon emissions which included the establishment of a methodology for the calculation of its carbon footprint. The Foundation is responsible for impacting on the environment primarily through the delivery of its services, through the day-to-day functioning of the organisation.

The Foundation’s carbon footprint has been calculated in accordance with the Greenhouse Gas [GHG] Protocol¹ which categorises carbon emissions as scope 1,2 or 3 emissions:

	2025 tCO2e	2024 tCO2e
Scope 1 – Direct GHG emissions occur from sources that are owned or controlled by Foundation Scotland. Fuel combustion, company vehicles.		0
Scope 2 – This includes indirect GHG emissions that arise from the generation of purchased electricity consumed by Foundation Scotland. Purchased electricity, heat, and steam.		0
Scope 3 – An optional reporting category that allows for the treatment of all other indirect emissions. Scope 3 emissions are a consequence of the activities of Foundation Scotland but occur from sources not owned or controlled by the organisation directly. Purchased goods and services, business travel, and employees working from home.	64.58	60.17

By way of context, the carbon footprint per person in Scotland is 13 tCO2e².

Most of our emissions are from homeworking – based on 50 full time equivalent members of staff working at home – with business travel accounting for 43%, homeworking for 40% and IT equipment purchases accounting for the remaining 17% of emissions. Emissions have increased since 2023-24, partly linked to increased staff numbers but mainly due to increased business travel.

During 2022-23 the Foundation took the decision to offset its carbon emissions and has invested in two projects. One project, overseas, is already generating 303 tCO2e of offset and the other – based in Scotland - will generate 200 tCO2e of offset when the woodland is mature.

The Foundation has deliberately focused on calculating and offsetting the emissions that it can directly influence. We will continue to seek to influence our service providers and grantees to adopt carbon reduction strategies. The Foundation Scotland EQ Impact Fund Portfolio – where over 68% of the investments are held - produces carbon emission statistics. In 2024-25 the portfolio produced 2,953 tCO2e which was 76% lower than would have been produced had the investments been held in the FTSE 100 index.

¹ <https://ghgprotocol.org/corporate-standard>

Financial Statements

Disclosure of information to auditors

The Trustees who held office at the date of approval of this Trustees' report confirm that, so far as they each are aware, there is no relevant audit information of which the company's auditors are unaware; and each Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The Trustees' Report, including the Strategic Report, was approved by the Board and signed on their behalf by;

Mamta Patel

Mamta Patel
Chair

3 July 2025

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Foundation Scotland for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the group and the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005. They are also responsible for safeguarding the assets of the group and the charitable company 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 corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the Trustees and members of Foundation Scotland

Opinion

We have audited the financial statements of Foundation Scotland [the 'charitable company'] for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 March 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 Companies Act 2006, the Charities and Trustee Investment [Scotland] Act 2005 and Regulation 8 of the Charities Accounts [Scotland] Regulations 2006 [as amended].

Basis of 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 company 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' [who are also the directors of the charitable company for the purpose of company law] 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 charitable company'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 directors 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 annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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.

In connection with our audit of the financial statements, 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 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.

Independent auditor's report to the members and Trustees of Foundation Scotland [continued]

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Strategic Report and the Trustees' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Trustees' Annual Report which includes the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report, which includes the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities and Trustees Investment [Scotland] Act 2005 and the Charities Accounts [Scotland] Regulations 2006 [as amended] require us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees [who are also the directors of the charitable company for the purposes of company law] 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 charitable company'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 charitable company 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 under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Independent auditor's report to the members and Trustees of Foundation Scotland [continued]

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.

As part of our planning process:

- we enquired of management the systems and controls the charitable company has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. Management informed us that there were no instances of known, suspected or alleged fraud;
- we obtained an understanding of the legal and regulatory frameworks applicable to the charitable company. We determined that the following areas were most likely to have a material impact on the financial statements: FRS 102; employment law [including the Working Time Directive]; anti-bribery and corruption, and compliance with charity law and the UK Companies Act;
- we considered the incentives and opportunities that exist in the charitable company, including the extent of management bias, which present a potential for irregularities and fraud to be perpetrated, and tailored our risk assessment accordingly; and
- using our knowledge of the charitable company, together with the discussions held with management at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- reading correspondence with regulators including OSCR;
- reviewing board and sub-committee meeting minutes for discussions of irregularities including fraud;
- challenging assumptions and judgements made by management in significant accounting estimates, in particular in relation to valuation of investment properties, items accounted for at fair value and the pension valuation;
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.
- testing key revenue lines, in particular cut-off, for evidence of management bias; and
- reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs [UK]. For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance. The risk is also greater regarding the irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent auditor's report to the members and Trustees of Foundation Scotland [continued]

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's Trustees, as a body, in accordance with Section 44 [1][c] of the Charities and Trustee Investment [Scotland] Act 2005 and regulation 10 of the Charities Accounts [Scotland] Regulations 2006 [as amended]. Our audit work has been undertaken so that we might state to the members and 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, its members as a body and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Keith Macpherson

Keith Macpherson [Senior Statutory Auditor]

For and on behalf of Henderson Loggie LLP

Chartered Accountants

Statutory Auditor

Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

03 / 07 / 2025

Level 5,
The Stamp Office,
10-14 Waterloo Place,
Edinburgh
EH1 3EG

Statement of financial activities

[Incorporating the income and expenditure account - For the year ended 31 March 2025]

	Note	Unrestricted 2025 £000	Restricted 2025 £000	Endowment 2025 £000	Total Funds 2025 £000	Total Funds 2024 £000
Income and Endowments from:						
Donations and Legacies	2	58	-	-	58	55,509
Investments	3	3,609	925	583	5,117	1,957
Charitable activities						
Income for grant making	4	1,327	23,252	1,499	26,078	22,645
Other		196	-	-	196	142
Total Income		5,190	24,177	2,082	31,449	80,253
Expenditure on:						
Raising Funds - Development costs	5	731	-	-	731	499
Charitable activities						
Grant and loan expenditure in furtherance of charitable objectives	6	301	32,067	-	32,368	22,477
Grant and loan making services	7	2,600	69	98	2,767	1,911
Total Expenditure		3,632	32,136	98	35,866	24,887
Net gains / [losses] on investments		[326]	-	[490]	[816]	5,267
Net Income / [expenditure]		1,232	[7,959]	1,494	[5,233]	60,633
Transfers between funds		[4,947]	13,242	[8,295]	-	-
Net Income / [expenditure] after transfers between funds		[3,715]	5,283	[6,801]	[5,233]	60,633
Actuarial gains/[losses] on defined benefit pension scheme		-	-	-	-	[1]
Net movement in funds		[3,715]	5,283	[6,801]	[5,233]	60,632
Total funds brought forward		69,648	23,472	44,169	137,289	76,657
Total funds carried forward		65,933	28,755	37,368	132,056	137,289

