

Charity Registration No. SC004031

# **JOHN MURDOCH'S TRUST**

Trustees' Report and Unaudited Accounts

For The Year Ended 5 April 2017

**JOHN MURDOCH'S TRUST**  
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**JOHN MURDOCH'S TRUST  
LEGAL AND ADMINISTRATIVE INFORMATION**

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|                      |   |
|----------------------|---|
| TRUSTEES             | Professor Guy Lloyd-Jones<br>Professor Malcolm Iain McMahon<br>Professor Dirk Kroon<br>David Neil Macdonald |
| CHARITY NUMBER       | SC037136  |
| REGISTERED OFFICE    | The WS Society<br>The Signet Library<br>Parliament Square<br>Edinburgh<br>EH1 1RF                           |
| TRUST SOLICITORS     | Turcan Connell WS<br>Princes Exchange<br>1 Earl Grey Street<br>Edinburgh<br>EH3 9EE                         |
| INVESTMENT ADVISORS  | Brewin Dolphin Limited<br>Sixth Floor<br>Atria One<br>144 Morrison Street<br>Edinburgh<br>EH3 8EX           |
| INDEPENDENT EXAMINER | Sarah Hollis (CA), of<br>Hollis Accounting Limited<br>3 Melville Crescent<br>Edinburgh<br>EH3 7HW           |

**JOHN MURDOCH'S TRUST  
TRUSTEES' REPORT  
YEAR ENDED 5 APRIL 2017**

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The Trustees present their report and accounts for the year ended 5 April 2017

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006(as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014

**Structure, Governance and Management**

The Trust is constituted by the Will of the late John Murdoch dated 17 July 1897 and which was registered in the Books of Council and Session on 20 December 1901. John Murdoch's Will appoints as Trustees: three University of Edinburgh Professors in Chemistry, Natural philosophy/Physics and Geology, together with a Senior Manager of a major Scottish Bank.

The Trustees who served during the year were:

Professor Guy Lloyd-Jones  
Professor Malcolm Iain McMahon  
Professor Dirk Kroon  
David Neil Macdonald

The Trust is a registered charity. The Scottish Charity reference number is SC004031.

**Trustees Responsibilities**

The Trustees are responsible for preparing the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Law applicable to charities in Scotland requires the Trustees to prepare accounts for each financial year which give a true and fair view of the Trust's financial activities during the year and of its financial position at the end of the year.

In preparing accounts giving a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departure disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

**JOHN MURDOCH'S TRUST  
TRUSTEES' REPORT  
YEAR ENDED 5 APRIL 2017**

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**Trustees Responsibilities (continued)**

The Trustees are responsible for keeping accounting records that disclose with reasonable accuracy the financial position of the Trust and which enable them to ascertain the financial position of the charity and which enable them to ensure that the accounts comply with Charity regulations and the provisions of the trust deed. They are 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.

**Objectives and Activities**

The purpose of the Trust is to provide financial relief for people in need over 50 years of age of whatever religious denomination or belief who have shown a practical sympathy either as amateurs or professionals in the pursuit of science in any of its branches whose lives have been characterised by sobriety, morality and industry.

**Investment Management**

The Trustees have appointed an investment manager to assist them in managing the investments. The investments are managed with a view to obtaining a balanced growth of both Capital and Income and diversified to enhance the real value of capital over the medium to long term whilst ensuring an appropriate income level is maintained.

**Achievements and Performance**

The Trustees approved grants to 17 individuals during the year with a total of £38,580 being paid.

**Financial Review**

The charity's results for the year, and the charity's financial position at the year end are shown in the attached financial statements. Net expenditure before revaluation of investments amounted to £26,481 (2016 – net income of £11,787). The Trustees have reviewed expenditure and have reduced support costs for the future by changing service providers as appropriate. Revaluation gains of £172,484 means the net movement in funds was an improvement of £146,003.

