

The Andrew Grant Bequest

Trustee's Report and Financial Statements

Year ended 31 July 2022

Registered Charity Number SC001097

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Reference and administrative information

Charity name: The Andrew Grant Bequest
Charity number: SC001097

The University Court of the University of Edinburgh is the single corporate Trustee of The Andrew Grant Bequest (the "Trustee"). Members of the University Court of the University of Edinburgh at the date of signing the financial statements are given below:

| | |
|--------------------|--|
| Janet Legrand | Fiona Mackay (resigned 31 December 2021) |
| Peter Mathieson | Frank Ross (resigned 30 April 2022) |
| Debora Kayembe | Ellen Macrae (resigned 12 June 2022) |
| Alastair Dunlop | Réka Siró (resigned 12 June 2022) |
| Douglas Alexander | Claire Phillips (resigned 30 June 2022) |
| Jock Millican | Sarah Cooper (resigned 31 July 2022) |
| Sarah Wolffe | David Law (resigned 9 September 2022) |
| Frank Armstrong | Tobias Kelly (from 1 June 2022) |
| Perdita Fraser | Niamh Roberts (from 13 June 2022) |
| Ruth Girardet | Isi Williams (from 13 June 2022) |
| Hugh Mitchell | Robert Aldridge (from 30 June 2022) |
| Alistair T H Smith | Douglas Millican (from 1 August 2022) |
| Joyce Anderson | Shereen Benjamin (from 1 August 2022) |
| Sarah McAllister | Richard Blythe (from 1 August 2022) |
| Kathryn Nash | |

Principal office: The University of Edinburgh, Old College, South Bridge,
Edinburgh, EH8 9YL

Bankers: The Royal Bank of Scotland plc, 36 St Andrew Square
Edinburgh, EH2 2AD

Solicitors: Lindsays WS, Caledonian Exchange, 19A Canning Street,
Edinburgh, EH3 8HE

Independent Auditors: PricewaterhouseCoopers LLP, 144 Morrison Street, Edinburgh, EH3 8EB

Investment advisors: Mercer, Quartermile One, 15 Lauriston Place, Edinburgh, EH3 9EP – as adviser to the University Investment Committee for the University of Edinburgh Endowment Fund.

Trustee's report

The corporate Trustee presents the Trustee's Report and audited Financial Statements for the year ended 31 July 2022. With the merger of the Edinburgh College of Art with the University of Edinburgh on 1 August 2011, under the Edinburgh College of Art (Transfer) (Scotland) Order 2011 Scottish Statutory Instrument No 42 (the "2011 Order"), the University Court of the University of Edinburgh became the single corporate Trustee of The Andrew Grant Bequest and is referred to in this Trustee's report as "the Trustee".

The Financial Statements have been prepared in accordance with the accounting policies set out in note 1 and comply with the 2011 Order, the Edinburgh College of Art (Scotland) Order of Council 1995 (the "1995 Order"), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities SORP (FRS 102): Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015).

Structure, governance and management

The Andrew Grant Bequest does not actively fundraise and seeks to continue the charitable work desired by Andrew Grant through the careful stewardship of its existing resources. The Andrew Grant Bequest is a lasting testimony to the generosity of Andrew Grant and his wish to contribute to the support of students now studying at the Edinburgh College of Art within the University of Edinburgh. The on-going aim and objective of The Andrew Grant Bequest is to ensure sufficient interest is generated from the trust to support scholarships and awards for students studying at the Edinburgh College of Art within the University of Edinburgh. The corporate Trustee seeks to achieve the objectives of The Andrew Grant Bequest as set out above and will continue to do so during 2022-2023.

The University Court of the University of Edinburgh is the single corporate Trustee of The Andrew Grant Bequest. The University Court of the University of Edinburgh (the "Court ") is constituted by the Universities (Scotland) Acts 1858 to 1966 and secondary or subordinate legislation and in particular Edinburgh Ordinances No 201 and 211.

The corporate Trustee met on two occasions during 2021-22. The Senior Lay Member of the University Court of the University of Edinburgh, Janet Legrand, was the chairperson of the corporate Trustee, chaired meetings of the corporate Trustee and was responsible for the conduct of meetings and governance arrangements. Janet Legrand was elected Senior Lay Member of the University Court from 1 August 2020, in accordance with the Higher Education Governance (Scotland) Act 2016.

