

**The Grassmarket Mission**  
**Report and Financial Statements**  
**for the year ended**  
**31 March 2022**

**Charity No. SC 008062**

**WHITELAW WELLS**  
Chartered Accountants  
9 Ainslie Place  
Edinburgh  
EH3 6AT

**The Grassmarket Mission  
Report and Financial Statements  
for the year ended 31 March 2022**

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**The Grassmarket Mission  
Report of the Trustees  
for the year ended 31 March 2022**

The Trustees present their annual report and financial statements for the year ended 31 March 2022. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's constitution, the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the 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 (FRS 102) (effective 1 January 2019).

**OBJECTIVES AND ACTIVITIES**

The Trust's mission is to provide relief to people in the Grassmarket, Edinburgh, and elsewhere, who are vulnerable, homeless or in need because of poverty, loneliness, hunger, substance abuse, ill-health, or any other reason. The specific objectives of the Trust, as stated below, are outlined in its Variation of Deed of Trust which was adopted, with the approval of OSCR, on 26 August 2011.

- The relief of those in need
- The advancement of the Christian religion and the promotion of religious harmony on a non-denominational basis; and
- The advancement of citizenship and community development

These objectives are met by way of providing grants and supporting local community projects including the Grassmarket Community Project.

**ACHIEVEMENTS AND PERFORMANCE**

The Trust (GM) and Edinburgh: Greyfriars Kirk (Church of Scotland) (GK) have been long term partners in outreach activity in Grassmarket, Edinburgh. In 2009, it was agreed that it would be in the best interests of both parties going forward to merge the outreach activity into a new and separate charity. To this end, the Grassmarket Community Project (GCP) was incorporated on 16th November 2009, and on 1st July 2010 the outreach activities were transferred from GM & GK. In February 2013, the Project moved from temporarily rented premises into refurbished Kirkhouse premises, now the Grassmarket Centre, owned by and leased from GK. In 2014, the Trustees donated £250,000 towards the new building works. The Trust has since continued to support GCP by means of an annual grant paid in quarterly instalments. In 2021/22 the Trustees supported GCP with a grant of £35,000. The Trustees again decided that it was appropriate to continue to restrict the grant towards the salary costs of the GCP Chief Executive Officer.

During the period under review, the coronavirus pandemic and resultant lockdowns and restrictions continued to severely affect the charitable sector, both in its capacity to meet the greatly increased need for its services and in its ability to raise funds to carry out this work. Many fundraising events continued to be cancelled or curtailed and charity income remained well below pre-pandemic levels. The Trustees wish to highly commend the GCP CEO, staff, Board, and volunteers for the innovative way they have approached these ongoing challenges. At the start of the year, GCP had adapted and developed its member support and activities to online provision or where possible outside. During the year, as and when possible under covid regulations, GCP continued to reintroduce onsite member activities within the Centre, whilst maintaining some successful online activities. The social enterprises reopened as soon as was possible and new opportunities and contracts were investigated. The new Coffee Saints café, next to the St James' Quarter, opened in the autumn of 2021 and the Tartan Enterprises moved to premises next to the Centre. The building of the Pavilion extension at the Centre began and was completed in June 2022. This has allowed some reconfiguration of the Centre providing much need additional space for member's activities and the social enterprises.

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The Trustees are pleased to report that GCP remains an ambitious and supportive community with a dynamic and compassionate team of staff and volunteers continuing to develop services for some of Edinburgh's most marginalised and vulnerable citizens and ready to meet the challenges ahead.

In the year under review, no grants were made to any organisation other than GCP.

