



ANNUAL REPORT AND FINANCIAL STATEMENTS

**For the year ended
31 March 2024**

VAT Registration Number 130905442
Scottish Charity Number SC002970
A Member of the Scottish Grant Makers
A Member of the Scottish Funders Forum
A Member of the Association of Charitable Foundations

**THE ROBERTSON TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

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CHAIR'S STATEMENT

My third year as Chair for The Robertson Trust has seen more challenges facing our grant holders and other partners. The cost-of-living crisis continues to be felt acutely by many people in Scotland. The data sets we see and the stories we hear show ongoing challenges with the costs of essentials, securing fair work, accessing and engaging with education at different stages on the learner journey. Through it all, we are inspired by the determination of our grant holders and other partners to not only mitigate the worst impacts of poverty and trauma, but also to find solutions to prevent them happening.

This year we brought five new Trustees onto our Board. We recognise that we have the greatest chance of success as an organisation if our board and staff teams draw upon a wide range of experience and knowledge. That is why we explicitly wanted to improve the diversity of the Board including: improving the gender balance, which had shifted following recent retirements; and to encourage applications from a variety of cultural and ethnic backgrounds. We welcomed Dr Khadija Coll MBE, Amanda McGuigan, Ashley Scotland, Dr Wendy Wu and Joanna McCreadie in 2024 and have already benefitted from the wealth of experience they have in the fields of governance, innovation and risk as well close connections to key issues relating to poverty and trauma, which is helping us reframe our current decision making and inform our strategic priorities.

We are committed to using all of our resources and assets to achieve our mission and have continued to develop our Social Impact Investment (SII) plan. This was approved by the Board in March 2023 and enables us to commit up to £20M in investments with a strong social impact which align to our mission and priority themes. We have also made substantial progress by reviewing our pooled investments portfolio as part of our Climate Commitment. We are delighted that our investment portfolio now has close to zero exposure to fossil fuels and the Carbon Intensity of the portfolio has halved over an 18 month period. We will continue to look at further positive Environmental, Social and Governance (ESG) outcomes across our managed portfolio to ensure that we are using all of our assets in a responsible and sustainable way.

We know that to have the greatest impact we need to work in partnership with others. We have continued to build relationships with key partners across all areas of our work and are proud to be one of the founding funders of the new Independent Human Rights Fund for Scotland, alongside Corra Foundation, The Baring Foundation, Cattanach and William Grant Foundation. The Fund will support action to realise and defend rights and tackle issues affecting people's daily lives. The Fund was open for applications in summer 2024 and was hosted by Corra Foundation.

Looking ahead, we know that our strategic focus is right, and we are excited to begin work for developing our next Business Plan which we will begin in April 2025. Through this, we will review where and how we can make the biggest contribution to change so that we can best support those who seek to prevent and reduce poverty and trauma in Scotland.



Mark Batho
Chair of The Robertson Trust

CHIEF EXECUTIVE'S REPORT

The ongoing challenges of poverty and trauma in Scotland are intensifying. We recognise the responsibility we have as an independent funder and recommit to our ambition of offering more than a sticking plaster to those in hardship. During these turbulent times, three key reflections guide us:

- **The Storm:** Austerity, COVID-19, the cost-of-living crisis, deepening poverty, and associated trauma are the main drivers of the current challenges. We aim to be a stable anchor for those we support in the storm.
- **The Ground:** We share a common mission with our grant holders: a belief in the need for lasting social change and a commitment to contributing resources to facilitate it.
- **The Horizon:** We strive to see beyond current difficulties, identifying longer term future opportunities for positive impact.

We are acutely aware of the high levels of need experienced by our grant holders. Last year, applications through Our Funds increased by 22%, with an improved success rate. We made awards through this responsive grant making route totalling £19.6m Building on our commitment to IVAR's principles for Open and Trusting Grant Making, more than half of our Large and Small Grant revenue awards (52%) were unrestricted, up from 37% the previous year. However, with demand significantly higher than our budget and a skewing towards one of our four primary themes, we decided to pause Our Funds for new applications from 31 May 2024 with a phased return from 30 September 2024. This was to allow us to evaluate where we can have the biggest impact across our themes. This pause aimed to sharpen our focus, in order to deliver more impact towards our strategic aims.

