PERTH AND KINROSS COUNCIL CHARITABLE FUNDS

Financial statements for the year ended 31 March 2026

UNAUDITED

PERTH AND KINROSS COUNCIL CHARITABLE FUNDS

Financial statements for the year ended 31 March 2026

Contents	**Page**

PERTH AND KINROSS COUNCIL CHARITABLE FUNDS

TRUSTEES' ANNUAL REPORT

For the Year ended 31 March 2026

Reference and administrative information

Introduction

Perth and Kinross Council ("the Council") acts as administrator several trusts and funds that have charitable status and are registered with the Office of the Scottish Charity Regulator (OSCR), as detailed in Note 14.

The Council administers these funds, but their assets are not available to the Council and have not been included in the Council's own balance sheet.

The ex officio Trustees of the Perth and Kinross Council Charitable Funds are the Convenor and Vice Convenors of the Finance and Resources Committee, the leader of the largest Opposition Group, and the Chief Finance Officer. The Senior Manager for Archives, Local and Family History was employed by Culture Perth and Kinross before transferring to Perth & Kinross Council on 1 September 2026, and is an additional Trustee for the Fothergill Bequest only.

Charity trustees:	Councillor S Donaldson Councillor E Drysdale Councillor J Duff S Walker (Chief Finance Officer, Perth and Kinross Council) I MacKinnon (Perth and Kinross Council)
Registered office:	2 High Street Perth PH1 5PH
Investment manager:	Brooks Macdonald Hobart House 80 Hanover Street Edinburgh EH2 1EL
Auditor:	Audit Scotland 4th Floor, 102 West Port, Edinburgh EH3 9DN

PERTH AND KINROSS COUNCIL CHARITABLE FUNDS

TRUSTEES' ANNUAL REPORT
For the Year ended 31 March 2026

Structure, governance and management

The trusts and funds that the Council administers are constituted in a variety of different ways. Full details of how each trust and fund was originally established are, where known, available from the Council.

These trusts and funds are managed by a Committee comprising the charity trustees listed on page 1, who served throughout the period covered by these financial statements, with the exception of Councillor Drysdale who replaced Councillor Laing on 22 September 2025. The Trustees meet and communicate electronically on a regular basis to discuss how the funds should be expended (by reviewing applications for funding) and to review the financial position of each charity.

These accounts are prepared under the connected charities provision which allows for registered charities which have a common or related purpose, or have a common controlling body or administration, to prepare a single set of accounts.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 of the Charities Statement of Recommended Practice
- make judgments and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable funds and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of each charity’s constitution. They are also responsible for safeguarding the assets of the charities and trusts and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Objectives and activities

The majority of the funds are held within the Welfare Trust (SC040516) for the purpose of the prevention or relief of poverty and the relief of those in need by reason of ill health, disability, financial hardship or other disadvantage. A full listing of the other funds administered by the Council on behalf of the charity trustees is shown in Note 14 and the purpose of each trust is provided on the Office of the Scottish Charity Regulator (OSCR) website.

Risk management

The Management Committee has implemented systems and procedures to identify and mitigate the major risks that the charities and trusts face and to ensure a consistent quality of delivery for all operational aspects of the charitable funds.

Risk management (continued)

The main risk identified is the value of the investment portfolio, as this provides the main source of income for the Funds as well as preserving the capital balances on the Funds. This risk is managed by maintaining a diversified portfolio for long term growth and balances approach to risk, with regular updates and reviews undertaken by the fund manager.

Achievements and performance

The reorganisation of the Perth and Kinross Council Charitable Funds continued during 2025/26 and J&H Mitchell WS assisted with the review of several small Trusts. One further small Trust, which was approved in 2024/25, was transferred to the Welfare Trust at the start of the year (£8,570).

Detailed below is a summary of the charitable activities expenditure undertaken by the Perth and Kinross Charitable Funds during Financial Year 2025/26.

- Grants paid from the Welfare Trust - £26,370 to support 112 residents/families who were in financial need with dependent children and/or disabilities. The value of financial assistance payments ranged from £50 to £500 with an average grant award of £250. In comparison, £111,340 was awarded to 458 residents/families in 2024/25, with an average grant award of £235.
- The Fothergill Bequest paid £35,476 on cataloguing various collections by the Archivist Service, and on volunteer engagement and activities.