## **PLANS FOR THE FUTURE**

### **Grant Making Policy**

In recent years, the GM's principal charitable activity has continued to be the support of GCP as the Trustees have seen this partnership as having provided the best possible way of achieving the aims of the Grassmarket Mission in the rapidly changing Grassmarket and wider community. Nonetheless, the Trustees do review the level of its contribution each year. Although the Trustees are aware that the economic consequences of the pandemic and the war in Ukraine will continue to put pressure on the Mission's resources, they are mindful that the rising level of inflation, particularly in energy and food costs, and the forecasted recession, are most likely to lead to hardship for many vulnerable and isolated people. They have therefore decided to maintain their grant level to GCP at £35,000 for 2022/23. The Trustees had previously agreed, when finances permit, to award small grants to other local charities whose objectives align with those of the GM. The Trustees recognise, however, that the continuing financial repercussions of the coronavirus pandemic together with the other economic pressures make this unlikely in 2022/23 but it remains their intention for the future.

## **FINANCIAL REVIEW**

### **Principal Funding Sources**

The main source of funds was in dividends and interest received from the Trust's managed portfolio of stock market investments. The basis of generating future income from the investment portfolio was changed in 21/22 from a strict reliance on dividends and income received to a total return basis where capital gains can be crystallised to augment dividend income. This aligns with a shift in investment thinking within the broader investment sector and ensures more predictable annual returns for grantees against a very challenging investment backdrop of rising inflation and slowing global economic growth as interest rates are increased. The Trustees monitor the performance of the portfolio very closely and set prudent annual grant awards. The Trust was also grateful for the donations received from the John Wilson Robert Christie Bequest Fund and private individuals, and the support in kind from the Lunn family towards IT services.

### **Financial Statements**

The financial statements comprise the Statement of Financial Activities, the Balance Sheet, and related Notes.

The statement of financial activities on page 10 shows a net deficit £14,318 (2021: £16,040) for the year.

There was an unrealised gain on revaluation of £66,854 (2021: loss of £64,551), and a realised gain on disposal of £4,359 (2021: £241,843) on investment assets over the year, resulting in an overall increase in funds of £56,895 (2021: £161,252) in the year and total funds of £1,108,397 (2021: £1,051,502) carried forward. Unrestricted funds comprise £1,108,397 (2021: £1,051,502), being £1,087,234 (2021: £1,034,200) in the capital fund (representing the valuation of investments and cash held within the investment portfolio) and £21,163 (2021: £17,302) in the operating fund, representing the free reserves of the charity.

### **Reserves Policy**

The Trustees consider that maintaining a minimum cash reserve equal to three months of regular expenditure is desirable for the ongoing work of the Charity to cover the payment of the quarterly

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Report of the Trustees  
for the year ended 31 March 2022**

support to GCP and creditors as they fall due. As at 31st March 2022, the Cash in Bank amounted to £21,715 and is considered adequate. The capital fund, representing the investments held, is used for generating income and capital growth that can be expended to support the objectives of the Charity. The Trustees have the authority to sell investments and transfer the proceeds to the operating fund. The Trustees will continue to keep the reserves policy under careful review, particularly in light of the financial repercussions of the coronavirus pandemic and the current unsettled economic situation.

**Investment policy and performance**

As reported last year, in 2020/21 the Trustees undertook a full review of their investment policy in consultation with their Investment Managers. A decision was made to move from an income only to a total return approach where some of the capital gain achieved from more asset diversification would be used to supplement the lower level of dividend income generated. This would lead to a different way of managing the charity's finances and the Trustees agreed that the annual withdrawal level had to be carefully assessed and that an initial cautious approach was appropriate. This new policy was introduced from 1 April 2021. During the period under review, appointed Trustees maintained close contact with the Investment Managers, with a formal review with the Board taking place in the autumn. The Investment Managers provided quarterly valuations, supported by detailed reports of the Mission's investment portfolio. They also measured the performance against the FTSE all share index and other indices, as well as providing the percentage movement in the stocks from the previous valuation.

