

Charity No. SC049635
Company No. SC642184

THE WILLIAM SYSON FOUNDATION
(A Charitable Company Limited by Guarantee)

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

For the period 20 September 2019
to 31 December 2020



THE WILLIAM SYSON FOUNDATION

TRUSTEES' ANNUAL REPORT

For the period ended 31 December 2020

Legal and administrative information

Trustees

H Cockburn (appointed 20 September 2019)
J E Holloway (appointed 20 September 2019)
M S Morrison (appointed 20 September 2019)
J W T Syson (appointed 20 September 2019)
R Doyle (appointed 10 November 2020)

Foundation Manager

A E S Syson

Principal Address

5 Atholl Crescent
Edinburgh
EH3 8EJ

Accountants & Auditors

Chiene + Tait LLP
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

Legal Advisers

Gillespie Macandrew
5 Atholl Crescent
Edinburgh
EH3 8EJ

Bankers

Handelsbanken
18 Charlotte Square
Edinburgh
EH2 4DF

CAF Bank
25 Kings Hill Avenue
Kings Hill
West Mailing
Kent
ME19 4TA

Investment Managers

Aberdeen Standard Capital
1 George Street
Edinburgh
EH2 2LL

J M Finn
4 Coleman Street
London
EC2R 5TA

Murray Asset Management
3 Glenfinlas Street
Edinburgh
EH3 6AQ

THE WILLIAM SYSON FOUNDATION

TRUSTEES' ANNUAL REPORT

CHAIRMAN'S STATEMENT

'Begin, be bold, and venture to be wise.'
(Horace)

Our first annual report and financial statements marks a beginning. That beginning is the creation of a new grant-making charity focused on supporting the arts in Scotland.

The charity owes its existence to the generosity of William Syson, whose substantial endowment it was created to steward.

2020 was our first period of operation, and having inherited our founder's estate in late 2019, significant time was spent during the period on tasks relating to the charity's establishment and set-up. In view of this, the Board is immensely satisfied that it nonetheless proved possible for the charity to award grants totalling £405,812 during the financial period.

This is all the more so given the exceptional nature of 2020, when the consequences of a pandemic led to the extended closure of arts venues and activities, resulting in serious financial hardship for many institutions, groups and individuals involved in the arts in Scotland. Perhaps more than ever before, the sector needs to be able to access independent and varied sources of funding.

As I write, it appears 2021 and potentially beyond will also be highly challenging. Our Trustees expect the sector's increased need for financial support, including funding for organisations struggling to deliver core services and meet core costs, will continue as the longer-term impact of the pandemic is felt.

The Trustees certainly expect 2021 to be a year in which we will need to make considered, and hopefully wise, judgements; balancing an anticipated high number of deserving applications against the sums available for grant-making during the year.

A handwritten signature in black ink, appearing to read 'Jonathan Syson', with a long horizontal line extending to the right across the page.

Jonathan Syson

20 May 2021

THE WILLIAM SYSON FOUNDATION

TRUSTEES' ANNUAL REPORT

For the period 20 September 2019 to 31 December 2020

The Trustees hereby submit their annual report and financial statements for the period 20 September 2019 to 31 December 2020. The financial statements have been prepared in accordance with 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 financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019.

Objectives and Activities

The William Syson Foundation (the "Charity" or the "Company") is a charity registered in Scotland and a Company Limited by Guarantee.

The Charity's objects are:

- (a) the advancement of the arts, heritage and culture, including (but not restricted to) promoting, developing and ensuring the practice and enjoyment of the arts, including music, the visual arts, theatre and literature as the directors in their absolute and uncontrolled discretion think fit; and
- (b) without prejudice to the forgoing generality, the Charity will have a particular (but not exclusive) focus on Scottish organisations and individuals resident in Scotland.

The Charity fulfils its charitable purpose by:

- i) awarding grants to eligible organisations and individuals for projects and activities that promote the Charity's objects, and monitoring the use of these grants; and
- ii) holding the annual Beatrice Huntington Award for Cellists, with awards in Junior (aged 12-17 years) and Senior (aged 18-25 years) categories.