Balance sheet Company No. SC152949

at 31 March 2025

	Notes	2025 £000	2024 £000
Fixed assets			
Investment property	11	1,175	1,175
Other investments	12	46,042	52,993
		<u>47,217</u>	<u>54,168</u>
Current assets			
Debtors	13	2,972	3,059
Cash at bank and in hand		88,908	85,120
		<u>91,880</u>	<u>88,179</u>
Creditors: amounts falling due within one year	14	<u>[4,932]</u>	<u>[3,951]</u>
Total current assets less current liabilities		86,948	84,228
Creditors: amounts falling due after more than one year	15	[2,109]	[1,102]
Provision for liabilities and charges	16	-	[5]
Net assets		<u>132,056</u>	<u>137,289</u>
Funds			
Endowment Funds – General	17 & 20	31,895	34,792
Endowment Funds – Revaluation reserve	17 & 20	5,473	9,377
		<u>37,368</u>	<u>44,169</u>
Restricted Funds	18 & 20	28,755	23,472
Unrestricted & Designated Funds	19 & 20	65,933	69,648
Total Funds		<u>132,056</u>	<u>137,289</u>

These financial statements were approved by the Board on 3 July 2025 and were signed on its behalf by:

Mamta Patel

Mamta Patel [Chair]

Cash flow statement for the year ended 31 March 2025

	2025 £000	2024 £000
Net income as per the statement of financial activities	[5,233]	60,633
Adjustments for		
Revaluation	-	25
[Gains]/losses on investments	816	[5,267]
Interest and dividend income	[4,954]	[1,321]
[Increase]/decrease in debtors	87	1,298
[Decrease]/increase in creditors	1,988	[437]
Increase / [decrease] in provisions	[5]	[68]
Net cash provided by operating activities	[2,068]	[5,770]
Cash flows from investing activities:		
Dividends & interest from investments	4,954	1,321
Proceeds from sale of investments	24,909	72,180
Purchase of investments	[18,774]	[70,648]
Net cash used in investing activities	11,089	2,853
Change in cash and cash equivalents in the reporting period	3,788	[2,917]
Cash and cash equivalents at the beginning of the reporting period	85,120	27,404
Cash and cash equivalents at the end of the reporting period	88,908	85,120

Notes forming part of the financial statements

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material to the financial statements.

Status of the company

The Foundation is a company, incorporated in Scotland with the registered address as on page 7 and limited by guarantee of its members and does not have a share capital. Each member has undertaken to contribute an amount not exceeding £1 towards any deficit arising in the event of the company being wound up. [Note, all Directors are members and vice-versa]. If on the winding up of the company any assets remain after satisfaction of all the company's debts and liabilities, such assets shall be given or transferred to some charitable body or bodies whose objects are altogether or in part similar to the objects of the company.

The financial statements are presented in pounds sterling, which is the functional currency of the charity, and rounded to the nearest thousand pounds.

Basis of preparation and assessment of going concern

The financial statements are prepared under the historical cost convention as modified by the revaluation of investment assets and are 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 [FRS 102] issued in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland [FRS 102] and the Charities Accounts [Scotland] Regulations 2006 and the Companies Act 2006. The charity constitutes a public benefit entity as defined by FRS 102.

The Trustees have considered the position for the next twelve months from the date of signing the financial statements, and have concluded that the use of the going concern basis of accounting is appropriate because there are no material uncertainties relating to activities or conditions that may cast doubt about the ability of the charity to continue as a going concern.

Income

Incoming resources, including legacies and gifts are recognised when there is entitlement, probability of receipt and the income can be measured with sufficient accuracy. Where income is received subject to certain performance conditions the income is deferred.

Income from the endowment fund is added to the fund. Each year up to 4% of the endowment fund [unless a donor has specifically asked for a higher level] is distributed for the purposes of each of the funds with an approximate 1% contribution to administration and grant making costs transferred to the general fund.

Investment income comprises of interest received on fixed term deposit accounts and the Foundation's current account together with interest on loans advanced, accounted for on an accruals basis.

Expenditure

All expenditure is recognised on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to the relevant category of resources expended. The Foundation is registered for VAT and all expenditure categories include any irrecoverable VAT.

Salary costs are allocated across activities based on timesheets and non-salary costs are allocated on a pro-rata basis.

Funds

Funds are classified as restricted, endowment, designated or general. These are defined as follows:

- Expendable endowment funds represent those assets which are held for long term investment by the charity.
- Restricted funds are funds which must be used for specific activities which have been declared by the donor.
- General funds are expendable at the discretion of the Board of Trustees in the furtherance of the objects of the Foundation.
- Designated funds are a sub-set of general Funds which have been earmarked for specific purposes.

Further details of the nature and purpose of funds and the basis of transfers are given in the notes.

Fixed assets and depreciation

Fixed assets are included at cost.

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

IT and Office equipment	-	over 3 years
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Investment properties

Investment properties or parts of properties held for investment purposes are measured initially at cost and subsequently at fair value at the reporting date. Valuations are carried out every two years by an external expert and derived from the current market rents and investment property yields for comparable property, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the statement of financial activities.

Investments

Investments are included at fair value at the balance sheet date. Realised gains and losses, representing the difference between sale proceeds and market value at the previous financial year end, or purchase cost if acquired during the financial year, are dealt with in the statement of financial activities. Unrealised gains and losses, representing the movement in the market value of investments over the financial year, or from their date of purchase if acquired during the financial year, are dealt with separately in the statement of financial activities.

Leases

Assets acquired under finance leases or hire purchase are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the income and expenditure account on a straight-line basis over the period of the lease.

Redundancy and termination payments

Foundation Scotland aims to avoid redundancies. Where this is not possible redundancy and termination costs are recognised as an expense in the Statement of Financial Activities and a liability on the Balance Sheet immediately at the point the Foundation is demonstrably committed to terminate the employment of an employee.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid. Where loans are repayable on demand these debts are not discounted.

Loans

Loans are shown on the Balance Sheet at value recoverable. The recoverability of loan debtors is determined using a risk profile matrix to calculate the risk of default for each loan issued. The risk of default determines the level of bad debt provision.

Cash at bank and in hand

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

Creditors

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

Provisions

Specific provisions against advances are recognised when a risk of non-recoverability is identified. Provisions made during the year, less amounts released, are charged to the Statement of Financial Activities and are netted off against advances reported in the Balance Sheet.

Financial instruments

The Foundation 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.

Taxation status

The Foundation is recognised by HM Revenue & Customs as a charity for the purposes of the Corporation Tax Act 2010 part 11 and is exempt from income and corporation tax on its charitable activities.

Contingent liability

A contingent liability is identified and disclosed for those grants and loans resulting from a present obligation following an award offer where settlement is dependent on the recipient fulfilling various stated terms and conditions; the outcome of which is uncertain.

Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Foundation's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In preparing these financial statements, the Trustees have made the following judgements:

- Determine whether leases entered into by the Foundation as a lessee and lessor are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.
- Fixed assets are also assessed as to whether there are indicators of impairment. This assessment involves consideration of the economic viability of the purpose for which the asset is used.
- The recoverability of loan debtors is determined using a risk profile matrix to calculate the risk of default for each loan issued. The risk of default determines the level of bad debt provision.

Investment Property

The value of the investment property is valued by a Chartered Surveyor using the market information of similar properties but there is an evitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the open market.