**Environmental, Social and Governance Considerations**

Although not prescribed in the Trust Deed, the Trustees operate an ethical investment policy. As part of the overall review of their investment approach the Trustees approved a revised Ethical, Social and Governance Policy on 1 November 2020 as follows:

The investments will be managed under an ethical investment policy, which is reviewed by the Trustees on a regular basis. This policy, which is published in the Annual Report each year, sets out constraints on investments. The latest Annual Report may be accessed through the Grassmarket Mission website. The restrictions result in the exclusion of companies with more than 15% of turnover derived from the following activities and as at the date of this Statement these activities are as follows: -

1. Alcohol production or sales.
2. Gambling.
3. Armaments production and sales.
4. Tobacco production.
5. The extraction of thermal coal.
6. The extraction of tar sands or oil shale; and
7. The production of oil or gas by fracking.

The Trustees also consider seriously other unethical practices by companies, including environmental considerations other than Climate Change, employment practices and participation in modern slavery.

They rely on the screening procedures operated by their fund manager and the information provided by expert agencies to identify and exclude investments in companies which fall well short of the standards the trustees require.

The Trustees expect companies to operate to high standards of corporate governance, including executive remuneration policies, and to consider the interests of all their stakeholders. This includes treating all shareholders fairly and playing a constructive part in the societies and nations in which

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Report of the Trustees  
for the year ended 31 March 2022**

each company operates. The fund managers appointed by the Trustees are expected to consider these issues for each company and to act accordingly, including voting at company general meetings, and to report to the Trustees on their actions in this regard.

The Trustees compare asset investment opportunities on a global basis but apply appropriate standards of behaviour and governance irrespective of the country in which a business operates. The Trustees recognise that funds and specialist vehicles may be more cost-efficient mechanisms to gain exposure to these opportunities than direct investment in securities. In this event, direct control on ESG matters is lost but care is taken to minimise the risk of inappropriate underlying assets being included.

In addition, the Trustees hold the firm view that companies which take ESG considerations seriously are likely to be well managed in other respects and therefore should be more rewarding and sustainable investments than companies which disregard such matters.

The Trustees will keep the ESG policy under review in 2022/23.

### **Risk Management**

The Trustees consider the risks to which the Charity is exposed each year and continually review their systems to ensure that the Trust is compliant with current regulations and to mitigate exposure to major risks. The principal risk relates to the management and performance of the investment portfolio. This is mitigated by the appointment of professional Investment Managers, Brewin Dolphin, an agreed investment policy, the investment experience within the Trustee Board and their regular monitoring of the performance of the Investment Managers.

The coronavirus pandemic continued to cause some turmoil in financial markets and the war in Ukraine together with the rise in inflation has led to a climate of economic uncertainty. The Trustees believe that the mitigations already in place continue to enable the Trust to be in as reasonable a financial position as is possible in the circumstances.

The risk in being unable to meet the regular monthly payments to GCP is mitigated by holding sufficient cash in both the capital and operating funds, and the authority the Trustees have to sell investments.

### **Governing Document**

The Grassmarket Mission was originally set up by a Deed of Trust in 1890 and is registered as a Scottish Charity SC008062. Considering the changed operational reality after 120 years in the Grassmarket area of Edinburgh, a Scheme of Reorganisation was adopted, with the approval of OSCR on 26<sup>th</sup> August 2011. As with most organisations, the coronavirus pandemic has necessitated that the Mission adapts its methods of working and communicating and particularly in the increased use of virtual meetings. Although the 2011 Deed does not state that Board meetings have to be held with Trustees physically present, the Trustees agreed to a short amendment to the 2011 Deed. This extended the definition of 'meeting' to include both virtual and hybrid meetings and should provide clarity for the current situation and resilience going forward. This amendment was approved in April 2021 and has now been registered with OSCR and lodged in the Books of Council and Session together with the original 1890 Deed and the 2011 Variation.

### **Organisational structure**

The Trust is managed by a Board of at least five Trustees which meets four times each year, but additional meetings may be called and held if deemed necessary. The Trust currently operates with a Chair, Honorary Treasurer and Honorary Minute Secretary appointed from within the Trustee Board.