The Charity funds its grant-making activities from its own resources. The Charity does not undertake fundraising.

Guidelines for making a grant application to the Charity, together with details of how to apply, can be found on the Charity's website (www.williamsysonfoundation.org.uk).

Grants made by the Charity are subject to terms and conditions (which are available to view on the website), and the Charity monitors the performance of the beneficiaries it supports. Successful applicants must supply a written report of the project or activity supported by the Charity within twelve months of the grant being awarded, including any specific monitoring requests contained in that beneficiary's grant award letter.

Achievements and Performance

During the period 20 September 2019 to 31 December 2020 the Charity awarded £405,812 in grants, comprising £385,812 to 87 organisations and individual applicants, and £20,000 to prize winners in the Beatrice Huntington Awards for Cellists. Further details on recipients within specific sectors of the Arts can be seen in Note 7 to the accounts.

As cases of COVID 19 rose in 2020 and lockdowns were imposed across the UK, applicants to the Charity were focused on being able to maintain the best possible level of service to their users and on funding core costs to enable them to survive. Reports received so far of completed projects show that many organisations were successful in supporting their users and providing many activities online, while other activities were successfully delivered in COVID-secure conditions as restrictions eased.

Recipients of funding are requested to report on the use of funds after twelve months or when the project or activity is completed (whichever is sooner). Therefore during 2021 the Charity will be actively monitoring how the grants made in 2020 were used and what difference they made. A variety of information is requested from recipients of funding, including statistics, budgeting, photos (with appropriate permissions), feedback from users, and outlook for future plans, and the Charity will use this information to ensure as best as possible that its charitable purposes were fulfilled by the grants awarded.

THE WILLIAM SYSON FOUNDATION

TRUSTEES' ANNUAL REPORT *(cont'd)*

For the period 20 September 2019 to 31 December 2020

Achievements and Performance *(cont'd)*

As this was the Charity's first period of operation, the Trustees did not set any specific target for, or limit in respect of, grant-making. In future years the Trustees anticipate they will likely target an annual level of grant-making by the Charity that approximately reflects the level of financial performance achieved by the Charity's investments. *The financial performance of the Charity's investments depends on the performance of stock and other financial markets, the performance of its appointed investment managers, and, in respect of its property investments, an improvement in trading for the Charity's tenants, who have benefited from rent relief during the pandemic.*

Financial Review

Summary

The Trustees are satisfied with the financial position of the Charity. As at 31 December 2020 the Charity had funds amounting to £13,431,136.

During the financial period donations and legacies of £13,190,849 were received and grants totaling £405,812 were made. Total expenditure for the financial period amounted to £568,853, leaving a surplus of £12,621,996 before net gains on investments of £809,140.

This resulted in reserves (all of which were unrestricted and undesignated) of £13,431,136 at 31 December 2020.

Investment Policy

The Charity is reliant on its own resources, principally in the form of its investments, to fund its activities.

As the Charity's activities do not have a finite life or fixed end date, the Trustees are able to take a long-term approach to investment. Therefore, other than maintaining sufficient cash at bank to cover anticipated near-term grant-making and operating expenses, the Trustees believe the assets of the Charity should otherwise be invested to achieve a balance between capital growth and income.

At 31 December 2020 the Charity's principal investments comprised:

- liquid investments in the form of direct holdings of stocks and shares, and holdings in investments funds and other collective investment schemes; and
- property investments.