Members of Court acting in the capacity of corporate Trustee of The Andrew Grant Bequest gave freely of their time and no remuneration was paid in the year. Members of Court are required to disclose all relevant interests and these are maintained in a Register of Interests which is publicly available on the University of Edinburgh's web site at: [RegisterofInterests.pdf \(ed.ac.uk\)](#).

System of Internal Control

The corporate Trustee is responsible for the system of internal control and for ensuring that such a system is designed to manage rather than eliminate risks and provide reasonable and not absolute assurance against material misstatement or loss. It relies on the University of Edinburgh's internal control environment, policies, procedural and system controls to discharge this responsibility under delegated arrangements. During 2021-2022 the Audit and Risk Committee of the University of Edinburgh received regular reports from internal audit prepared on a risk basis which include recommendations for improvement.

Trustee's report (continued)

By its 5 December 2022 meeting, the corporate Trustee had received the University of Edinburgh's Audit and Risk Committee report for the year ended 31 July 2022 on The Andrew Grant Bequest and is satisfied that adequate controls were in place for the year ending 31 July 2022.

In reaching this view, the corporate Trustee was informed by the following:

- a) the University of Edinburgh's Internal Audit Service's Annual Report to the University of Edinburgh's Audit and Risk Committee on the adequacy and effectiveness of systems of internal control;
- b) the University of Edinburgh's Risk Management Committee's Annual Report to the University of Edinburgh's Audit and Risk Committee regarding its operation;
- c) comments made by the External Auditors of The Andrew Grant Bequest in their Audit Highlights Memorandum; and
- d) review to ensure that awards were made in line with section 8 of the 2011 Order.

Reserves policy

The corporate Trustee normally aims to disburse all income received as student support or awards to deserving students of the Edinburgh College of Art within the University of Edinburgh. All endowments held by the Fund are permanent endowments; the capital must be maintained and only the income received from investing the capital sums may be distributed each year. The corporate Trustee plans to continue this policy during 2022-2023.

Total funds held at 31 July 2022 was £6,208,685 (2021: £6,700,675). This comprised entirely of permanent endowments.

Disclosure of information to auditors

The corporate Trustee confirms that, so far as it is aware, there is no relevant audit information of which the trust's auditors are unaware; and the corporate Trustee has taken all the steps that it ought to have taken as a corporate trustee to make itself aware of any relevant audit information and to establish that the trust's auditors are aware of that information.

Objectives and activities

The Andrew Grant Bequest's objective is the advancement of education of existing and previous students of the Edinburgh College of Art within the University of Edinburgh. These objectives are met through a variety of routes, primarily the provision of scholarships and travel awards, in line with the terms of the original benefaction from Andrew Grant. The corporate Trustee has delegated responsibility for the management and awarding of prizes and scholarships in accordance with section 8 of the 2011 Order to the Edinburgh College of Art, Management Group. The corporate Trustee plans to continue to achieve the above objective and to delegate the management and awarding of prizes to the Edinburgh College of Art, Awards and Bequests Committee during 2022-2023.

Section 8 of the 2011 Order states:

- (1) The endowment created by a codicil dated 12th September 1911 to the trust disposition and settlement dated 24th October 1894 of the late Andrew Grant and known as The Andrew Grant Bequest (in this article referred to as the 'bequest') is to be held and administered by the transferee in accordance with the provisions of this article.

Trustee's report (continued)

(2) The transferee –

(a) must apply not less than four-fifths of the free income of the bequest in each financial year to provide scholarships or bursaries to deserving students of the University on programmes of study within the ECA either during such programme of study or in the way of travelling scholarships or otherwise after such programme of study is finished under such regulations as the transferee shall from time to time appoint: and

(b) may apply the remainder –

- (i) in the meeting of the expenses of organised educational excursions for the benefit of students of the University on programmes of study within the College or the expenses of holding exhibitions of works of art at the University;
- (ii) in providing equipment and facilities for special study at the College;
- (iii) in assisting the provision and development of sports activities at or in connection with the College;
- (iv) in assisting the formation, maintenance and encouragement of clubs, societies, and other organisations conducted for the benefit of students of the University on programmes of study at the College.

(3) Income unused at the end of the financial year may be carried forward to the next financial year or added to the capital of the bequest or both.

In the above Articles the transferor means the Governors of the Edinburgh College of Art and the transferee means the Court of the University of Edinburgh.