**The Grassmarket Mission  
Report of the Trustees  
for the year ended 31 March 2022**

**Recruitment and appointment of Trustees**

Trustees had previously been appointed by invitation from existing Trustees, seeking to balance relevant professional skills and knowledge and experience of the Mission's areas of interest. However, the appointment of two Trustees in 2020 after press advertising and a more formal recruitment procedure was regarded as very successful and Trustees are likely to continue this approach in future. New Trustees are provided with information on the background to the Trust and its current operation. The Treasurer also provides opportunities for Trustees to attend seminars on Charity Law and Investment and other relevant topics.

Trustees are now appointed for an initial period of 3 years after which a Trustee can be re-elected but subject to a maximum tenure of nine years. The names of the Trustees and other reference and administrative information concerning the Trust are set out on page 7.

As was reported last year, the Rev Dr Richard Frazer retired from the Board on 27 April 2021 after nearly 18 years as a Trustee. The Board noted their appreciation of his valuable contribution over the years and his pivotal role in the establishment of GCP, founded by Greyfriars Kirk and the Grassmarket Mission 12 years ago.

**Related Party Transactions**

The Charity is one of a larger group of organisations that undertake activities within the Grassmarket area of Edinburgh.

The Trustees noted below are also Trustees or directors in the following organisations:

Douglas Armstrong is a Trustee/director of the following charities:

Community Renewal Trust  
Grassmarket Community Project (GCP)  
MHScot

Rev Dr Richard E Frazer is a Trustee/director of the following charities:

Edinburgh: Greyfriars Kirk (Church of Scotland)  
Greyfriars Outreach Limited  
Grassmarket Community Project (GCP)  
Greyfriars foundation  
Greyfriars Charteris Centre SCIO  
The Michael Chibbett Charitable Trust  
William Brotherstone's Grassmarket Charitable Trust  
The Police Clothing Fund

Elaine Crichton is a Trustee of the following charities:

Greyfriars Charteris Centre SCIO  
The Church of Scotland Investors Trust  
Miss Agnes H Hunter Trust  
Break the Silence

**The Grassmarket Mission  
Report of the Trustees  
for the year ended 31 March 2022**

**REFERENCE AND ADMINISTRATIVE INFORMATION**

**Scottish Charity Number:** SC008062

**Principal Address:**  
c/o Whitelaw Wells  
9 Ainslie Place  
Edinburgh EH3 6AT

**Trustees:**

Jane Paterson	Chair
Dr Richard Adams	
Douglas Armstrong	
Elaine Crichton	Hon Treasurer
Mairi Day	
Helen Heatlie	Hon Minute Secretary
Rev Dr Richard E Frazer	Resigned 27 April 2021

**Independent Examiner:**

Louise Presslie CA  
Whitelaw Wells  
9 Ainslie Place  
Edinburgh EH3 6AT

**Bankers:**

Co-operative Bank PLC  
PO Box 250  
Skelmersdale WN8 6WT

**Investment Managers:**

Brewin Dolphin  
Sixth Floor, Atria One  
144 Morrison Street  
Edinburgh EH3 8EX



**The Grassmarket Mission  
Report of the Trustees  
for the year ended 31 March 2022**

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

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

The law applicable to charities in Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust at the end of the year and of the profit or loss for the year then ended. In preparing those 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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

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

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

Approved by the Trustees and signed on their behalf,

*Jane Paterson*

**Jane Paterson  
Chair**

**Date: 20 September 2022**

**Report of the Independent Examiner  
To the Trustees of the Grassmarket Mission**

I report on the financial statements for the year ended 31 March 2022 set out on pages 10 to 19.

**Respective responsibilities of Trustees and Examiner**

The Charity's Trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The Charity's 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 statement**

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). 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 seeks explanations from the Trustees concerning any 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 on the view given by the accounts.