The investments are divided across three separate portfolios with the aim of generating a return from both income and capital growth. In order to achieve a spread of risk the Trustees appointed two separate Investment Managers, JM Finn and Aberdeen Standard Capital, to run actively managed accounts (the account with Murray Asset Management was inherited by the Charity and closed during the period).. A separate approach is taken with the third portfolio which is passively managed, consisting of index tracking funds and a cautiously managed investment trust that historically has exhibited significantly less volatility than the wider market. The Directors use the MSCI WMA Balanced Index (the "MSCI WMA") and the ARC Steady Growth Index (the "ARC Index") as comparators for the investment performance of its appointed managers. The third passively managed portfolio will also act as a useful point of reference. As 2020 was a year of establishing the accounts a full year comparison is not available. Results from the holding periods have been encouraging with the actively managed accounts producing returns above the MSCI WMA and consistent with the ARC Index.

The Charity's investment policy, and its investments, are kept under regular review.

THE WILLIAM SYSON FOUNDATION

TRUSTEES' ANNUAL REPORT *(cont'd)*

For the period 20 September 2019 to 31 December 2020

Reserves Policy

The Charity does not have a formal reserves policy. The Trustees consider such a policy unnecessary given the Charity's significant reserves (all of which are unrestricted and undesignated) and minimal level of contractual commitments and other liabilities.

In addition, the significant majority of the Charity's reserves comprise cash or other liquid investments, which can be accessed with little or no notice if required.

However this will be monitored on an annual basis.

The Trustees can confirm that having taken into account the high levels of reserves of the Charity and its existing levels of grant and other cost commitments, they are satisfied that it remains a going concern.

Principal Risks and Uncertainties

The principal risks faced by the Charity are:

Investment Risk: The Trustees consider variability of investment returns to constitute the Charity's major financial risk. This is mitigated by ensuring the involvement of Trustees with investment knowledge, agreeing a clear investment policy, appointing established investment and property managers, ensuring diversified investment portfolios, and close monitoring of performance.

Objectives Risk: The Charity's funds must be used to meet its charitable objectives, so the Charity assesses applications rigorously and monitors the use of the grants it awards to reduce the risk of fraudulent or ineffective use of funds.

Governance Risk: The Board is comprised of experienced professionals with a wide range of skills and experience committed to ensuring good governance of, and a clear direction for, the Charity.

Operational Risk: The Charity is reliant on two key persons to carry out its day-to-day activities. All processes are documented to allow the Trustees to ensure continuance of activity if one (or both) of these should become unavailable. All electronic data is backed up to ensure that IT system failure or loss of assets would not impede activity.

Data Risk: Due to the nature of its activities the Charity is the Controller (for the purposes of the UK General Data Protection Regulation ("UK GDPR")) of the personal data of applicants. All recommended measures have been taken to ensure security of electronic and paper records.

Compliance Risk: The possibility of failing to comply with relevant legal and regulatory requirements is reduced by careful adherence to said requirements, with appropriate professional advice sought where necessary.

Finance Risk: The Trustees review the financial position of the Charity on a quarterly basis and have appropriate controls in place for authorisation of expenditure as well as payments made by way of bank transfer.

Plans for Future Periods

The Trustees have no current plans to alter the Charity's activities in any material way. The Charity will continue to fulfil its charitable purposes by awarding grants to eligible organisations and individuals for projects and activities that promote the Charity's objectives, and by holding the annual Beatrice Huntington Awards for Cellists.

THE WILLIAM SYSON FOUNDATION

TRUSTEES' ANNUAL REPORT *(cont'd)*

For the period 20 September 2019 to 31 December 2020

Structure, Governance and Management

Constitution and Governing Document

The William Syson Foundation is a Company Limited by Guarantee with charitable status. The Company was incorporated on 20 September 2019 and is governed by its Articles of Association. It was registered as a charity with the Office of the Scottish Charity Regulator on 23 September 2019.

The structure of the Company consists of the Members and the Directors. In practice these are the same persons, as the Members of the Company are also the Directors of the Company. No person may be appointed a Director of the Company without also becoming a Member.

The Members and Directors of the Company for the purposes of company law are the Trustees of the Charity for the purposes of charity law.

Recruitment and Appointment of New Trustees

The Trustees have been selected due to their interest in the activities of the Charity, and for the relevant skills and abilities they possess. The Company's Articles of Association contain typical provisions for the election, retirement, re-election and removal of Trustees.