2. Income from donations and legacies

	Unrestricted	Restricted	Endowment	Total Funds 2025	Total Funds 2024
	£000	£000	£000	£000	£000
Individuals	3	-	-	3	55,449
Trusts	5	-	-	5	3
Corporates	50	-	-	50	57
Total	58	-	-	58	55,509
Year ended 2024	55,509	-	-	-	55,509

3. Income from investments

	Unrestricted	Restricted	Endowment	Total Funds 2025	Total Funds 2024
	£000	£000	£000	£000	£000
Dividends	107	-	583	690	544
Bank Interest	3,502	762	-	4,264	1,258
Loan interest	-	163	-	163	155
Total	3,609	925	583	5,117	1,957
Year ended 2024	1,063	412	482	-	1,957

4. Income from charitable activities

	Unrestricted	Restricted	Endowment	Total Funds 2025	Total Funds 2024
	£000	£000	£000	£000	£000
Non-Invested Funds	1,327	23,252	-	24,579	20,926
Invested funds	-	-	1,499	1,499	1,719
Total	1,327	23,252	1,499	26,078	22,645
Year ended 2024	1,093	19,833	1,719		22,645

5. Costs of raising funds: Development

	Unrestricted	Restricted	Endowment	Total Funds 2025	Total Funds 2024
	£000	£000	£000	£000	£000
Staff costs	401	-	-	401	275
Travel, training & recruitment	7	-	-	7	2
Property	2	-	-	2	-
Website and IT	16	-	-	16	16
Other	12	-	-	12	13
Professional fees	12	-	-	12	10
Support costs (Note 8)	281	-	-	281	183
	<u>731</u>	<u>-</u>	<u>-</u>	<u>731</u>	<u>499</u>
Year ended 2024	499	-	-		499

6. Grant and loan expenditure in furtherance of the charity's objects

	Unrestricted	Restricted	Endowment	Total Funds 2025	Total Funds 2024
	£000	£000	£000	£000	£000
Grant making from non-invested funds	301	23,378	-	23,679	19,859
Grant making from invested funds	-	8,521	-	8,521	2,578
Increase/[decrease] in loans provided for	-	96	-	96	40
Loans written off	-	72	-	72	-
	<u>301</u>	<u>32,067</u>	<u>-</u>	<u>32,368</u>	<u>22,477</u>
Year ended 2024	15	22,462	-	-	22,477

A full listing of grants paid can be found on <https://grantnav.threesixtygiving.org/funder/GB-SC-SC022910>

6 Grants payable in furtherance of the charity's objects [Continued]

Charity - Grants payable in furtherance of the charity's objects – by Local Authority

		2025 £000	2024 £000
North	Highland	2,490	1,829
	Orkney	22	-
	Shetland	-	5
	Western Isles	107	63
North East	Aberdeen City	233	210
	Aberdeenshire	889	739
	Moray	529	490
East	Angus	43	44
	Dundee City	346	222
	Fife	569	922
	Perth and Kinross	215	221
Central	Clackmannanshire	128	95
	East Dunbartonshire	23	23
	Falkirk	290	746
	North Lanarkshire	325	185
	South Lanarkshire	773	234
	Stirling	594	548
	West Dunbartonshire	1	9
West	Argyll and Bute	1,575	509
	East Renfrewshire	3	13
	Glasgow City	3,011	1,171
	Inverclyde	94	64
	Renfrewshire	51	136
South East	East Lothian	482	279
	Edinburgh City	10,203	6,806
	Midlothian	294	96
	West Lothian	463	466
	Scottish Borders	506	564
South West	Dumfries and Galloway	3,445	2,424
	East Ayrshire	1,646	524
	North Ayrshire	93	57
	South Ayrshire	1,745	1,024
Other	Outside Scotland	1,012	1,719
Total		<u>32,200</u>	<u>22,437</u>

7. Loan and Grant Making Services

Analysed by expenditure type

	Unrestricted	Restricted	Endowment	Total Funds 2025	Total Funds 2024
	£000	£000	£000	£000	£000
Staff costs	1,392	-	-	1,392	1,010
Travel, training & recruitment	48	1	-	49	23
Property	20	5	-	25	11
Website and IT	55	-	-	55	5
Other	28	9	-	37	26
Professional fees	86	54	98	238	163
Support costs (Note 8)	971	-	-	971	673
	<u>2,600</u>	<u>69</u>	<u>98</u>	<u>2,767</u>	<u>1,911</u>
Year ended 2024	1,793	22	96	-	1,911

8. Unrestricted costs and split of support costs

	Delivery costs			Support costs			
	Development	Grant and loan making services	Governance	Operations and Executive	Property and offices	Total 2025	Total 2024
	£000	£000	£000	£000	£000	£000	£000
Staff costs	401	1,392	63	439	-	2,295	1,686
Travel, training & recruitment	7	48	10	38	-	103	96
Property	2	20	[7]	3	22	40	72
Website and IT	16	55	-	119	-	190	160
Other	12	28	320	50	-	410	92
Professional fees	12	86	140	55	-	293	186
	<u>450</u>	<u>1,629</u>	<u>526</u>	<u>704</u>	<u>22</u>	<u>3,331</u>	<u>2,292</u>
Reallocation of support costs	281	971	[526]	[704]	[22]	-	-
	<u>731</u>	<u>2,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,331</u>	<u>2,292</u>
Year ended 2024	499	1,793	-	-	-	-	2,292

9. Staff Costs

	2025	2024
	£000	£000
Wages and salaries	1,972	1,451
Social security costs	212	155
Pension costs – defined contribution scheme	111	80
	<u>2,295</u>	<u>1,686</u>

Interest expense in respect of defined benefit pension scheme	-	1
Deficit pension contributions paid	5	31

At the end of the financial year pension contributions amounting to £18,966 [2024 £12,184] were payable and are included in creditors.

The Foundation considers its Senior Management Team [SMT] to be its key management personnel. The staff costs in relation to the SMT are:

	2025	2024
	£000	£000
Staff Costs	640	565

The number of employees receiving remuneration in excess of £60,000 were:

	2025	2024
£60,000 - £70,000	3	6
£70,000 - £80,000	3	-
£80,000 - £90,000	-	-
£90,000 - £100,000	-	1
£100,000 - £110,000	1	-

The average number of staff employed by the Foundation [excluding Trustees] during the year, analysed by category, was as follows:

	2025	2024
Community Investment	17	14
Executive	1	1
Finance and Operations, HR	8	7
Marketing and Development	7	5
Philanthropy	11	7
Social Investment	3	3
	<u>47</u>	<u>37</u>

Members of the Board of Trustees are not remunerated by the Foundation; no Trustee received expenses or other benefits during the year. The Trustees had Trustees Indemnity Insurance in place during the year.

10. Net incoming resources

Net incoming resources is stated after charging:

	2025 £000	2024 £000
Write down of investment property	-	25
<u>Auditor's remuneration</u>		
Audit of these financial statements	21	20
Other services - payroll	6	5
Tax services	4	1

11. Investment Property

	Investment Land and Buildings £000
Cost or valuation	
At beginning of year	1,175
Additions	-
Revaluation	-
Disposals	-
At end of year	<u>1,175</u>
Depreciation	
At beginning of year	-
Charge for year	-
Disposals	-
At end of year	<u>-</u>
Net Book Value 31 March 2025	<u>1,175</u>
Net Book Value 31 March 2024	<u>1,175</u>

All assets are held for charitable purposes.