Financial review

There is no explicit reserves policy for Perth and Kinross Council Charitable Funds (the Charitable Funds), however as a general principle the "Capital" of the funds is held as a permanent endowment with only the annual income from investments available for disbursement in the year. The exception to this relates to the Kinnoull Hill Endowment Fund, the St. Magdalene’s Hill Endowment Fund, the Clow Bequest and the Den O’Alyth Fund; whereby the Trust Deeds for these Funds were updated in 2024 and these Funds have since been included in the Balance Sheet as Restricted Income Funds.

The main funding source for the Charitable Funds is income from the investments managed by an investment manager. In addition, one trust receives income from the rental of shop premises it owns in Perth. Interest is received by all the individual Charitable Funds on their revenue balances, which are within the Perth and Kinross Council Loans Fund.

The majority of funds are presently treated as endowment funds due to custom and practice over a long period of time and to ensure the long term sustainability of the funds. However, the Perth and Kinross Welfare Trust does provide the Trustees with powers to access capital balances if required, although the Trust continues to be managed on an endowment fund basis. The exceptions to this are the Kinnoull Hill Endowment Fund, the St. Magdalene’s Hill Endowment Fund, the Clow Bequest and the Den O’Alyth Fund, which are treated as Restricted Funds.

The contract for the management of the investment portfolio was renewed and awarded to Brooks Macdonald for a further three years with effect from 1 November 2023. The contract includes the option to extend the arrangement for a further twelve months from 1 November 2026.

Financial review (continued)

The fund managed by the investment manager is invested for total return through a diversified portfolio of UK and overseas equities and bonds. The portfolio is managed as medium risk with a focus on income to achieve the required return.

This approach is appropriate for seeking a return in excess of inflation over the long term and the Trustees are willing to take some capital risk to achieve objectives. Portfolios are well diversified but may contain a high allocation to a single asset class, such as equities. The investment manager provides the Trustees with quarterly updates on the performance of the portfolio; and provides an annual report at a meeting of the Trustees during the year.

In addition, the investment manager conducts an annual review to ensure that the investment mandate remains suitable and in line with the longer-term objectives of the Trustees. The investment manager completed a portfolio suitability assessment at the meeting of the Trustees on 21 January 2026 and there was no change to the investment objectives and risk profile.

For 2025/26, the investment portfolio reflected a revaluation gain as at 31 March 2026 of £167,310 (gain of £6,878 in 2024/25). Investment Income increased by around 12%, whilst expenditure on Charitable Activities reduced by 45%. Consequently, the overall fund balances increased by 7.7%.

Strategic plans

The strategic plans to date have predominantly focussed upon the reorganisation of the trusts to make best use of the funds and further the charitable activities of Perth and Kinross Welfare Trust. As noted above, the reorganisation process, which includes the update of Trust deeds to ensure the effective use of the various funds, will continue during Financial Year 2026/27. Sarah Brown WS is engaged to pursue this task on behalf of the Trustees, and the Trust Deed for Fraser Mortification is in course of being updated. This work remains ongoing.

The administration of grants continues to be managed by the Welfare Rights Team within the Council, and this has provided opportunity to award funding to individuals and families most in need of financial assistance. Ad hoc requests for funding from charitable bodies operating within the Council area will be considered by the Trustees, subject to the available funding. Given the increased fund balances, particularly on the Welfare Trust following the re-organisation of smaller Trusts, it is anticipated that expenditure on charitable activities will increase in 2026/27

The longer-term consequences arising from ongoing world-wide events are continuously changing and remain uncertain, however it is anticipated that the income generated from the investment portfolio will remain largely in line with 2025/26. It is also anticipated that the beneficiaries of the Fund during Financial Year 2026/27 will continue to be predominantly the clients of the Welfare Rights Team. Smaller projects are also expected to be progressed with funding approved from some of the other Charitable Trust Funds held.