Achievements and performance

In May 2015, the Trustee approved changes to the regulations governing the use of The Andrew Grant Bequest funds which enabled some significant improvements in the management and use of income. In particular, emphasis has been placed on a more visible, open and transparent application process which allows The Andrew Grant Bequests funds to be used strategically through closer alignment of The Andrew Grant Bequest scholarships with existing College of Arts, Humanities & Social Sciences award processes. All subject areas within Edinburgh College of Art can now benefit from the Bequest, and themes such as the further development of cross-disciplinarily can be encouraged. The bulk of income is directed at larger, openly advertised, postgraduate scholarships and the updated awards process has bedded in well. However, spend on smaller awards remains important and includes support for innovative final year projects, scholarships to support student research travel, attendance at conferences, etc.

Financial review

As in previous years, a forecast of income for The Andrew Grant Bequest is made and awards allocated up to that limit. The Andrew Grant Bequest's income from investments in the year totalled £148,996 (2021: £122,567). The market value of The Andrew Grant Bequest's investments decreased by £506,991 to £6,309,797 (2021: £6,816,786). This represents a 7.4% decrease on the previous year.

Trustee's report (continued)

The fund benefits from a share of income and investment return arising on units held in the University of Edinburgh Endowment Fund which is under the remit of the University's Investment Committee. This Committee considers the strategic formulation and risk containment of the Fund's investments and has implemented its policy to lower risk by diversifying investment over several fund managers and different asset types.

Impact of COVID-19

The Trustee has considered the future financial impact of Coronavirus on the charity, taking into account the sources of income and additional expenditure, if any. It is their view that as income is due from the parent charity (The University of Edinburgh) the risk of non-payment is considered remote, and the income of the charity will not be impacted. Alongside this the expected expenditure should not see material variation from its current levels. Although the likely full impact is unknown, and at this stage is not possible to quantify, it is not expected to materially impact on the operations or the financial position of the charity.

Plans for the future

The Andrew Grant Bequest is a lasting testimony to the generosity of its donor wishing to support students studying at the Edinburgh College of Art within the University of Edinburgh. The Trustee aims to generate sufficient interest to support scholarships and awards in accordance with the directions of the original benefaction.

Charitable Status

The Andrew Grant Bequest has charitable status (No. SC001097). The corporate Trustee considers that The Andrew Grant Bequest meets the 'Charity Test' set out in Section 7 of the Charities and Trustee Investment (Scotland) Act 2005. It will take such actions as are necessary to ensure continued full compliance with the legislation and retention of its charitable status.

On behalf of the corporate Trustee



Janet Legrand KC (Hon)
Senior Lay Member of the University Court

8 December 2022

Statement of the Corporate Trustee's responsibilities

The Corporate Trustee is responsible for preparing the Trustee's Annual 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 corporate trustee 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 Corporate Trustee is required to:

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

The Corporate Trustee is responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Report on the audit of the financial statements

Opinion

In our opinion, The Andrew Grant Bequest's financial statements (the "financial statements"):

- give a true and fair view of the state of the charity's affairs as at 31st July 2021 and of its incoming resources and application of resources;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of The Charities Accounts (Scotland) Regulations 2006 (as amended).

We have audited the financial statements, included within the Trustee's Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 July 2021; the Statement of Financial Activities for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charity's ability to continue as a going concern.

Our responsibilities and the responsibilities of the trustee with respect to going concern are described in the relevant sections of this report.

Independent auditors' report to the trustee of The Andrew Grant Bequest (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Trustee's Report

Under the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion the information given in the Trustee's Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Responsibilities of the corporate trustee for the financial statements

As explained more fully in the Statement of the Corporate Trustee's responsibilities set out on page 6, the trustee is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustee is also responsible for such internal control as they 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 trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intends to liquidate the charity or cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We are eligible to act and have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee

Independent auditors' report to the trustee of The Andrew Grant Bequest (continued)

Responsibilities for the financial statements and the audit (continued)

that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the charity and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the Charities and Trustee Investment (Scotland) Act 2005, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to manipulation of the result for the year through journal entries. Audit procedures performed by the engagement team included:

- Enquiries of management around known or suspected instances of non-compliance with laws and regulations, claims and litigation, and instances of fraud;
- Understanding management's controls designed to prevent and detect irregularities;
- Review of board minutes; and
- Review of journal entries to identify any unusual or unexpected items.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charity's trustee as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulations made under that Act (regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended)) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the trustee of The Andrew Grant Bequest (continued)