**Independent examiner's statement**

In the course of my examination, no matter has come to my attention,

1. 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 (as amended), and
  - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations (as amended)

have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

*Louise Presslie*

Louise Presslie  
Chartered Accountant  
Whitelaw Wells  
Chartered Accountants  
9 Ainslie Place  
Edinburgh EH3 6AT

Date: 20 September 2022

**The Grassmarket Mission  
Statement of Financial Activities  
For the year ended 31 March 2022**

	<b>Note</b>	<b>Total Funds 2022 £</b>	<b>Total Funds 2021 £</b>
<b>Income and endowments from:</b>			
Donations and legacies	2	4,052	4,263
Investments	3	25,789	30,448
		<hr/>	<hr/>
<b>Total income</b>		29,841	34,711
		<hr/>	<hr/>
<b>Expenditure on:</b>			
Raising funds		7,741	6,710
Charitable activities		36,418	44,041
		<hr/>	<hr/>
<b>Total expenditure</b>	4	44,159	50,751
		<hr/>	<hr/>
<b>Net (expenditure) before gains</b>		(14,318)	(16,040)
		<hr/>	<hr/>
<b>Net gains on investment assets</b>	5	71,213	177,292
		<hr/>	<hr/>
<b>Net income and net movement in funds</b>		56,895	161,252
		<hr/>	<hr/>
<b>Reconciliation of funds:</b>			
<b>Funds brought forward</b>		1,051,502	890,250
		<hr/>	<hr/>
<b>Funds carried forward</b>		1,108,397	1,051,502
		<hr/> <hr/>	<hr/> <hr/>

All incoming resources and resources expended are derived from continuing activities and are unrestricted in both the current and previous year. The Trust has not recognised gains or losses other than those included in the Statement of Financial Activities above.

The notes on pages 13 to 19 form part of these financial statements.

**The Grassmarket Mission  
Balance Sheet  
As at 31 March 2022**

	Notes	2022	2021
		£	£
<b>Fixed assets</b>			
Investment assets	6	1,087,234	1,034,200
		_____	_____
		1,087,234	1,034,200
		_____	_____
<b>Current assets</b>			
Debtors	7	1,992	2,469
Cash at bank		21,715	17,329
		_____	_____
		23,707	19,798
<b>Creditors</b>			
Amounts falling due within one year	8	(2,544)	(2,496)
		_____	_____
<b>Net current assets</b>		21,163	17,302
		_____	_____
<b>Total assets</b>		1,108,397	1,051,502
		=====	=====
<b>Funds</b>			
<i>Unrestricted funds:</i>			
Capital fund	9	1,087,234	1,034,200
Operating fund		21,163	17,302
		_____	_____
<b>Total funds</b>		1,108,397	1,051,502
		=====	=====

The accounts on pages 10 to 19 were approved by the Trustees on 20 September 2022 and are signed on their behalf by

*Jane Paterson*  
Jane Paterson  
Chair

The notes on pages 13 to 19 form part of these financial statements.

**The Grassmarket Mission  
Statement of Cash Flows  
As at 31 March 2022**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities:</b>		
Net cash used by operating activities	(39,582)	(45,569)
	=====	=====
<b>Cash flows from investing activities:</b>		
Dividends and interest from investments	25,789	30,448
Proceeds from sale of investments	65,999	349,881
Purchase of investments	(56,356)	(332,974)
	-----	-----
<b>Net cash provided by investing activities</b>	<b>35,432</b>	<b>47,355</b>
	=====	=====
<b>Change in cash and cash equivalents in the year</b>	<b>(4,150)</b>	<b>1,786</b>
Cash and cash equivalents at the beginning of the year	28,521	26,735
	-----	-----
<b>Cash and cash equivalents at the end of the year</b>	<b>24,371</b>	<b>28,521</b>
	=====	=====
 <b>RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITES</b>		
<b>Net income/(expenditure) for the year (as per the Statement of Financial Activities)</b>	<b>56,895</b>	<b>161,252</b>
<b>Adjustments for:</b>		
(Gains)/losses on investments	(71,213)	(177,292)
Dividends and interest from investments	(25,789)	(30,448)
Decrease in debtors	477	978
Increase/(decrease) in creditors	48	(59)
	-----	-----
Net cash used by operating activities	(39,582)	(45,569)
	=====	=====
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Instant access bank deposits	21,715	17,329
Cash held within investment portfolio	2,656	11,192
	-----	-----
Total cash and cash equivalents	24,371	28,521
	=====	=====

**The Grassmarket Mission**  
**Notes to the accounts**  
**for the year ended 31 March 2022**

## **1. Accounting Policies**

### ***Basis of accounting***

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to the accounts. The accounts have been prepared in accordance with the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) 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 (FRS102) (effective 1 January 2019).