The investment property under Investment Land and Building is leased to a tenant. In March 2024, a valuation was carried out by an external expert with a recognised relevant qualification using the RICS valuation – global standards. The next revaluation is being planned for March 2026. The historic cost of the investment property is £2.136m.

12. Other investments

	2025 £000	2024 £000
Market value as at 1 April	52,993	49,258
Additions	18,774	70,648
Disposal proceeds	[24,909]	[72,180]
Net investment gain/[loss]	[816]	5,267
Market value at 31 March	46,042	52,993
Historical value at 31 March	40,157	42,692
Represented by:		
Cash and fixed interest securities	2,226	1,940
Listed shares	1,234	1,146
Unlisted shares	8	8
Investment trusts and unit trusts	42,574	49,899
	46,042	52,993
<u>Investments comprising more than 5% of market value</u>		
CT Sustainable Global Equity Income	4,792	5,246
T Rowe Price US Impact Equity	4,254	-
Janus Henderson Sustainable Equity	4,048	5,227
Schroder Global Sustainable Value Equity	4,037	4,917
Impax Environmental Leaders	3,728	3,478
Ninety One Global Sustainable Equity	3,498	-
CT Sustainable Opportunities Equity	2,747	-
Monks Investment Trust	-	3,399
Regan Sustainable Water and Waste	-	3,314

The main risk to the Foundation from financial instruments lies in the combination of uncertain economic conditions, rising interest rates and investment markets. Liquidity risk is anticipated to be low as listed investments are traded in markets with good liquidity and high trading volumes and this is expected to continue.

The Foundation invests in pooled investment vehicles and is therefore directly exposed to counter-party risk. This risk is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled manager operates and diversification of investments amongst a number of pooled funds. Indirect credit risk arises in relation to underlying investments held in the bond pooled investment vehicles. This risk is mitigated by only investing in pooled funds which invest in at least investment grade credit rated securities. Market risk arises principally in relation to equities held in the pooled vehicles. The Foundation manages this exposure to market risk by constructing a diverse portfolio of investments across various markets and by retaining expert advisors to manage its investment portfolio.

13. Debtors

	2025 £000	2024 £000
Current proportion of loans receivable	465	439
Other	70	175
Prepayments and accrued income	198	233
Trade Debtors	20	50
	<u>753</u>	<u>897</u>
Debtors due in more than one year		
Loans receivable 2-5 years	1,563	1,442
Loan receivable greater than 5 years	899	867
Bad debt provision	[243]	[147]
	<u>2,972</u>	<u>3,059</u>

Other debtors relates to a deposit on an office space and a Gift Aid Claim which was received from HMRC in April. There are 41 [2024: 37] loans which make up the Loans Receivable balance. The repayment terms on the loans range from 5 to 12 years with the majority being 10 years. The rates of interest on the loans range from 6.00% to 6.75%. 23 loans are secured by a minimum of a floating charge.

14. Creditors: amounts falling due within one year

	2025 £000	2024 £000
Trade creditors	12	23
Tax and social security	27	22
Accruals	350	46
Grants payable	4,543	3,860
	<u>4,932</u>	<u>3,951</u>

15. Creditors: amounts falling due after more than one year

	2025 £000	2024 £000
Grants payable	2,109	1,102
	<u>2,109</u>	<u>1,102</u>

16. Provision for liabilities and charges

	2025 £000	2024 £000
Defined benefit pension scheme net present value of deficit contributions payable		
Provision at start of period	5	35
Unwinding of the discount factor [interest expense]	-	1
Deficit contribution paid	[5]	[31]
Remeasurements - impact of any change in assumptions	-	-
Provision at end of period	-	5
Office Rental – Onerous Contract		
Provision at start of period	-	37
Utilised/released as not required	-	[37]
Provision at end of period	-	-
	-	5

During the year, the Board approved the recommendation to exit the Scottish Voluntary Sector Pension Scheme (SVSPS), a multi-employer defined benefit scheme that was frozen to new entrants in 2010. This decision was made following a comprehensive review by pension specialists, Spence and Partners, which highlighted significant ongoing risks including potential orphan liabilities, last man standing risk, and the possibility of future deficit contributions. Despite the scheme reaching technical breakeven in May 2024, the Section 75 exit debt of £317,300 represented a substantial reduction from previous valuations, creating a favourable opportunity to eliminate these long-term risks. Notice to exit the scheme was given in January 2025 with the amount of £317,300 accrued in these accounts. The amount was subsequently paid in May 2025.

17. Endowment Funds

Endowment Fund	Purpose – to provide income for grant making funds which support	Balance brought forward	Income	Expense	Gains / [Losses]	Transfers	Balance carried forward
		£000	£000	£000	£000	£000	£000
A'Chruach Community	community projects - in West Loch Fyne, Dunadd, and Lochgilphead	124	1	-	[4]	[1]	120
Alexander Trust	young people and older people in Aberdeenshire and the Isle of Bute	159	2	[1]	[6]	[6]	148
B and P Johnson Family Foundation	grant making activity - UK-wide	1,168	335	-	53	[7]	1,549
Barr Community	general charitable activity and development – Barr	138	2	-	[5]	[1]	134
The Beatrice Foundation	general grantmaking activity - Scotland-wide	149	2	[1]	[5]	[8]	137
Bertha Fund	grant making activity with a focus on Perth and Kinross	466	5	[2]	[18]	[3]	448
Betty & Roy Ure Trust	voluntary organisations and charities in Arran	1,113	13	[4]	[40]	[45]	1,037
Bluebird Trust	causes related to the environment, human rights, ill-health or other disadvantage – UK and overseas	387	5	-	2	[15]	379
Brora Community Fund	general charitable activity – in the Brora community council area.	139	28	[1]	[6]	[1]	159
Brunton Endowment Trust	general grantmaking activity – Scotland-wide, particularly Aberdeenshire.	312	4	[1]	[11]	[12]	292
Budge Foundation	grant making activity - UK-wide	216	4	[2]	[1]	[64]	153
Campbell Crowson Fund	elderly, health and disability issues- Scotland-wide	179	2	[1]	[6]	[7]	167
Carrick Futures	general charitable activity - in the Carrick futures communities in South Carrick	521	6	[2]	[19]	[3]	503
Cervus Trust	general charitable activities - Scotland-wide	493	6	[2]	[17]	[22]	458
Clyde Borders Wind Farm Fund	general charitable activity –communities represented by Skirling, Upper Tweed and Tweedsmuir community council areas.	106	1	-	[4]	[1]	102
Cockaigne Fund	musical development, research and performance	137	1	-	[4]	[20]	114
Coram Trust	rural and urban regeneration projects, especially housing - Scotland-wide	235	10	[1]	[5]	[59]	180
David and Averil Macdonald	general grantmaking - Elgin, Tain, Islay and Broxburn areas	1,177	13	[4]	[43]	[71]	1,072
Dorenell Community	general charitable activity and development – Dufftown & District, Glenlivet & Inveravon; Glenrinnies, The Cabrach	1,187	13	[4]	[40]	[73]	1,083
Douglas McDougall	general grantmaking activity - UK and overseas	133	1	-	[5]	[5]	124
Elizabeth Drummond Fund	general educational projects - Scotland-wide	1,194	14	[4]	[43]	[48]	1,113
ENCOMM Endowment	general charitable activity and development – East Nairnshire	165	2	[1]	[5]	[9]	152
Ethel Invested Fund	Poverty, homelessness, arts, mental health, children with disabilities	80	21	-	[4]	27	124
F Laing Family Trust	general grantmaking activity - Scotland-wide	103	1	-	[4]	[1]	99
Forbes Fund	general grantmaking activity - in the Highlands	357	4	[1]	[13]	[14]	333
Fountainhall Trust	educational activities – UK-wide	1,376	220	-	46	[30]	1,612
Garpel Fund	general grantmaking activity - UK and overseas	11,066	82	[4]	212	[6,931]	4,425
Gartmhor Trust	disadvantaged families, supporting talented young people – Edinburgh and Fife priority	2,179	22	[1]	[138]	[68]	1,994
Gateway Exchange	people achieve their potential	282	3	[1]	[10]	[11]	263
Gillian Charlotte Campbell Fund	general grantmaking in Edinburgh and East Lothian, Lanarkshire, and the Scottish Borders	290	3	[1]	[10]	[12]	270