Scott Walker CPFA
Trustee
Signed by one on behalf of all charity trustees
Date: 29 June 2026

Independent auditor's report to the trustees of Perth and Kinross Council Charitable Funds and the Accounts Commission

Independent auditor's report to the trustees of Perth and Kinross Council Charitable Funds and the Accounts Commission

Independent auditor's report to the trustees of Perth and Kinross Council Charitable Funds and the Accounts Commission

PERTH AND KINROSS COUNCIL CHARITABLE FUNDS

Statement of Financial Activities for the year ending 31 March 2026

	Notes	Restricted Funds £	Endowment Funds £	Total Funds £	Prior Period Total Funds 2025 £
Income and endowments from:					
Donations and Legacies	3	0	0	**0**	181,022
Investments	4	1,685	101,485	**103,169**	92,221
Total Income		1,685	101,485	**103,169**	273,243
Expenditure:					
Expenditure on raising funds					
Investment management costs		224	12,253	**12,477**	11,875
Expenditure on charitable activities					
Charitable activities	5	3	61,843	**61,846**	112,973
Governance and support costs	6	189	10,336	**10,525**	9,826
Other expenditure					
Reorganisations to external charities		0	0	**0**	0
Total Expenditure		416	84,432	**84,848**	134,674
Net gains on investments	7	3,005	164,304	**167,610**	6,878
Net income/(expenditure)		4,274	181,357	**185,631**	145,447
Transfers to/(from) Funds	3	0	8,570	**8,570**	(1)
Gain on Revaluation of Fixed Assets	8	0	4,400	**4,400**	0
Net Movement in Funds		4,274	194,326	**198,601**	145,446
Reconciliation of funds:					
Total funds brought forward	12	46,518	2,534,638	**2,581,156**	2,435,710
Total funds carried forward	12	50,792	2,728,964	**2,779,757**	2,581,156

PERTH AND KINROSS COUNCIL CHARITABLE FUNDS

Balance Sheet as at 31 March 2026

	Notes	Total Funds 31 March 2026 £	Prior year funds 31 March 2025 £
Fixed assets:			
Investments	7 & 8	**2,430,618**	2,260,635
Total fixed assets		**2,430,618**	2,260,635
Current assets:			
Debtors	9	**0**	5,249
Cash at bank and in hand	10	**366,834**	323,368
Total current assets		**366,834**	328,617
Liabilities:			
Creditors: Amounts falling due within one year	11	**17,695**	8,096
Total current liabilities		**17,695**	8,096
Net current assets		**349,139**	320,521
Total assets less current liabilities		**2,779,757**	2,581,156
Total net assets		**2,779,757**	2,581,156
The funds of the charity:	12		
Endowment funds		**2,724,564**	2,534,640
Revaluation Reserve (Fraser Mortification)		**4,400**	0
Restricted income funds		**50,793**	46,516
Total charity funds		**2,779,757**	2,581,156

The unaudited accounts were issued on 29 June 2026.

Scott Walker CPFA
Trustee
Date: 29 June 2026

PERTH AND KINROSS COUNCIL CHARITABLE FUNDS

Statement of Cash Flows for year ending 31 March 2026

	Total Funds 31 March 2026 £	Prior year funds 31 March 2025 £
Cash flows from operating activities:		
Net cash used in operating activities	**(59,703)**	56,786
	(59,703)	56,786
Cash flows from investing activities		
Dividends, interest and rents from investments	**103,169**	92,221
Net cash provided by/(used in) investing activities	**103,169**	92,221
Change in cash and cash equivalents in the reporting period	**43,466**	149,007
Cash and cash equivalents at the beginning of the reporting period	**323,368**	174,361
Cash and cash equivalents at the end of the reporting period	**366,834**	323,368

Reconciliation of net expenditure to net cash flow used in operating activities:-

	Total Funds 31 March 2026 £	Prior year funds 31 March 2025 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	**185,631**	145,447
Adjustments for:-		
Gains on investments	**(167,310)**	(6,878)
Transfer of Funds from non-charitable Trust	**8,570**	0
Management Fees	**0**	11,875
Dividends, interest and rents from investments	**(103,169)**	(92,222)
Prior year reconciling adjustment	**1,727**	0
Increase in debtors	**5,249**	(1,586)
Increase/(decrease) in creditors	**9,599**	150
Net cash used in operating activities	**(59,703)**	56,786

Analysis of cash and cash equivalents:-

	Total Funds 31 March 2026 £	Prior year funds 31 March 2025 £
Cash in hand	**366,834**	323,368

PERTH AND KINROSS COUNCIL CHARITABLE FUNDS

Notes forming part of the financial statements for the year ended 31 March 2026

1 Basis of preparation

These financial statements are prepared under the historical cost convention as modified by the inclusion of investments at market value and in accordance with the Charities Accounts (Scotland) Regulations 2006 (as amended) and the principles of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), commonly referred to as the Charities SORP.