The Trustees during the period and up to and including the date of approval of the financial statements are listed on page 1.

Induction and Training of New Trustees

New Trustees are provided with information relating to the work of the Charity and charity governance in order to familiarise themselves with the role of a Trustee. In addition, relevant training is provided to Trustees as required.

Organisational Structure

The Trustees of the Charity comprise a Board of Trustees. The Board meets quarterly to consider relevant matters and the financial position of the Charity. The Board has delegated some decision-making to sub-committees, which typically meet more regularly.

The day-to-day operational management of the Charity has been delegated by the Board to the *Foundation Manager, who is employed by the Charity. The Foundation Manager reports to the Board.* Together, the Trustees and the Foundation Manager are considered to be the Charity's key management personnel.

The Foundation Manager's remuneration was subject to a benchmarking exercise in 2019 and has been set based on similar leadership roles at grant-making charities both in Scotland and elsewhere in the United Kingdom. The Foundation Manager's remuneration will be assessed annually.

Relationships with Related Parties and Related Party Transactions

All Trustees give of their time freely and under the Charity's Articles of Association no Trustee is permitted to receive payment for the work they do for the Charity. Details of Trustee expenses and related party transactions are disclosed in note 10 to the financial statements.

Trustees are required to disclose all relevant interests in the Register of Interests maintained by the Charity. *In accordance with the Charity's Articles of Association and its Conflicts of Interest policy, a Trustee must withdraw and not participate in decision-making regarding matters where her or she has a conflict of interest.*

THE WILLIAM SYSON FOUNDATION

TRUSTEES' ANNUAL REPORT *(cont'd)*

For the period 20 September 2019 to 31 December 2020

Trustees' Responsibilities Statement

The Trustees (who are also the Directors of The William Syson Foundation 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 period, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of 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 (FRS102) (second edition – October 2019);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 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, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

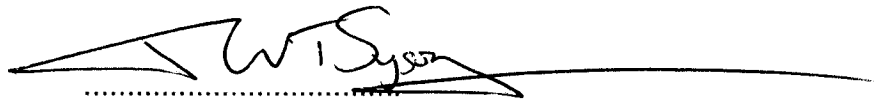
In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

In preparing this report advantage has been taken of the small companies' exemption.

This report has been prepared in accordance with the special provision of Part 15 of The Companies Act 2006 relating to small entities.

Approved by the Trustees on 20 May 2021 and signed on their behalf by:



.....
Jonathan Syson, Trustee



Opinion on financial statements

We have audited the financial statements of The William Syson Foundation for the period 20 September 2019 to 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with 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 for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- *the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or*
- *the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.*

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report other than the financial statements and our auditor's report thereon. 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 there is a material misstatement in 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 in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report has 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 Trustees' Annual Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records, 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small company's exemption from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities set out on page 7, 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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the sector in which it operates and considered the risk of acts by the charitable company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 (as amended).

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
THE WILLIAM SYSON FOUNDATION (continued)**



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

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion.

We focused on laws and regulations that could give rise to a material misstatement in the charitable company's financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of the Foundation Manager and the Trustees;
- review of minutes of board meetings throughout the period;
- review of legal correspondence or invoices, and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management *override of internal controls, including testing journals and evaluating whether there was evidence of bias* by the directors that represented a risk of material misstatement due to fraud.

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

Use of our report

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company'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 charitable company'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 charitable company, its members as a body, and its Directors as a body, for our audit work, for this report, or for the opinions we have formed.*

Jeremy Chittleburgh BSc CA (Senior Statutory Auditor)
For and on behalf of
CHIENE + TAIT LLP
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh, EH3 6NL

25 May 2021

Chiene + Tait is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE WILLIAM SYSON FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

For the period 20 September 2019 to 31 December 2020

	Notes	Total £
Income and endowments from:		
Investment income	3	255,736
Donations and legacies	4	12,935,113
Total income		13,190,849
Expenditure on:		
Raising funds	5	82,644
Charitable activities	6	486,209
Total expenditure		568,853
Net income before gains on investments		12,621,996
Net gains on investments		809,140
Net income, net movement in funds, and total funds carried forward		13,431,136 =====

The Charity has no recognised gains or losses other than those included in the Statement of Financial Activities.