Endowment Fund	Purpose – to provide income for grant making funds which support	Balance brought forward £000	Income £000	Expense £000	Gains / [Losses] £000	Transfers £000	Balance carried forward £000
Glebefoot Charitable Trust	community groups - Scotland-wide, NE of Scotland in particular	681	8	[2]	[24]	[27]	636
Glenkerie Community	general charitable activity and development - Glenkerie area of the Scottish Borders	184	2	[1]	[7]	[1]	177
Gordon Brown Memorial Fund	families affected by cancer and the development of youth sport particularly rugby	267	3	[1]	[10]	[11]	248
Irene Sproule	the Church of Scotland congregation at Coldstream Parish Church	107	1	-	[4]	[4]	100
The Julie and Loren Hufstetler Foundation	general grantmaking activity - UK-wide	199	2	[1]	[7]	[1]	192
Karen Napier Charitable Trust	education - UK-wide and overseas	509	343	-	39	[161]	730
Katrina Rowan Plumb Fund	opportunities for aspiring poets	162	1	[1]	[5]	[2]	155
Kinlochaline Trust	general grantmaking activity - UK and overseas	198	2	[1]	[6]	[9]	184
Kinross-shire Fund	communities, projects & groups - Kinross-shire area	181	2	[1]	[6]	[14]	162
Kuenssberg Family	general grantmaking activity-UK-wide	655	8	[2]	[67]	[7]	587
Leckie Family Trust	general grantmaking activity - Scotland-wide	655	652	[1]	172	[47]	1,431
Leckie Family Trust - IFB	general grantmaking activity - Scotland-wide	198	2	[1]	[7]	[7]	185
Live Well Charitable Fund	alleviate poverty - Edinburgh area	268	3	[1]	[10]	[11]	249
Make Trust	general grantmaking activity - Scotland-wide	515	10	[3]	2	[101]	423
Mary Janet King Trust	general grant-making activity with a focus on music - Scotland-wide	273	2	[1]	[9]	[83]	182
McNab Family Charitable Trust	general grantmaking activity - Scotland-wide	238	3	[1]	[9]	[2]	229
NF Trust	general grantmaking activity - Scotland-wide	1,291	23	-	30	[13]	1,331
Ochil Developments Blackford Community Fund	general charitable activity and development - Blackford area	428	5	[2]	[15]	[3]	413
Old Luce Community Fund	general charitable activity and development – Glenluce, Auchenmalg, and Dunragit areas	115	1	-	[5]	24	135
Paraclete Trust	general grantmaking activity - Scotland-wide	383	5	[1]	[14]	[4]	369
Parish of Stow Community	general grantmaking activity – Parish of Stow	128	2	-	[7]	34	157
Path Trust	general grantmaking activity - UK-wide	144	2	[1]	[5]	[2]	138
Philippians 4:19	general grantmaking activity - Scotland-wide	699	8	[2]	[25]	[6]	674
Prudential Fund	general grantmaking activity - Stirling area.	140	2	-	[5]	[2]	135
Robert & Edith McMillan Edinburgh Music School Trust	Edinburgh Music School activities at Broughton High School	194	2	[1]	[7]	[4]	184
Russell Trust	general grantmaking activity - UK and overseas	311	8	-	6	[4]	321
Sanday Community Future	community projects – on the Island of Sanday, Orkney	113	1	-	[4]	[1]	109
The Snowdrop Trust	general grantmaking activity-UK-wide	303	16	[1]	[11]	[12]	295
Sutherland Page Trust	general educational projects - Scotland-wide	2,779	32	[9]	[99]	[111]	2,592
Urras Oighreachd Ghabhsainn [UOG] Community	general grantmaking activities - within the community of the Galston Estate	198	2	[1]	[7]	[1]	191
Victoria League in Scotland [VLS] Trust	education activity - Scotland-wide	106	1	-	[4]	[15]	88

Endowment Fund	Purpose – to provide income for grant making funds which support	Balance brought forward £000	Income £000	Expense £000	Gains / [Losses] £000	Transfers £000	Balance carried forward £000
Viewforth Trust	general grantmaking activity-UK-wide	1,013	12	[3]	[36]	[41]	945
Ward Family Trust	general grantmaking activity - UK and overseas	575	7	[2]	[14]	[39]	527
William Grant Piping Trust	music activity - Scotland-wide	629	7	[2]	[22]	[28]	584
William Hunter Trust	relief of poverty with a priority - Edinburgh and the Lothians	603	7	[2]	[21]	[26]	561
Women's Fund WFS	projects which benefit women - Scotland-wide	229	3	[1]	[8]	[2]	221
		41,302	2,016	[85]	[384]	[8,265]	34,584
Other Endowments funds with less than £100k		2,867	66	[13]	[106]	[30]	2,784
Total Endowment Funds		44,169	2,082	[98]	[490]	[8,295]	37,368
Year ended 2024		41,073	2,201	[96]	4,002	[3,011]	44,169

18. Restricted Funds

Restricted Fund	Purpose – to support	Balance brought forward £000	Income £000	Expense £000	Transfer £000	Balance carried forward £000
Annandale and Nithsdale Community Benefit Company	activities that support the rural regeneration and sustainability – 42 council areas	116	446	[469]	-	93
Baillie Gifford Giving	charities individuals and groups - UK-wide	74	6,539	[5,946]	[56]	611
Ballantrae Community Fund	community projects – Ballantrae	107	61	[116]	[10]	42
Clyde (Dumfries & Galloway) community Benefit Fund	community projects - Carronbridge, Closeburn, Durisdeer, Johnstone, Kirkconnel & Kelloholm, Kirkmichael, Kirkpatrick Juxta, Moffat, Royal Burgh of Sanquhar, Thornhill, Wamphray, Wanlockhead	105	[1]	[9]	20	115
Douglas West Wind Farm Community Benefit Fund	community projects – int ecommunity council area of Coalburn and Douglas (inc Glespin and surro	179	133	[237]	-	75
East Neuk of Fife	thriving communities in the East Neuk of Fife	209	-	-	-	209
EDF Burnfoot Hill Community Fund	charitable activities in the communities of Alva, Dollar, Tillicoultry, Blackford, Glendevon and Braco & Greenloaning that	156	-	[119]	114	151
EDF Renewables Dorenell Wind Farm Community Fund (Dufftown & District)	Community projects – Dufftown & District	65	4	[69]	120	120
EDF Renewables Dorenell Wind Farm Community Benefit Fund (Glenlivet & Inveravon)	community projects – Glenlivet & Inveravon	262	9	[174]	120	217
EDF Renewables Dorenell Wind Farm Community Benefit Fund (Glenrinnnes)	community projects – Glenrinnnes	432	14	[76]	120	490