In line with Regulation 7 of the 2006 Regulations, these financial statements have been prepared on the basis that the Trust funds for which the Trustees act are connected charities. As such, the accounts of the individual charities have been prepared on a collective basis. These financial statements contain all the relevant information that the individual charity accounts would have contained if they had been prepared on an individual basis.

2 Principal accounting policies

(a) Incoming resources

Investment income is accounted for in the period in which the receipt due to the charitable trusts is probable and the amount can be measured reliably.

(b) Resources expended

Expenditure and liabilities are recognised as soon as there is a legal or constructive obligation committing the charitable funds to pay out resources.

Costs of raising funds comprise those costs directly attributable to managing the investment portfolio and raising the investment income.

(c) Investments

Investments are included at market value at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

(d) Investment Property

Investment property is measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. Investment properties are not depreciated and are instead revalued annually according to market conditions at that time. Any increase in the valuation of the property is included within a Revaluation Reserve.

(e) Cash at bank and in hand

Cash at bank and in hand is held to meet short-term cash commitments as they fall due rather than for investment purposes. Perth and Kinross Council manages the funds on behalf of the trusts; the deposits are therefore held within the Council's Loans Fund and the trusts do not hold separate bank accounts.

Notes (continued)

3 Donations and Legacies

	2026	2025
	£	£
Fothergill - Bequest	**0**	93,531
Welfare Trust - Non-Charitable Trust Reorganisation	**8,570**	84,991
Welfare Trust - Donation	**0**	2,500
	8,570	181,022

As part of the historic Trust funds re-organisation, £8,570 which was approved in 2024/25, was transferred to the Welfare Trust from the Non-Charitable Funds on 1 April 2025.

4 Investment Income

	2026	2025
	£	£
Rental Income	**9,385**	9,280
Dividends on listed investments and interest on balances	**93,784**	82,941
	103,169	92,221

5 Charitable activities

Information on the £61,846 (2024/25 £112,973) expenditure on charitable activities, including grants awarded to claimants, is included in the Trustees' Annual Report on page 3 under "Achievements and performance".

6 Governance and Support costs

No trustee received any remuneration or expenses during either of the two years ending 31 March 2026. There are no employees of the Perth and Kinross Council Charitable Funds.

	2026	2025
	£	£
Audit Fees	**6,662**	6,550
Legal Fees	**1,431**	813
Finance & Admin Support Costs	**2,432**	2,463
	10,525	**9,826**

7 Investments

	2026	2025
	£	£
Market value at beginning of year	**2,180,635**	2,185,632
Management Fees	**(9,467)**	(11,875)
Income Received held in Fund	**7,740**	0
Net gain on acquisitions, disposals and revaluation	**167,310**	6,878
Market value at end of year	**2,346,218**	2,180,635

Notes (continued)

Analysis of investments at market value:

	2026	2025
	£	£
Overseas Equities	**481,020**	534,256
UK Equities	**460,645**	446,867
International Bonds	**462,987**	366,139
GBP Bonds	**398,744**	307,149
Structured Return	**163,660**	175,725
Hedge Funds	**107,433**	172,648
Overseas Bonds	**101,069**	101,362
UK Commercial Property	**128,917**	55,580
Cash Funds	**41,743**	20,909
	2,346,218	2,180,635

8 Investment Properties

The Fraser Mortification Trust owns a property at 17 High Street, Perth. This was revalued by JLL Surveyors on an open market basis as at 1 August 2025.

	2026	2025
	£	£
Balance at start of year	**80,000**	80,000
Net gain from fair value revaluation	**4,400**	0
Balance at end of year	**84,400**	80,000

9 Debtors: amounts falling due within one year

	2026	2025
	£	£
Investment Manager – income due	**0**	5,249
	0	5,249

Income due in 2025/26 of £7,740 was held within the cash balance of the investment fund as at 31 March 2026, and has been accrued to the Statement of Financial Activities in 2025/26.

10 Related Parties

Perth and Kinross Council manage funds on behalf of the charities and trusts. The charitable and other trusts do not have separate bank accounts and the revenue balance is held within the Council's Loans Fund. The balance held at 31 March is noted within the Balance Sheet as 'Cash at bank and in hand' as the funds are held to meet short term cash commitments as they fall due.