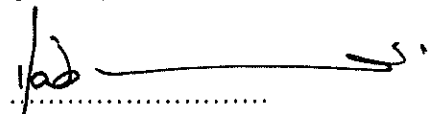
**Risk Management**

The Trustees have assessed the major risks to which the charity is exposed, in particular those relating to the operations and finances of the charity and are satisfied the systems are in place to mitigate exposure to such risks.

**Reserves Policy**

The Trustees pursue a policy of maintaining a free reserve available to be spent in furtherance of the charity's objectives, as well as covering future needs, opportunities, contingencies and risks.

On behalf of the board of Trustees



David Neil MacDonald  
TRUSTEE

Dated: 19/12/17

**JOHN MURDOCH'S TRUST  
INDEPENDENT EXAMINER'S REPORT  
YEAR ENDED 5 APRIL 2017**

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I report on the accounts of the Trust for the year ended 5 April 2017, which are set out on pages 7 to 11.

**Respective responsibilities of trustees and examiner**

As the charity's Trustees, you are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The Trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

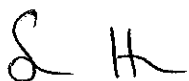
**Basis of independent examiner's report**

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seek explanations from the trustees concerning such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion of the view given by the accounts.

**Independent examiner's statement**

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
  - to prepare accounts which accord with the accounting records and to comply with Regulation 8 of the 2006 Accounts Regulations
- have not been met; or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



**Sarah Hollis CA**  
**on behalf of Hollis Accounting Limited**  
3 Melville Crescent  
Edinburgh  
EH3 7HW

Date: .....19/12/17.....

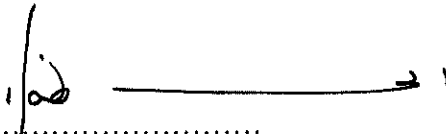
**JOHN MURDOCH'S TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**YEAR ENDED 5 APRIL 2017**

|  | Note | Revenue<br>Account<br>2017<br>£ | Capital<br>Account<br>2017<br>£ | Total<br>2017<br>£ | Revenue<br>Account<br>2016<br>£ | Capital<br>Account<br>2016<br>£ | Total<br>2016<br>£ |
|--|------|---------------------------------|---------------------------------|--------------------|---------------------------------|---------------------------------|--------------------|
| <b>Income and endowments from:</b>                                     |      |                                 |                                 |                    |                                 |                                 |                    |
| Investments  |      | 51,552                          | -                               | 51,552             | 53,551                          | 101                             | 53,652             |
| <b>Total</b>   |      | <b>51,552</b>                   | <b>-</b>                        | <b>51,552</b>      | <b>53,551</b>                   | <b>101</b>                      | <b>53,652</b>      |
| <b>Expenditure on:</b>   |      |                                 |                                 |                    |                                 |                                 |                    |
| <i>Raising Funds</i>   |      |                                 |                                 |                    |                                 |                                 |                    |
| Investment Management  |      | -                               | 12,825                          | 12,825             | -                               | 6,705                           | 6,705              |
| <i>Charitable activities</i>   |      |                                 |                                 |                    |                                 |                                 |                    |
| Grants payable in furtherance of the charity's objects:                |      |                                 |                                 |                    |                                 |                                 |                    |
| Grants to Individuals  | 3/4  | 38,580                          | -                               | 38,580             | 19,200                          | -                               | 19,200             |
| Costs of activities in furtherance of the charity's objects:           |      |                                 |                                 |                    |                                 |                                 |                    |
| Support costs  | 3    | 3,001                           | 23,628                          | 26,629             | 1,560                           | 14,400                          | 15,960             |
| <b>Total</b>   |      | <b>41,581</b>                   | <b>36,453</b>                   | <b>78,034</b>      | <b>20,760</b>                   | <b>21,105</b>                   | <b>41,865</b>      |
| <b>Net Incoming / (Outgoing) Resources before Transfers</b>            |      | <b>9,972</b>                    | <b>( 36,453)</b>                | <b>( 26,481)</b>   | <b>32,791</b>                   | <b>( 21,004)</b>                | <b>11,787</b>      |
| <b>Transfers between Funds</b>   |      | <b>-</b>                        | <b>-</b>                        | <b>-</b>           | <b>-</b>                        | <b>-</b>                        | <b>-</b>           |
| <b>Net income/(expenditure) before gains and losses on investments</b> |      | <b>9,972</b>                    | <b>( 36,453)</b>                | <b>( 26,481)</b>   | <b>32,791</b>                   | <b>( 21,004)</b>                | <b>11,787</b>      |
| Net gains/(losses) on investments                                      |      | -                               | 172,484                         | 172,484            | -                               | ( 90,592)                       | ( 90,592)          |
| <b>Net income/(expenditure)</b>  |      | <b>9,972</b>                    | <b>136,031</b>                  | <b>146,003</b>     | <b>32,791</b>                   | <b>( 111,596)</b>               | <b>( 78,805)</b>   |
| Transfers between Funds  |      | -                               | -                               | -                  | -                               | -                               | -                  |
| <b>Net movement in funds</b>   |      | <b>9,972</b>                    | <b>136,031</b>                  | <b>146,003</b>     | <b>32,791</b>                   | <b>( 111,596)</b>               | <b>( 78,805)</b>   |
| <b>Reconciliation of funds:</b>  |      |                                 |                                 |                    |                                 |                                 |                    |
| Total funds brought forward  |      | 109,397                         | 1,369,376                       | 1,478,773          | 76,606                          | 1,480,972                       | 1,557,578          |
| <b>Total funds carried forward</b>                                     |      | <b>119,370</b>                  | <b>1,505,407</b>                | <b>1,624,776</b>   | <b>109,397</b>                  | <b>1,369,376</b>                | <b>1,478,773</b>   |
| All operations are continuing  |      |                                 |                                 |                    |                                 |                                 |                    |