All incoming resources and resources expended derive from continuing activities.

All funds are unrestricted.

The notes on pages 13 to 22 form part of these financial statements.

THE WILLIAM SYSON FOUNDATION

BALANCE SHEET

As at 31 December 2020

	Notes	£	£
Fixed Assets			
Tangible fixed assets	11		530
Investments	12	13,333,780	
		<u>13,334,310</u>	
Current Assets			
Debtors	13	64,101	
Cash at Bank and in hand		92,516	
		<u>156,617</u>	
Liabilities			
Creditors falling due within one year	14	59,791	
		<u>96,826</u>	
Net Current Assets			<u>96,826</u>
Net Assets			<u>13,431,136</u> =====
Represented by:			
Unrestricted reserves	15	13,431,136	<u>13,431,136</u> =====

Approved by the Trustees on 20 May 2021 and signed on their behalf by:


Jonathan Syson, Trustee

The notes on pages 13 to 22 form part of these financial statements.

THE WILLIAM SYSON FOUNDATION

STATEMENT OF CASHFLOWS

For the period 20 September 2019 to 31 December 2020

	Notes	2020 £
Cash provided by operating activities	17	12,362,215
Cash flows from investing activities		
Investment income		255,736
Proceeds from sale of investments		4,089,386
Purchase of investments		(15,645,672)
Purchase of fixed assets		(795)
Movement in cash held as part of investment portfolio		(968,354)
Cash provided by investing activities		(12,269,699)
Increase in cash and cash equivalents in the year		92,516
Cash and cash equivalents at the end of the year		92,516
Analysis of cash and cash equivalents		
Cash at bank – current account		55,922
Cash at bank – property manager client accounts		36,594
		92,516
Analysis of Changes in Net Debt	Cash flows	2020
	£	£
Cash and cash equivalents	92,516	92,516
Total net debt	92,516	92,516

The notes on pages 13 to 22 form part of these financial statements.

THE WILLIAM SYSON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2020

1. General Information

The William Syson Foundation is a company limited by guarantee incorporated and domiciled in Scotland with registered company number SC642184. The registered office is 5 Atholl Crescent, Edinburgh, EH3 8EJ. The financial statements have been presented in Pounds Sterling as this is the functional and presentational currency of the charitable company

2. Accounting Policies

Statement of compliance

The Charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition – October 2019), 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).

Basis of preparation

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, in accordance with the Companies Act 2006, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)) and the Companies Act 2006, and with the Articles of Association.

Going concern

The financial statements have been prepared on a going concern basis. The Trustees have assessed the charitable company's ability to continue as a going concern, including the impact of COVID 19, and have adequate expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income recognition

All income is included in the Statement of Financial Activities when entitlement has passed to the Charity, it is probable that the economic benefits associated with the transaction will flow to the Charity and the amount can be reliably measured.

Donations and legacies are recognised in the period in which the Charity becomes entitled to them and the value can be measured reliably.

Rental income is credited to the Statement of Financial Activities in the year in which it is receivable.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and all expenses are allocated to the applicable expenditure headings. Irrecoverable VAT is charged to the Statement of Financial Activities as incurred.

Governance costs are included within charitable activities. These are the costs of general governance of the Charity as opposed to direct management inherent in meeting charitable objectives and are those costs associated with strategic, constitutional and statutory requirements.

THE WILLIAM SYSON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2020

2. Accounting Policies (continued)

Costs of raising funds

The costs of raising funds consist of investment management fees and costs of maintaining the investment property.

Charitable activities

Costs of charitable activities include grants and governance costs as detailed in note 6.