The balance held on deposit with Perth and Kinross Council was £366,834 at 31 March 2026 (2024/25 £323,368).

There is a Finance & Administration recharge in respect of the time incurred by Council staff supporting the charitable trusts of £2,432 (2024/25 £2,463).

Notes (continued)

11 Creditors: amounts falling due within one year

	2026	2025
	£	£
Audit Fee	**13,034**	6,550
Brooks Macdonald	**3,114**	0
Rents received in advance	**1,547**	1,546
	17,695	8,096

12 Funds of the charity

	2026	2025
	£	£
Charitable trusts	**2,724,564**	2,534,640
Revaluation Reserve (Fraser Mortification)	**4,400**	0
Restricted income funds:		
Kinnoull Hill Endowment Fund	**22,037**	20,182
St Magdalene's Hill Endowment Fund	**11,061**	10,129
Clow Bequest	**7,756**	7,104
Den O' Alyth Fund	**9,939**	9,101
	2,779,757	2,581,156

The Revaluation Reserve arose on the revaluation of the Fraser Mortification Trust's property in the year. The property was initially shown within Fixed Assets at its historic cost, with the subsequent increases in its unrealised valuation shown in the Revaluation Reserve. The reserve forms part of the unrestricted Charitable Funds but is not available for distribution.

The majority of funds are presently treated as endowment funds due to custom and practice over a long period of time and to ensure the long-term sustainability of the funds. The Trust Deeds for the Clow Bequest and the Den O' Alyth Fund were updated in 2024/25 and these funds are treated as Restricted due to the specific trust purposes, along with the Kinnoull Hill Endowment Fund and the St Magdalene's Hill Endowment Fund.

13 Post Balance Sheet Events

There were no adjusting events after the balance sheet date.

Notes (continued)

14 Analysis of charitable funds

As detailed below there is one trust where there is no governance documentation, however there are details of the original purpose and this information is also held by OSCR.

Detailed information for individual charities: summary of movements on funds during the year:-

Name of fund	Charity number	Governance Documentation	Funds brought forward at 01/04/2025 £	Transfer In/(Out) £	Income in year £	Expenditure in year £	Gain/(loss) on investment £	Funds carried forward at 31/03/2026 £
Welfare Fund	SC040516	Yes	1,518,925	8,570	55,316	(39,886)	98,685	1,641,610
Fraser Mortification	SC017114	No	246,484	0	18,311	(2,201)	20,324	282,918
Kinnoull Hill Endowment Fund	SC019650	Yes	20,182	0	731	(180)	1,304	22,037
St Magdalene's Hill Endowment Fund	SC009422	Yes	10,129	0	367	(89)	654	11,061
Perth and Kinross Charitable Funds	SC025085	See below	16,205	0	587	(144)	1,047	17,695
Fothergill Bequest	SC051007	Yes	769,231	0	27,857	(42,348)	49,696	804,436
			2,581,156	**8,570**	**103,169**	**(84,848)**	**171,710**	**2,779,757**

The Trustees' Annual Report refers to the ongoing reorganisation of the Charitable Funds to further the charitable activities of the trusts. The reorganisation process involves the transfer of historic trust balances administered by the Council to the Perth & Kinross Council Welfare Trust or to external charitable bodies. The Trust balance at 1 April is used in the transfer of funds, and further movement arising from fluctuations in the market value of the investment portfolio between 1 April and the date of transfer are not taken into account.

Since the previously reported balance at 31 March 2025, there was one Trust where no original trust deed could be found following extensive searches. This resulted in the balance of £8,570 previously held within the inactive Public Trusts being transferred to the Welfare Trust during the year.

Name of fund	Charity number	Governance Documentation	Funds brought forward at 01/04/2025 £	Transfer In/(Out) £	Income in year £	Expenditure in year £	Gain/(loss) on investment £	Funds carried forward at 31/03/2026 £
Public Trusts included in Perth and Kinross Charitable Funds:	**SC025085**							
Clow Bequest	Public Trust	Yes	7,104	0	257	(63)	459	7,757
Den O' Alyth Fund	Public Trust	No	9,101	0	330	(81)	588	9,938
			16,205	**0**	**587**	**(144)**	**1,047**	**17,695**