The Trust constitutes a public benefit entity as defined by FRS102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. The Trustees going concern assessment includes the expected impact of COVID-19 to the company for a period of at least 12 months from the date of signing of these financial statements.

### ***Income recognition***

Donations are included when receivable, provided any conditions for use of the funds have been met. Donated services and facilities are included at the value to the Charity where this can be quantified. Investment income is included when receivable.

### ***Expenditure recognition***

Liabilities are recognised as expenditure 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.

Expenditure is recognised on an accrual's basis. All expenses including support costs and governance cost are allocated or apportioned to the applicable expenditure headings. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of expenditure to which it relates:

- Raising funds comprise the costs associated with attracting donations.
- Charitable expenditure comprise those costs incurred by the Trust in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

### ***Allocation of Support costs***

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include governance costs which support the Trust's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 4.

### ***Fixed Asset Investments***

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

The Trust 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 the investors to investment risk, and changes in sentiment concerning equities and within particular sectors and sub sectors.

**The Grassmarket Mission**  
**Notes to the accounts**  
**for the year ended 31 March 2022 (cont.)**

**1. Accounting Policies (cont.)**

**Taxation**

The Trust is a recognised charitable body and is exempt from corporation tax on its charitable activities. It is not registered for VAT and expenditure includes VAT where appropriate.

**Funds**

The *unrestricted operating fund* can be used in accordance with any of the charitable objects at the discretion of the Trustees.

*Designated funds* are set aside by the Trustees out of unrestricted general funds for specific future purposes or projects.

The *capital fund* corresponds to the valuation of fixed asset investments.

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>2. Donations and legacies</b>		
The John Wilson Robert Christie Bequest Fund	3,000	3,000
Other donations and fund raising	1,052	1,263
	4,052	4,263
	4,052	4,263
 <b>3. Investment income</b>		
Income from listed investments	25,789	30,448
	25,789	30,448
	25,789	30,448

**The Grassmarket Mission**  
**Notes to the accounts**  
for the year ended 31 March 2022 (cont.)

**4. Expenditure**

	<b>Charitable activities</b>	<b>Raising funds</b>	<b>Total 2022</b>	<b>Total 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Donation to GCP	35,000	-	35,000	42,888
Investment management fees	-	7,741	7,741	6,710
Insurance	130	-	130	117
Sundry expenses	46	-	46	40
<i>Governance costs:</i>				
Independent Examiner's fees	1,044	-	1,044	996
Professional fees	198	-	198	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total resources expended	36,418	7,741	44,159	50,751
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>5. Net gains on investment assets</b>		
Net realised gains on disposal	4,359	241,843
Net unrealised gains/ (losses) on revaluation	66,854	(64,551)
	<hr/>	<hr/>
	71,213	177,292
	<hr/> <hr/>	<hr/> <hr/>



**The Grassmarket Mission**  
**Notes to the accounts**  
**for the year ended 31 March 2022 (cont.)**

<b>6. Fixed asset investments</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
UK listed investments		
Market value at 1 April 2021	1,023,008	862,623
Acquisitions at cost	56,356	332,974
Disposal proceeds	(65,999)	(349,881)
Net (losses)/gains on disposal	4,359	241,843
Net (losses)/gains on revaluation	66,854	(64,551)
	<hr/>	<hr/>
Market value at 31 March 2022	1,084,578	1,023,008
Cash held within the investment portfolio	2,656	11,192
	<hr/>	<hr/>
	1,087,234	1,034,200
	<hr/> <hr/>	<hr/> <hr/>
Historical cost of investments	765,562	824,900
	<hr/> <hr/>	<hr/> <hr/>