Tangible fixed assets

All assets lasting more than three years are capitalised and valued at historic cost. Depreciation is charged at 33.33% on a straight-line basis.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently at fair value as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Investment property

Investment property has been included in the balance sheet at fair value taking into account the probate values applied to the estate from which it was transferred as part of legacies received during the period. The Trustees consider that the probate values still reflect current market value.

Investments in listed shares and securities

These investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Charity does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities, both generally and within particular sectors or sub sectors.

Investments in unquoted shares, pooled funds, and art and furniture

These investments were received as part of the legacies and were initially recognised at probate value. It is the Trustees' intention to dispose of them when opportunity arises. Investments not disposed of at the balance sheet date are adjusted to fair value based on an assessment by the Trustees taking into account considerations of market demand and anticipated future returns. Unrealised and realised gains or losses are included in the Statement of Financial Activities.

Financial instruments

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

Basic financial assets, which include cash at bank and other debtors, are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future receipts discounted at the market rate of interest for a similar debt instrument.

THE WILLIAM SYSON FOUNDATION

NOTES to the FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2020

2. Accounting Policies (continued)

Financial instruments (continued)

Basic financial liabilities, which include committed donations and other creditors, are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future receipts discounted at the market rate of interest for a similar debt instrument.

At each reporting date the Foundation assesses whether there is objective evidence that any financial asset has been impaired. A provision for impairment is established when there is objective evidence that the Foundation will not be able to collect all amounts due. The amount of the provision is recognised immediately in profit or loss.

Funds

All funds of the Foundation are considered by the Trustees to be unrestricted and free to use in accordance with the charitable objects.

Pension contributions

The Foundation makes contributions to a defined contribution personal pension scheme on behalf of its employee and these are accounted for when due.

3. Investment Income	2020
	£
Rental income	122,831
Dividends received	130,950
Interest received	1,955
	<hr/>
	255,736
	<hr/> <hr/>
4. Donations and legacies	2020
	£
Donations received	258,074
Legacies received	12,659,896
Tax refund	17,143
	<hr/>
	12,935,113
	<hr/> <hr/>
5. Raising funds	2020
	£
Administration of investments	65,798
Property management and maintenance charges	16,846
	<hr/>
	82,644
	<hr/> <hr/>
6. Charitable activities expenditure	2020
	£
Grant making (note 7)	405,812
Support costs (note 8)	80,397
	<hr/>
	486,209
	<hr/> <hr/>

THE WILLIAM SYSON FOUNDATION

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the period ended 31 December 2020

7. Grant making activities	2020
	£
<u>Art</u>	
Project Ability	3,600
Edinburgh Children's Hospital Charity	4,500
Edinburgh Art Festival	5,000
Leith School of Art	5,000
Paisley Museum Reimagined	5,000
Art UK	10,000
Cove Park	10,000
Edinburgh Printmakers	20,000
Pier Arts Centre	10,000
Others	5,850
	<hr/>
	78,950
<u>Music</u>	
Absolute Classics	3,000
Children's Classic Concerts	3,000
Scottish Music Centre	3,000
East Ayrshire Pipe Band	3,600
Music at Paxton	4,000
The Inspiration Orchestra	4,500
Drake Music Scotland	5,000
Help Musicians Coronavirus Hardship Fund	5,000
Irvine & Dreghorn Brass	5,000
Nordoff Robbins	5,000
RSNO	5,000
Whitburn Band	5,000
Queen's Hall	10,000
Grants to individuals	7,500
Others	29,112
	<hr/>
	97,712
<u>Dance</u>	
Dance North Scotland	3,000
Royal Scottish Country Dance Society	10,000
Others	5,195
	<hr/>
	18,195
<u>Drama, Playwriting, Theatre</u>	
Edinburgh Youth Theatre	3,000
Performance Collective Stranraer	3,000
Stellar Quines	3,000
The Birchvale Players	3,000
Penicuik Y	3,472
Krazy Kat Theatre Company	3,700
Capital Theatres	15,000
Dirliebane Theatre Company	5,000
Firefly Arts	5,000
Guild of Players	5,000
Imaginate	5,000
University of St Andrews – Byre Theatre	5,000
Pleasance Theatre	10,124
Grants to individuals	2,000
Others	3,500
	<hr/>
	74,796
Carried over	<hr/>
	269,653