Other required reporting

Charities Accounts (Scotland) regulations 2006 (as amended) exception reporting

Under the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

8 December 2022

Statement of Financial Activities
for the year ending 31 July 2022

| | Note | Unrestricted funds 2022 £ | Endowment funds 2022 £ | Total funds 2022 £ | Unrestricted funds 2021 £ | Endowment funds 2021 £ | Total funds 2021 £ |
|---|------|------------------------------------|---------------------------------|-----------------------------|------------------------------------|---------------------------------|-----------------------------|
| Income and endowments | | | | | | | |
| Donations | 2 | 4,152 | - | 4,152 | 4,032 | - | 4,032 |
| Investment Income | 2 | 148,996 | - | 148,996 | 122,567 | - | 122,567 |
| Total income | | <u>153,148</u> | <u>-</u> | <u>153,148</u> | <u>126,599</u> | <u>-</u> | <u>126,599</u> |
| Expenditure | | | | | | | |
| <i>Costs of raising funds:</i> | | | | | | | |
| Investment management costs | | - | 9,499 | 9,499 | - | 7,399 | 7,399 |
| <i>Expenditure on charitable activities:</i> | | | | | | | |
| Grants awarded | 3 | 102,000 | - | 102,000 | 155,080 | - | 155,080 |
| Total expenditure | | <u>102,000</u> | <u>9,499</u> | <u>111,499</u> | <u>155,080</u> | <u>7,399</u> | <u>162,479</u> |
| Net income/(expenditure) and net movement in funds before gains on investments | | <u>51,148</u> | <u>(9,499)</u> | <u>41,649</u> | <u>(28,481)</u> | <u>(7,399)</u> | <u>(35,880)</u> |
| Net (losses)/gains on investment assets | | - | (533,638) | (533,638) | - | 944,539 | 944,539 |
| Net (expenditure)/income | | <u>51,148</u> | <u>(543,638)</u> | <u>(491,989)</u> | <u>(28,481)</u> | <u>937,140</u> | <u>908,659</u> |
| Transfers between funds | | (51,148) | 51,148 | - | 28,481 | (28,481) | - |
| Net movement in funds | | <u>-</u> | <u>(491,989)</u> | <u>(491,989)</u> | <u>-</u> | <u>908,659</u> | <u>908,659</u> |
| <i>Reconciliation of funds:</i> | | | | | | | |
| Total funds brought forward at the beginning of the year | | - | 6,700,675 | 6,700,675 | - | 5,792,016 | 5,792,016 |
| Total funds carried forward at the end of the year | | <u>-</u> | <u>6,208,685</u> | <u>6,208,685</u> | <u>-</u> | <u>6,700,675</u> | <u>6,700,675</u> |

All of the charities activities are continuing.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

Balance Sheet
as at 31 July 2022

| | Note | Total funds 2022 £ | Total funds 2021 £ |
|---|------|-----------------------------|-----------------------------|
| Fixed assets: | | | |
| Investments | 5 | 6,309,797 | 6,816,786 |
| | | <hr/> | <hr/> |
| Total fixed assets | | 6,309,797 | 6,816,786 |
| Current Assets | | | |
| Debtors | 6 | 3,888 | 3,889 |
| Liabilities: Creditors falling due within one year | | | |
| | 7 | (105,000) | (120,000) |
| | | <hr/> | <hr/> |
| Net current liabilities | | (101,112) | (116,111) |
| | | <hr/> | <hr/> |
| Net assets | | 6,208,685 | 6,700,675 |
| The funds of the charity: | | | |
| Endowment funds | 8 | 6,208,685 | 6,700,675 |
| | | <hr/> | <hr/> |
| Total charity funds | | 6,208,685 | 6,700,675 |
| | | <hr/> <hr/> | <hr/> <hr/> |

The notes on pages 13 to 18 form part of these financial statements.

These financial statements on pages 11 to 18 were approved by the Trustee on 5 December 2022 and were signed on its behalf by:



Janet Legrand KC (Hon)
Senior Lay Member of the University Court

On behalf of the Trustee

8 December 2022

Registered Charity Number SC001097

Notes to the financial statements

1 Principal accounting policies

a) Statement of Compliance

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including 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), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

b) Basis of preparation

The financial statements have been prepared on an accruals basis, under the historic cost convention, with the exception that investment assets are included at market value. The financial statements have been prepared on the going concern basis.

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

c) Funds

The Fund consists of a permanent endowment, namely The Andrew Grant Bequest. The funds are invested in such a way that the Trustee can distribute the interest received, by way of provision of scholarships or bursaries, to students. All endowment funds are permanent and the capital must be maintained. Revenue income generated is transferred between the funds to permit the award of relevant resources.