Restricted Fund	Purpose – to support	Balance brought forward £000	Income £000	Expense £000	Transfer £000	Balance carried forward £000
EDF Renewables Dorenell Wind Farm Community Benefit Fund (The Cabrach)	community projects – The Cabrach	207	9	[7]	120	329
EDF Renewables Longpark Wind Farm Community Benefit Fund	charitable activities benefiting residents within the Parish of Stow	107	81	-	[35]	153
Edinburgh Regenerative Futures Fund	community projects - Edinburgh	-	338	-	110	448
FERN Beinneun Community Fund	community projects – Fort Augustus and Glenmoriston and Glengarry	-	1,740	[476]	-	1,264
FS Project Support Fund	general grantmaking activity - Scotland-wide	-	447	-	-	447
FS Tackling Inequalities Fund	reducing inequalities in communities	85	50	[586]	600	149
GG Trust	charities individuals and groups - UK-wide	339	-	[6,656]	6,594	277
Great Glen Energy Co-op	the advancement of environmental protection or improvement across the Great Glen area	124	-	[36]	-	88
Hadyard Hill Community Fund [Barr]	charitable activities that support the rural regeneration and sustainability of Barr.	119	[7]	[15]	59	156
Haventus Ardersier Port Community Fund	community projects - Highland	-	150	[48]	-	102
KJ Fund	general grantmaking activity - Scotland-wide	78	-	[5]	100	173
Kilgallioch Wind Farm Community Benefit Fund [Main]	community projects – in listed community council areas in South Ayrshire and Dumfries & Galloway	[100]	854	[596]	[23]	135
Nadara Assel Valley Wind Farm Community Fund (Pinwherry)	community projects – Pinwherry & Pinmore	163	41	[67]	-	137
Nadara Valley Wind Farm Community Fund (Barr)	community projects – Barr	138	41	[15]	-	164
Nadara Auchrobert Wind Farm Community Benefit Fund	community projects or services/activities for specific groups that benefit Blackwood and Kirkmuirhill and Boghead.	150	67	[171]	-	46
Nadara A'Chruach Community Fund	Community projects - West Loch Fyne, Dunadd, Lochgilphead	291	209	[447]	2	55
Nadara Galawhistle Wind Farm Community Fund	Community projects – Coalburn and Douglas& Glespin Community Council areas	472	170	[192]	-	450
Nadara Glenkerie Wind Farm Community Fund	community projects – Tweedsmuir, Broughton, Drumelzier, Coulter, Biggar, Symington, Robertson, Lamington and Skirling	124	115	[165]	[2]	72
Nadara Gordonstown Community Fund [Auchterless, Inverkeithny & Fisherford]	community projects - Auchterless, Inverkeithny, Fisherford	217	-	[75]	32	174
Nadara Halkirk District Benefit Fund	community projects – Halkirk District Community Council	-	599	[137]	-	462
Logie Trust	charities individuals and groups - Scotland-wide	107	-	[6]	-	101
Miller Mathieson	general grantmaking activity - UK-wide	105	-	[50]	-	55
Minnygap Community Benefit Fund	community projects – Johnstone, templand and Kirkpatrick Juxta	318	62	[91]	-	289
NF Trust	general grantmaking activity - Scotland-wide	270	-	[12]	-	258

Restricted Fund	Purpose – to support	Balance brought forward £000	Income £000	Expense £000	Transfer £000	Balance carried forward £000
Old Luce Community Fund [Scottish Power Renewables Kilgallioch]	community projects –Old Luce Community Council area	443	236	[339]	[10]	330
R25 Fund	the promotion and advancement of employment and enterprise, particularly social enterprises in Scotland	906	[23]	[400]	-	483
River Avich Hydro Community Benefit Fund	charitable activity that delivers on Dalavich Improvement Group's business plan	102	-	[127]	76	51
RWE Bad a Cheo Wind Farm Community Fund [Watten]	charities and groups - in the Watten Community Fund area	161	5	[42]	41	165
RWE Camster Community Fund [Tannach & District]	charities and groups - in the Camster Community Fund area	133	-	[69]	73	137
RWE Camster Community Fund [Watten]	charities individuals and groups - three community council areas	192	-	[179]	73	86
Social Investment Fund	social enterprise projects – Scotland-wide	6,423	325	[413]	4,719	11,054
South Kyle Wind Farm Community Benefit Fund	the wellbeing and sustainability of the communities of Carsphairn, Dalmellington, New Cumnock and Patna by supporting charitable activities	1,870	-	[1,401]	[250]	219
Stroupster Wind Farm Community Benefit Fund	community projects - Dunnet and Canisbay	262	225	[111]	[182]	194
The Fairlead Fund	general grantmaking activity - Scotland-wide	-	330	-	-	330
The Ross Girls Trust	general grantmaking activity – UK-wide	178	-	[21]	-	157
The Volant Charitable Trust Fund	women, children and young people at risk and facing social deprivation – Scotland-wide	407	736	[1,119]	-	24
Torrance Farm Wind Park Community Fund [HEG]	community projects - Harthill, Eastfield & Greenrigg	186	-	[5]	37	218
TP Fund	general grantmaking activity – UK-wide	755	-	[140]	-	615
Vattenfall Clashindarroch Wind Farm Community Fund	community projects - Huntly, Strathbogie, Tap O'Noth, Cabrach	91	282	[230]	-	143
Vattenfall Unlock our Future Fund	community projects – Aberdeenshire and Aberdeen City	223	188	[216]	[18]	177
Walkingshaw-Hugh Fund	Student support funds – Lochgelly and surrounding areas	8	220	[4]	-	224
Wathegar 2 Wind Farm Community Benefit Fund [Tannach]	community projects – Tannach	148	-	[22]	44	170
Wathegar 2 Wind Farm Community Benefit Fund [Watten]	community projects – Watten	236	-	[88]	56	204
Wathegar Wind Farm Community Fund [Tannach & District]	community projects – Tannach and District	123	4	[20]	46	153
Wathegar Wind Farm Community Fund [Watten]	community projects - Watten	100	3	[18]	18	103
Whiteside Hill Wind Farm Community Fund [Kirkconnel & Kelloholm]	community projects – Kirkconnel & Kelloholm	198	-	[74]	62	186