**JOHN MURDOCH'S TRUST**  
**BALANCE SHEET**  
**AS AT 5 APRIL 2017**

|   | Notes | 2017<br>£               | 2016<br>£               |
|---|-------|-------------------------|-------------------------|
| <b>Fixed Assets</b>                                   |       |                         |                         |
| Investments   | 7     | 1,590,380               | 1,300,924               |
| <b>Current Assets</b>                                 |       |                         |                         |
| Cash at bank and in hand                              | 8     | <u>41,757</u>           | <u>177,850</u>          |
|   |       | 41,757                  | 177,850                 |
| <b>Creditors: amounts falling due within one year</b> |       |                         |                         |
|   | 9     | <u>(7,360)</u>          | <u>-</u>                |
| <b>Total assets less current liabilities</b>          |       | 34,397                  | 177,850                 |
| <b>Net Assets</b>                                     |       | <u><u>1,624,777</u></u> | <u><u>1,478,774</u></u> |
| <b>Unrestricted Funds</b>                             |       |                         |                         |
| Capital Account                                       |       | 1,505,407               | 1,369,376               |
| Revenue Account                                       |       | <u>119,370</u>          | <u>109,397</u>          |
|   |       | <u><u>1,624,777</u></u> | <u><u>1,478,773</u></u> |

The accounts were approved by the Trustees on ....19/12/17.....



David Neil MacDonal  
 TRUSTEE

The notes on pages 9-11 form part of these accounts.



**JOHN MURDOCH'S TRUST  
NOTES TO THE ACCOUNTS  
YEAR ENDED 5 APRIL 2017**

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**1 ACCOUNTS POLICIES**

**Basis of preparation**

The accounts have been prepared under the historic cost convention with the exception of investments which are included at market value.

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

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

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and 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).

**Incoming resources**

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable, except insofar as they are incapable of financial measurement.

**Resources expended**

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for the expenditure.

**Grants payable**

In accordance with recommended practice, grants payable are recognised as expenditure when the Trustees have approved the grant and the obligation exists. In terms of multiple year funding, the total amount payable is recognised as expenditure and a creditor is included in either creditors due after more than one year or creditors due in less than one year as appropriate.