THE WILLIAM SYSON FOUNDATION

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the period ended 31 December 2020

7. Grant making activities	2020
	£
Brought over	269,653
<u>Film</u>	
Scottish Documentary Institute	3,000
Centre for the Moving Image	5,000
Others	2,000
	<hr style="width: 100%; border: 0.5px solid black;"/>
	10,000
<u>Writing (Literature and poetry)</u>	
Arkbound Foundation	3,000
Super Power Agency	5,000
The Bakehouse Community Arts	5,000
	<hr style="width: 100%; border: 0.5px solid black;"/>
	13,000
<u>Combined Arts Activities</u>	
The Barn	3,000
Bazooka Arts	3,500
Bethany Christian Trust	5,000
Craigmillar Now	15,000
Horsecross Arts	5,000
Reachout with Arts in Mind	5,000
Others	2,400
	<hr style="width: 100%; border: 0.5px solid black;"/>
	38,900
<u>Development</u>	
Reeltime Music	11,259
Creetown Building Preservation Trust	5,000
Monifieth Community Resource Group	5,000
Wasps Trust	5,000
Montrose Playhouse Project	5,000
Others	1,000
	<hr style="width: 100%; border: 0.5px solid black;"/>
	32,259
<u>Other</u>	
Boys Brigade	20,000
Other	2,000
	<hr style="width: 100%; border: 0.5px solid black;"/>
	22,000
<u>Beatrice Huntington Award</u>	20,000
	<hr style="width: 100%; border: 0.5px solid black;"/>
	405,812
	<hr style="width: 100%; border: 0.5px solid black;"/>

Prizes of £5,000 (1st place), £2,500 (2nd place) and £1,000 (runners-up) were awarded to 9 participants in the 2020 Beatrice Huntington Awards, totaling £20,000.

THE WILLIAM SYSON FOUNDATION

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the period ended 31 December 2020

8. Analysis of support costs	Total 2020 £
General Support	
Staff costs	20,452
Grant assessment	17,575
Website development and charges	2,537
Bank charges	846
IT costs	2,257
Communications	1,905
Accounting and payroll	4,055
Insurance	342
Miscellaneous	169
Depreciation	265
Governance costs	
Legal fees	22,464
Auditor remuneration – audit fees	3,990
Auditor remuneration – statutory accounts and taxation compliance	3,540
	<hr/>
	80,397
	<hr/> <hr/>

Included in Accounting and payroll costs are further fees payable to the auditor for the provision of accounting support in the period amounting to £2,782.

9. Analysis of staff costs	Total 2020 £
Salaries and wages	18,582
Social security costs	(23)
Pension costs	1,893
	<hr/>
	20,452
	<hr/> <hr/>

The total number of employees during the period was one.

10. Related party transactions and Trustees' remuneration

The Trustees received no remuneration or reimbursement of expenses for their services during the period. The key management personnel remuneration during the period amounted to £20,452.

During the period, the investment managers JM Finn received management fees totaling £39,081. Howard Cockburn (Trustee) is an investment manager employed by JM Finn and is responsible for the portfolio managed by JM Finn. Fees payable to JM Finn, Fees payable to JM Finn are charged at market rates with the agreement of the other Trustees.