Restricted Fund	Purpose – to support	Balance brought forward £000	Income £000	Expense £000	Transfer £000	Balance carried forward £000
Windy Rig Wind Farm Community Benefit Fund	communities in the area of benefit defined by the Community Council areas: Carsphairn, St John’s Town of Dalry, Glencairn, Kirkconnel and Kelloholm, New Cumnock, Penpont, Tynron, The Royal Burgh of New Galloway & Kells and The Royal Burgh of Sanquhar and District.	117	159	[219]	[38]	19
		18,285	14,861	[22,325]	12,732	23,549
Other Restricted funds with less than £100k		5,191	9,316	[9,811]	510	5,206
Total Restricted Funds		23,472	24,177	[32,136]	13,242	28,755
Year ended 2024		23,332	20,245	[22,484]	2,379	23,472

19. Unrestricted and Designated Funds

	Balance brought forward £000	Income £000	Expense £000	[Losses]/ Gains £000	Transfer £000	Actuarial Gains/ [losses] £000	Balance carried forward £000
Current Year							
<u>General Funds</u>							
General Fund	1,322	2,514	[3,632]	186	1,313	-	1703
Revaluation Reserve	1,099	-	-	[512]	-	-	587
	<u>2,421</u>	<u>2,514</u>	<u>[3,632]</u>	<u>[326]</u>	<u>1,313</u>	<u>-</u>	<u>2,290</u>
<u>Designated Funds</u>							
Development Philanthropy	2,000	-	-	-	-	-	2,000
Development Social Investment Fund	5,000	-	-	-	[5,000]	-	-
Downstream Responsive	4,000	-	-	-	-	-	4,000
Endowment Building Fund	253	-	-	-	[50]	-	203
Income Generation Fund	9,000	-	-	-	-	-	9,000
IT Developments Fund	1,000	-	-	-	[45]	-	955
Midstream Grassroots Support Fund	5,000	-	-	-	-	-	5,000
Pension Scheme Deficit Fund	885	-	-	-	[885]	-	-
Property Fund	-	-	-	-	1,175	-	1,175
Response Fund	-	-	-	-	12,750	-	12,750
Returns Fund	-	2,676	-	-	[607]	-	2,069
Strategic Plan Implementation Fund	10	-	-	-	[10]	-	-
Strategic Plan Implementation Fund [SMT]	79	-	-	-	[38]	-	41
Upstream Place Community-Led Fund	25,000	-	-	-	[12,750]	-	12,250
Upstream Sector Infrastructure Fund	5,000	-	-	-	[300]	-	4,700
Upstream Thematic Development Fund	10,000	-	-	-	[500]	-	9,500
	<u>67,227</u>	<u>2,676</u>	<u>-</u>	<u>-</u>	<u>[6,260]</u>	<u>-</u>	<u>63,643</u>
As at March 2025	<u>69,648</u>	<u>5,190</u>	<u>[3,632]</u>	<u>[326]</u>	<u>[4,947]</u>	<u>-</u>	<u>65,933</u>
Prior Year							
<u>General Funds</u>							
General Fund	1,878	57,807	[2,307]	166	[56,221]	[1]	1,322
Revaluation Reserve	-	-	-	1,099	-	-	1,099
	<u>1,878</u>	<u>57,807</u>	<u>[2,307]</u>	<u>1,265</u>	<u>[56,221]</u>	<u>[1]</u>	<u>2,421</u>
<u>Designated Funds</u>							
Development Philanthropy Fund	-	-	-	-	2,000	-	2,000
Development Social Investment Fund	-	-	-	-	5,000	-	5,000
Downstream Responsive Fund	-	-	-	-	4,000	-	4,000
Endowment Building Fund	303	-	-	-	[50]	-	253
Income Generation Fund	9,000	-	-	-	-	-	9,000
IT Developments Fund	11	-	-	-	989	-	1,000
Midstream Grassroots Support Fund	-	-	-	-	5,000	-	5,000
Pension Scheme Deficit Fund	885	-	-	-	-	-	885
Strategic Plan Implementation Fund	58	-	-	-	[48]	-	10
Strategic Plan Implementation Fund – [SMT]	117	-	-	-	[38]	-	79
Upstream Place Community-Led Fund	-	-	-	-	25,000	-	25,000
Upstream Sector Infrastructure Fund	-	-	-	-	5,000	-	5,000
Upstream Thematic Development Fund	-	-	-	-	10,000	-	10,000
	<u>10,374</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,853</u>	<u>-</u>	<u>67,227</u>
As at March 2024	<u>12,252</u>	<u>57,807</u>	<u>[2,307]</u>	<u>1,265</u>	<u>632</u>	<u>[1]</u>	<u>69,648</u>

Transfers

Development Social Investment Fund transfers related to the movement of funds into Social Investment for distribution in future years. While this restricted Fund was not in deficit at the year end, the Trustees have a pipeline and commitment in this area which will go beyond the available funds restricted by external donor and so had approved a transfer to prevent a deficit arising on the Fund as expenditure is committed.

Endowment Building Fund transfers represented contributions made during the year to Community Endowment Builder Funds.

IT Developments Fund transfers related to enhancements to the CRM system.

Pension Scheme Deficit Fund transfers related to the settlement of the debt related to the exit from the final salary pension scheme and a transfer into the newly created Property Fund.

Property Fund transfers related to the establishment of a fund to represent the value of the investment property.

Response Fund transfers, from the Upstream Place Community-Led Fund, related to the establishment of a fund to support a suite of emergency programmes undertaken in April and May 2025.

Returns Fund transfers related to the balance required to establish the Property Fund.

Strategic Plan Implementation transfers related to the transfer of the balance to the Strategic Plan - SMT Implementation Fund.

Upstream Sector Infrastructure Fund transfers related to grantmaking support.

Upstream Thematic Development Fund transfers related to grantmaking support.

Designated Funds purposes

Development – Philanthropy – to accelerate the growth of new donors.

Development – Social Investment Fund - to continue to grow models of funding in support of social enterprise and community-owned asset development.

Downstream – Responsive – to support communities in some form of short-term crisis, such as affected by floods or other environmental disasters.

Endowment Building Fund – to support the establishment of new endowment funds.

Income Generation Fund – to provide an income generating invested fund to support core costs.

IT Developments Fund – to ensure FS continually invests in its IT for internal workflow, internal and external communications.

Midstream – Grassroots Support Fund – to ensure a regular flow of small and local community organisation support which may not have an upstream focus, but which is not in crisis response.

Pension Scheme Deficit Fund - to provide a sum equivalent to the buy-out value of the final salary pension scheme.

Property – to represent the value of the Investment Property.

Response Fund - to establish a fund to support a suite of emergency programmes undertaken in April and May 2025.

Returns Fund – to account for bank interest on Designated funds which will be subsequently allocated to projects.

Strategic Plan Implementation Fund - to resource activities in line with the new strategic plan.

Strategic Plan Implementation Fund [SMT] – delegated to the SMT to resource activities in line with the new strategic plan.

Upstream-Place-Community-led Fund - to build community capacity and community-owned assets through seed funding combined with support for community-led planning of funds allocated to specific communities of place, in city, urban and rural areas.

Upstream – Sector Infrastructure Fund - to support specific third sector and charity sector infrastructure organisation development, which in turn helps to build capacity in the local communities they serve.

Upstream – Thematic Development Fund - to improve the lives of people affected within social issue themes, by supporting leaders of thematic work and by funding development of their related programmes.