Unrestricted funds – The Andrew Grant Bequest

The Trustee, after paying all expenses of management properly chargeable against the income of the bequest and any taxes or other burdens affecting the bequest; apply not less than four-fifths of the free income of the bequest in each year in providing scholarships or bursaries to deserving students of the reconstituted Edinburgh College of Art within the University of Edinburgh either during their course or in the way of travelling scholarships or otherwise after their course is finished.

The Trustee may also apply so much of the remainder of the free annual income of the bequest in each year to assist the expenses of organised educational excursions, providing equipment and facilities for special study and/or sports activities, and in the encouragement of clubs, societies and other organisations within reconstituted Edinburgh College of Art within the University of Edinburgh.

d) Income Recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Donations receivable for general purposes are credited to unrestricted funds. Investment income receivable is credited to income in the period to which it relates.

The University meets the cost of the annual audit fee of The Andrew Grant Bequest. This is recognised as a donation in the charities' financial statements. This is the sole donation received.

Notes to the financial statements *(continued)*

1 Principal accounting policies *(continued)*

e) Expenditure Recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Fund to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure includes any irrecoverable VAT.

Costs of raising funds: represents investment management costs
Charitable activities: represent grants awarded, governance costs and an apportionment of support costs (shown in note 3).

Resources expended in the statement of financial activities include support costs of running the Fund. These are charged as charitable expenditure, being expenses incurred in the ordinary operations of the Fund. Support costs are allocated to the categories of charitable activities on a pro-rata basis if it is not possible to allocate the costs on a specific basis.

f) Fixed Assets Investments

Non-current investments are held on the balance sheet at fair value. The statement of financial activities includes the net gain and losses arising on revaluation and disposals throughout the year.

g) Gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Unrealised gains and losses on investments are calculated as the difference between the fair value at the year end and their carrying value.

h) Contingent Liabilities and Provisions

In accordance with the SORP, a contingent liability would be disclosed for activities, which do not represent liabilities, where the possible obligation which arises from past events, will only be confirmed by the occurrence of one or more uncertain events not wholly within the Trustees' control. Provisions would be recognised for activities where there is uncertainty as to the timing or amount, and any uncertainty regarding the amount is more than one of determining a basis for reasonable estimation of the liability arising from that constructive obligation.

i) Taxation

The Fund is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively for charitable purposes. There is no similar exemption for VAT: non reclaimable VAT is charged to the statement of financial activities on an accruals basis.

Notes to the financial statements (continued)

2 Income and endowments

| | 2022 £ | 2021 £ |
|--------------------|----------------|----------------|
| Donations | 4,152 | 4,032 |
| Dividends received | 148,996 | 122,567 |
| | <u>153,148</u> | <u>126,599</u> |

3 Grants Awarded

| | 2022 Grants Awarded | 2022 Governance & Support Costs (See note 4) | 2022 Total | 2021 Grants Awarded | 2021 Governance & Support Costs (See note 4) | 2021 Total |
|-------------------------|---------------------------|--|----------------|---------------------------|--|----------------|
| | £ | £ | £ | £ | £ | £ |
| Organised travel | 488 | 86 | 574 | - | - | - |
| Scholarships and prizes | 86,200 | 15,226 | 101,426 | 142,900 | 12,180 | 155,080 |
| | <u>86,688</u> | <u>15,312</u> | <u>102,000</u> | <u>142,900</u> | <u>12,180</u> | <u>155,080</u> |

4 Governance and support costs

| | 2022 £ | 2021 £ |
|---|---------------|---------------|
| Auditors' remuneration in respect of the statutory financial statements | 4,152 | 4,032 |
| Management fee | 11,160 | 8,148 |
| | <u>15,312</u> | <u>12,180</u> |

The Fund has no employees (2021: nil) and the Corporate Trustee / University Court members received neither remuneration nor expenses for work performed in connection with the affairs of the Fund during the year (2021: nil). The University does not charge support services to Endowments, instead it charges a management fee which is shown under governance and support costs.