THE WILLIAM SYSON FOUNDATION

NOTES to the FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2020

11. Fixed Assets:

	Computer Equipment £	Total £
Cost		
Additions	795	795
At 31 December 2020	<u>795</u>	<u>795</u>
Depreciation		
Charge for the year	265	265
At 31 December 2020	<u>265</u>	<u>265</u>
Net book value		
At 31 December 2020	<u>530</u>	<u>530</u>

12. Investments

	Listed £	Unlisted £	2020 Total £
Additions	12,905,984	2,739,688	15,645,672
Disposal proceeds	(4,020,820)	(68,566)	(4,089,386)
Unrealised gain/(loss)	1,080,941	(139,405)	941,536
Realised gain/(loss)	(197,392)	64,996	(132,396)
	<u>9,768,713</u>	<u>2,596,713</u>	<u>12,365,426</u>
Cash held	968,354	-	968,354
Market value at 31 December 2020	<u>10,737,067</u>	<u>2,596,713</u>	<u>13,333,780</u>
Cost at 31 December 2020	<u>8,687,771</u>	<u>2,735,938</u>	<u>11,423,709</u>

Holdings comprising of more than 5% of the market value of the listed investment portfolio at 31 December 2020 were as noted below:

	£
Personal Assets Trust plc	1,011,305
Scottish Mortgage Investment Trust plc	565,724

Unlisted investments

	Investment properties £	Pooled investment in real estate fund £	Shares in private company £	Art & Furniture £	Total £
Additions	2,500,000	106,186	63,792	69,530	2,739,508
Disposal	-	-	-	(3,570)	(3,570)
Unrealised gain/(loss)	-	(96,758)	(42,647)	-	(139,405)
Fair value at 31 December 2020	<u>2,500,000</u>	<u>9,428</u>	<u>21,325</u>	<u>65,960</u>	<u>2,596,713</u>
Cost at 31 December 2020	<u>2,500,000</u>	<u>106,186</u>	<u>63,792</u>	<u>65,960</u>	<u>2,735,938</u>

THE WILLIAM SYSON FOUNDATION

NOTES to the FINANCIAL STATEMENTS (continued)

For the period ended 31 December 2020

12. Investments (continued)

The significance of financial instruments to the ongoing financial sustainability of the Charity is considered in the financial review and investment policy sections of the Trustees' Annual Report.

The main risk to the Charity from financial instruments lies in the continuing uncertainty regarding *world economic prospects leading to changeable investment markets and volatility in capital values and yields*. The Charity manages these risks by appointing investment managers and operating an investment policy geared towards a balanced return between capital growth and income.

13. Debtors	2020
	£
Other debtors	29,280
Prepayments and accrued income	34,821
	<u>64,101</u>
	=====

14. Creditors falling due within one-year	2020
	£
Other creditors and accruals	16,517
Grants payable	42,974
PAYE and pension costs	300
	<u>59,791</u>
	=====

15. Analysis of net assets between funds	Investments	Net Current Assets	2020 Total
	£	£	£
Unrestricted reserves	13,334,310	96,826	13,431,136
	<u>13,334,310</u>	<u>96,826</u>	<u>13,431,136</u>
	=====	=====	=====

16. Analysis of charitable funds	Income	Expend-iture	Gains and Losses	At 31 Dec 2020
	£	£	£	£
Unrestricted	13,190,849	568,853	809,140	13,431,136
	<u>13,190,849</u>	<u>568,853</u>	<u>809,140</u>	<u>13,431,136</u>
	=====	=====	=====	=====

THE WILLIAM SYSON FOUNDATION

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the period ended 31 December 2020

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2020
	£
Net movement in funds	13,431,136
Add back <i>depreciation charge</i>	265
Deduct income from investing activities	(255,736)
Losses/(gains) on investments	(809,140)
(Increase) in debtors	(64,101)
Increase in creditors	59,791
	<hr/>
Net cash (used in)/provided by operating activities	12,362,215
	<hr/> <hr/>

18. COVID 19 and going concern

The Trustees note the impact of the pandemic on the economy and charitable sector in general, but as detailed in the Trustees' Annual Report, remain satisfied that the effect on the Charity's investment portfolio and property carrying value is not significant. Taking into account the cash reserves at 31 December 2020, the Trustees consider the Foundation remains able to meet its commitments as they fall due.