20. Analysis of net assets between funds

Fund balances at year end are represented by:

	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Tangible fixed assets	1,175	-	-	1,175
Investments	8,674	-	37,368	46,042
Net current assets	56,084	30,864	-	86,948
Creditors due after more than one year	-	[2,109]	-	[2,109]
	<u>65,933</u>	<u>28,755</u>	<u>37,368</u>	<u>132,056</u>

Fund balances at the previous year end were represented by:

	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Tangible fixed assets	1,175	-	-	1,175
Investments	8,824	-	44,169	52,993
Net current assets	59,654	24,574	-	84,228
Creditors due after more than one year	-	[1,102]	-	[1,102]
Provisions	[5]	-	-	[5]
	<u>69,648</u>	<u>23,472</u>	<u>44,169</u>	<u>137,289</u>

21. Operating lessor commitments

	2025 £000	2024 £000
Within 1 year	60	60
In the second to fifth years inclusive	5	65
After 5 years	-	-
	<u>65</u>	<u>125</u>

Operating lessor commitments are in respect of property rental income.

22. Ultimate controlling party and related party transactions

The Trustees control the activities of the Foundation.

UK Community Foundations provides membership services for UK Community Foundations. For these services £14,581 [2024: £14,822] was charged during the period. Leslie Rance was a director of UK Community Foundations during the year. The amount due to UK Community Foundations at the year-end was £nil [2024: £nil].

The following organisations, to which a Foundation Scotland Trustee is related, received grants in 2024-25:

Organisation	Grants paid	FS Trustee/Committee Member	Relationship with Recipient
Macmillan Cancer Support	3,094	Cameron Kinnaird	Trustee Macmillan Glasgow Committee
Macmillan Cancer Relief	1,780	Cameron Kinnaird	Trustee Macmillan Glasgow Committee
Macmillan Cancer Relief East of Scotland	250	Cameron Kinnaird	Trustee Macmillan Glasgow Committee
Edinburgh International Book Festival Limited	2,000	Carlos Miranda	Spouse trustee of Edinburgh International Book Festival
Venture Scotland	3,000	Frances Mullan	Trustee Venture Scotland
YouthBorders	3,000	Frances Mullan	Trustee YouthBorders
Urram SCIO	4,038	James Hilder	Trustee Urram SCIO
University of Stirling	92,900	Jennifer Wallace	Employee University of Stirling
Ulluminate C.I.C.	1,250	Mamta Patel	Director Ulluminate C.I.C.
Edinburgh International Festival Society	692,500	Sarah Whitley	Trustee Edinburgh International Festival Endowment Fund
St Peters Scottish Episcopal Church	31,000	Sarah Whitley	Chair Scottish Episcopal Church Pension Fund
The Abbotsford Trust	3,000	Sarah Whitley	Trustee Abbotsford Trust
David Hume Institute	1,200	Susan Murray	Director David Hume Institute
Leuchie House	5,250	Angus Tulloch	Wife Trustee of Leuchie House
Preston Lodge Learning Foundation	2,000	Angus Tulloch	Trustee
Kilmarnock YMCA Plus SCIO	24,850	John Naylor	President YMCA
YMCA Edinburgh SCIO	50,000	John Naylor	President YMCA
Stranraer YMCA	17,276	John Naylor	President YMCA
Renfrew YMCA SCIO	3,000	John Naylor	President YMCA
Dumfries YMCA Youth and Community	24,245	John Naylor	President YMCA
Broughty Ferry YMCA	4,375	John Naylor	President YMCA
Tain & North Highland YMCA	4,881	John Naylor	President YMCA
Scout Association - 21st Craigalmond (South Queensferry)	1,000	John Naylor	Trustee Craigalmond District Scouts Executive Member
The George Watson's College Endowment Trust	600,000	Stephen Connelly	Chair Watsons Malawi Partnership

The equivalent information for 2023-24 was:

Organisation	Grants paid	FS Trustee/Committee Member	Relationship with Recipient
Scottish Refugee Council	400	Stewart Carruth	Wife works for the Scottish Refugee Council
Edinburgh International Festival Endowment Fund	37,500	Sarah Whitley	Trustee Edinburgh International Festival Endowment Fund
Saint Andrew Boat Club	26,508	Sarah Whitley	Trustee
Didasko Education Company Limited	11,500	Sarah Whitley	Trustee
Leuchie House	5,000	Angus Tulloch	Wife Trustee of Leuchie House
Preston Lodge Learning Foundation	250	Angus Tulloch	Trustee
Macmillan Cancer Relief	1,350	Cameron Kinnaird	Trustee Macmillan Glasgow Committee
Macmillan Cancer Support	12,790	Cameron Kinnaird	Trustee Macmillan Glasgow Committee
Renfrew YMCA SCIO	3,237	John Naylor	President YMCA
YMCA Edinburgh SCIO	5,000	John Naylor	President YMCA
Broughty Ferry YMCA	6,895	John Naylor	President YMCA
Denny & Dunipace YMCA	6,300	John Naylor	President YMCA

None of the Foundation Scotland Trustees listed above were involved in the assessment of grant applications or the decision to approve funding to the organisations to which they are related other than in the case of a donor directed award relating to their own charitable funds held with Foundation Scotland. No balances were outstanding on the grants at the year end.

23. Contingent liabilities

Contingent liabilities relate to grant and loan awards offered during the year where settlement is dependent on the recipient fulfilling various stated terms and conditions, the outcome of which is uncertain. The total of grant contingent liabilities at 31st March was £800,271 [2024: £1,147,310].

The Foundation made a one-off payment of £317k during the year associated with exiting from the Defined Benefit Pension Scheme. A potential additional liability which is dependent on the outcome of an ongoing Court case may arise in respect of the Scheme exit, however no value can be placed on this at the current time.

24. Financial Instruments

	2025 £000	2024 £000
Assets measured at fair value through profit & loss	43,808	51,045

Assets measured at fair value through profit and loss comprise investments.

CERTIFICATE *of* SIGNATURE

REF. NUMBER
BKBPE-9AE2A-Y9DHW-KNWJ3

DOCUMENT COMPLETED BY ALL PARTIES ON
03 JUL 2025 14:27:03 UTC

SIGNER

MAMTA PATEL

EMAIL
MAMTA@ALMASIVISION.COM

TIMESTAMP

SENT
03 JUL 2025 10:44:11 UTC

VIEWED
03 JUL 2025 14:08:26 UTC

SIGNED
03 JUL 2025 14:11:10 UTC

SIGNATURE

Mamta Patel

IP ADDRESS
145.224.65.49

LOCATION
LONDON, UNITED KINGDOM

RECIPIENT VERIFICATION

EMAIL VERIFIED
03 JUL 2025 14:08:26 UTC

KEITH MACPHERSON

EMAIL
KEITH.MACPHERSON@HLCA.CO.UK

SENT
03 JUL 2025 10:44:11 UTC

VIEWED
03 JUL 2025 14:23:35 UTC

SIGNED
03 JUL 2025 14:27:03 UTC

Keith Macpherson

IP ADDRESS
87.246.91.14

LOCATION
DUNDEE, UNITED KINGDOM

RECIPIENT VERIFICATION

EMAIL VERIFIED
03 JUL 2025 14:23:35 UTC