Notes to the financial statements (continued)

5 Investments

| | Total 2022 £ | Total 2021 £ |
|---|-----------------------------|-----------------------------|
| <i>Movements in fixed asset investments</i> | | |
| Market value brought forward | 6,816,786 | 5,885,672 |
| Additions to investments at cost | 26,649 | 16,482 |
| Disposals at carrying value | - | (29,907) |
| Net (loss)/ gain on revaluation | (533,638) | 944,539 |
| | <hr/> | <hr/> |
| Market value as at 31 July | 6,309,797 | 6,816,786 |
| | <hr/> <hr/> | <hr/> <hr/> |

The investments are held in the University of Edinburgh Endowment Fund. This is a pooled unitised fund overseen by the University of Edinburgh Investment committee. The market price of the fund is calculated independently by the Bank of New York Mellon on a monthly basis. The University of Edinburgh Endowment Fund holds a range of investments designed to protect capital and provide a sustainable income stream. A breakdown of the underlying investments is as follows:

| | 2022 £ | 2021 £ |
|-----------------------------------|---------------------|---------------------|
| <i>Investment at market value</i> | | |
| Equities | 3,509,882 | 3,791,899 |
| Fixed interest securities | 281,294 | 303,896 |
| Property | 1,188,201 | 1,283,673 |
| Multi asset | 1,139,398 | 1,230,948 |
| Creditor | (633) | (684) |
| Venture Capital | 146,042 | 157,777 |
| Cash | 45,613 | 49,277 |
| | <hr/> | <hr/> |
| Investment units value | 6,309,797 | 6,816,786 |
| | <hr/> <hr/> | <hr/> <hr/> |
| | 2022 No. | 2021 No. |
| <i>Units held at 31 July:</i> | | |
| Opening units | 126,284 | 126,513 |
| Investment | 516 | 325 |
| Disposal | - | (554) |
| | <hr/> | <hr/> |
| Closing units | 126,800 | 126,284 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Unit price | £50.01 | £54.50 |

Notes to the financial statements (continued)

6 Debtors

| | Total 2021 £ | Total 2021 £ |
|---|-----------------------------|-----------------------------|
| Amounts owed by group and associated undertakings | 3,888 | 3,889 |
| Total debtors | <u>3,888</u> | <u>3,889</u> |

7 Liabilities: Creditors falling due within one year

| | Total 2022 £ | Total 2021 £ |
|---|-----------------------------|-----------------------------|
| Accrual for grants payable | 105,000 | 120,000 |
| Total creditors falling due within one year | <u>105,000</u> | <u>120,000</u> |

8 Endowment and unrestricted funds

| | 2022 | | | 2021 | | |
|------------------------|----------------------------------|-------------------------------------|------------------------------|----------------------------------|-------------------------------------|--------------------------|
| | Endowment funds £ | Unrestricted funds £ | Total funds £ | Endowment funds £ | Unrestricted funds £ | Total funds £ |
| Opening balance | 6,700,675 | - | 6,700,675 | 5,792,016 | - | 5,792,016 |
| Income | - | 153,148 | 153,148 | - | 126,599 | 126,599 |
| Expenditure | (9,499) | (102,000) | (111,499) | (7,399) | (155,080) | (162,479) |
| Transfer between funds | 51,148 | (51,148) | - | (28,481) | 28,481 | - |
| (Losses)/Gains | (533,638) | - | (533,638) | 944,539 | - | 944,539 |
| Closing balance | <u>6,208,687</u> | <u>-</u> | <u>6,208,687</u> | <u>6,700,675</u> | <u>-</u> | <u>6,700,765</u> |

9 Analysis of funds

| | Total 2022 £ | Total 2021 £ |
|-------------------------|-----------------------------|-----------------------------|
| Investments | 6,309,797 | 6,816,786 |
| Net current liabilities | (101,112) | (116,111) |
| Total funds | <u>6,208,685</u> | <u>6,700,675</u> |

Notes to the financial statements (continued)

10 Ultimate parent undertaking

The Fund's immediate and ultimate parent undertaking and controlling party at 31 July 2022 was The University of Edinburgh (SC005336), a higher education institution with its principal place of business at Old College, South Bridge, Edinburgh, EH8 9YL. Copies of The University of Edinburgh financial statements can be accessed at <http://www.accounts.finance.ed.ac.uk>.

11 Related party transactions

The Andrew Grant Bequest transacts with its parent undertaking, the University of Edinburgh. The bequest receives an annual donation from the University to cover the cost of its audit fee. The University manages The Andrew Grant Bequest's investments, which are part of The University of Edinburgh Investment and Endowment Fund. The University charges a management fee to the fund for this service. The fee is the same as that charged internally to other bequests within the portfolio. The value of transaction is shown below. No amounts were outstanding at year end (2021: nil).

| | 2022 | 2022 | 2021 | 2021 |
|-----------------------------|---------------|--------------------|---------------|--------------------|
| | Income | Expenditure | Income | Expenditure |
| | £ | £ | £ | £ |
| The University of Edinburgh | 4,152 | 11,160 | 4,032 | 8,148 |