**2 INVESTMENT INCOME**

|                              | 2017              | 2016              |
|------------------------------|-------------------|-------------------|
|                              | £                 | £                 |
| Dividend and Interest Income | 51,425            | 53,203            |
| Bank Interest                | 128               | 348               |
| Brewin Dolphin Commission    | -                 | 101               |
|                              | <u>          </u> | <u>          </u> |
| Total                        | <u>51,552</u>     | <u>53,652</u>     |

**JOHN MURDOCH'S TRUST  
NOTES TO THE ACCOUNTS  
YEAR ENDED 5 APRIL 2017**

**3 CHARITABLE ACTIVITIES**

|                                 | Other<br>Costs<br>£ | Grant<br>Funding<br>£ | Total<br>2017<br>£ | Total<br>2016<br>£ |
|---------------------------------|---------------------|-----------------------|--------------------|--------------------|
| <b>Charitable activities</b>    |                     |                       |                    |                    |
| <i>Grant making activities:</i> |                     |                       |                    |                    |
| Grant funding of activities     | -                   | 38,580                | <u>38,580</u>      | <u>19,200</u>      |
|                                 | -                   | <u>38,580</u>         | <u>38,580</u>      | <u>19,200</u>      |
| <i>Support costs</i>            |                     |                       |                    |                    |
| Administrative fees             | -                   | 21,828                | 21,828             | 14,400             |
| Withdrawal fees                 | -                   | 1,800                 | 1,800              | -                  |
| Bank Charges                    | 61                  | -                     | 61                 | -                  |
| Examiners fees                  | <u>2,940</u>        | -                     | <u>2,940</u>       | <u>1,560</u>       |
| Total                           | <u>3,001</u>        | <u>23,628</u>         | <u>26,629</u>      | <u>15,960</u>      |

**4 GRANTS PAYABLE**

|                       | Total<br>2017<br>£ | Total<br>2016<br>£ |
|-----------------------|--------------------|--------------------|
| Grants to individuals | <u>38,580</u>      | <u>19,200</u>      |

**5 TRUSTEES**

None of the Trustees (or any persons connected with them) received any remuneration during the year. There were no donations by Trustees in the year.

**6 EMPLOYEES**

There were no employees during the year.

**JOHN MURDOCH'S TRUST**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 5 APRIL 2017**

**7 FIXED ASSET INVESTMENTS**

|  | 2017             | 2016             |
|--|------------------|------------------|
|  | £                | £                |
| Market Value at start of year                  | 1,300,924        | 1,401,017        |
| <u>Add: Acquisitions at Cost</u>               | 551,926          | 138,112          |
| <u>Less: Disposals at Opening Market value</u> | ( 434,954)       | ( 147,613)       |
| Valuation changes                              | 172,484          | ( 90,592)        |
| Market Value at 5 April                        | <u>1,590,380</u> | <u>1,300,924</u> |
| Historical Cost at 5 April                     | <u>1,160,911</u> | <u>882,780</u>   |

Investments at fair value comprise:

|                   |                  |                  |
|-------------------|------------------|------------------|
| UK Equities       | 653,025          | 949,886          |
| UK Property       | 20,691           | 10,017           |
| Overseas Equities | 657,878          | 248,941          |
| UK Fixed Interest | 258,786          | 92,080           |
|                   | <u>1,590,380</u> | <u>1,300,924</u> |

**8 CASH AT BANK AND IN HAND**

|                        | 2017          | 2016           |
|------------------------|---------------|----------------|
|                        | £             | £              |
| RBS Revenue Account    | -             | 66,827         |
| RBS Capital Account    | -             | 81,168         |
| RBS WS Society Account | 24,151        | -              |
| Brewin Dolphin Revenue | -             | 5,890          |
| Brewin Dolphin Capital | 17,606        | 23,965         |
|                        | <u>41,757</u> | <u>177,850</u> |

**9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                       | 2017         | 2016     |
|---------------------------------------|--------------|----------|
|                                       | £            | £        |
| Grants approved not yet paid          | -            | -        |
| Accruals - Administrative fees        | 3,000        | -        |
| Accruals - Examination fee            | 1,380        | -        |
| Accruals - Investment Management fees | 2,980        | -        |
|                                       | <u>7,360</u> | <u>-</u> |