**The portfolio consists of:**

	<b>£</b>
Equity and investment trusts	1,016,324
Bonds and fixed interest securities	68,254
Cash held within the investment portfolio	2,656
	<hr/>
	1,087,234
	<hr/> <hr/>

All investments are carried at their fair value. Investments are all traded in quoted public markets. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

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

The main form of financial risk faced by the Trust is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of the investors to investment risk, and changes in sentiment concerning equities and within particular sectors and sub sectors, particularly as the Trust is reliant on the dividend yield in part to finance its work.

The Trust has managed the investment risks by retaining an expert advisor and operating an investment policy that provides a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchange. The Trust does not make use of derivatives and other similar complex financial instruments.

**The Grassmarket Mission**  
**Notes to the accounts**  
**for the year ended 31 March 2022 (cont.)**

<b>7. Debtors</b>	<b>2022</b>	<b>2021</b>
	£	£
Accrued income	1,692	1,964
Other debtors	300	505
	<hr/>	<hr/>
	1,992	2,469
	<hr/> <hr/>	<hr/> <hr/>

<b>8. Creditors</b>	<b>2022</b>	<b>2021</b>
	£	£
Amounts due within one year: -		
Accruals	2,544	2,496
	<hr/>	<hr/>
	2,544	2,496
	<hr/> <hr/>	<hr/> <hr/>

**9. Movement of funds**

	At 01.04.21 £	Movement in resources		Transfers	Gains / Losses On Invest -ments	At 31.03.22 £
		Income £	Expenditure £	£	£	
<b>Designated funds</b>						
Capital fund	1,034,200	-	-	(18,179)	71,213	1,087,234
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,034,200	-	-	(18,179)	71,213	1,087,234
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Operating fund	17,302	29,841	(44,159)	18,179	-	21,163
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total funds</b>	1,051,502	29,841	(44,159)	-	71,213	1,108,397
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Notes on funds**

The capital fund represents the valuation of long-term investments held to produce annual income.

**The Grassmarket Mission**  
**Notes to the accounts**  
**for the year ended 31 March 2022 (cont.)**

**9. Movement of funds (cont.)**

	At 01.04.20 £	Movement in resources		Transfers	Gains / Losses On Invest -ments	At 31.03.21 £
	£	Income £	Expenditure £	£	£	£
<b>Designated funds</b>						
Capital fund	869,684	-	-	(12,776)	177,292	1,034,200
	869,684	-	-	(12,776)	177,292	1,034,200
Operating fund	20,566	34,711	(50,751)	12,776	-	17,302
<b>Total funds</b>	890,250	34,711	(50,751)	-	177,292	1,051,502

**10. Analysis of net assets between funds**

	Capital Fund	Operating Fund	Total Funds
	£	£	£
Fixed asset investments	1,087,234	-	1,087,234
Debtors	-	1,992	1,992
Cash at bank	-	21,715	21,715
Creditors	-	(2,544)	(2,544)
<b>Net assets at 31 March 2022</b>	1,087,234	21,163	1,108,397
	1,034,200	17,302	1,051,502
Fixed asset investments	1,034,200	-	1,034,200
Debtors	-	2,469	2,469
Cash at bank	-	17,329	17,329
Creditors	-	(2,496)	(2,496)
<b>Net assets at 31 March 2021</b>	1,034,200	17,302	1,051,502

**The Grassmarket Mission**  
**Notes to the accounts**  
**for the year ended 31 March 2022 (cont.)**

**11. Related Party Transactions**

During the year one trustee was reimbursed £46 (2021 – one Trustee was reimbursed £40) for expenses incurred on behalf of the Trust.

The following Trustees are also directors of Grassmarket Community Project (GCP)

Rev Dr Richard E Frazer  
Douglas Armstrong

During the year a donation of £35,000 (2021: £42,888) was paid to GCP as a contribution towards the CEO's salary.