We are committed to using all our resources and assets to drive change. This year, we awarded £6.2m million through our Programme Awards, supporting work with the potential to deliver lasting change on poverty and trauma in Scotland. Funded projects include work to reform the child maintenance system and a pilot of Scotland's first good practice standard for flexible working. In 2023-24, we established a new committee to oversee our Social Impact Investment (SII) plan, which will see us commit up to £20.0 million. Several opportunities are already in development with the support of an SII Expert Adviser.

An exciting development has been our collaboration with change-makers and community leaders to co-produce a new fund focused on advancing racial justice, reflecting our commitment to ensuring that people with lived experience of racial injustice actively shape our work. We will announce plans for the fund in early 2025. Meanwhile, 2023-24 has seen significant progress in our climate change commitment, including support for development of the Edinburgh Regenerative Futures Fund and NPC's Everyone's Environment Programme, as well as further reducing exposure to fossil fuels within our investment portfolio.

Beyond grant-making, we have increased non-financial support for grant holders, including digital and organisational development support, and free or reduced facility hire at our charity hubs in Stirling and Glasgow. Our Journey to Success programme offers self-development opportunities and a wraparound programme of practical support to recipients of our Robertson Scholarship bursary to enable young people from widening access backgrounds to stay the course in higher education and beyond.

By amplifying the voices of grant holders and people with lived experience of poverty and trauma, we are building our ability to advocate for solutions. The Robertson Trust is an independent funder for Scotland, driven to take action that prevents and reduces poverty and trauma. Our focus is on the issues that matter to the people and places we serve. Being independent does not mean being neutral; our mission requires us to use all resources to fund, support, and influence lasting solutions.

While aware of the scale of the challenges ahead, we are committed to making decisions that maximise our impact. Some choices will be difficult, but we are confident that by sharpening our focus, driven by the insights of our partners, we will be better prepared to deliver on the promise of our strategy.



Jim McCormick
Chief Executive Officer

**THE ROBERTSON TRUST
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REPORT OF THE CORPORATE TRUSTEE

The Corporate Trustee presents its report on the individual financial statements of The Robertson Trust (the 'Trust' or the 'Charity') and the consolidated financial statements of the Group, comprising of the Charity and its subsidiaries, the group of companies headed by The Edrington Group Limited ('Edrington') for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 2 for the Charity's accounts and additional accounting policies for the consolidated financial statements are set out in note 27 which covers the Group.

The consolidated and individual financial statements comply with the Trust Deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102') (effective 1 January 2019) and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 ('the SORP').

OBJECTIVES AND ACTIVITIES

The objective of the Trust is the provision of financial support for purposes as defined by the Charities and Trustee Investment (Scotland) Act 2005. The Trust Deed confers very wide powers on the Corporate Trustee to make payments for such charitable purposes as the Corporate Trustee may, in their sole discretion, determine. The current strategy links predominantly to the prevention or relief of poverty.

About us

The Robertson Trust is an unincorporated charity in the United Kingdom and is registered in Scotland. It is recognised as a charity for tax purposes by HMRC and is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC002970.

The Trust's principal charitable activity is grant-making. In addition, it currently operates two charity hubs which rent low cost spaces to charities, Robertson House, in the city centre of Glasgow and The Barracks in Stirling, which includes a conference centre run primarily as an events space for charities in Scotland.

Who we are

Our vision is of a fair and compassionate Scotland where everyone is valued and able to flourish. As Scotland's largest independent grant making trust, we have awarded over £300m to charities in Scotland since 1961.

In 2020, we launched a 10-year strategy which focused our resources on two of the most significant challenges faced in Scotland today – poverty and trauma. At the heart of this strategy is a recognition of the interaction between the two, not only now but through long-term impacts. Underpinning all of our work are three core values:

- **We are ambitious**
- **We act with integrity**
- **We connect**

When we launched our current strategy, we said that our mission was to 'work with others, using all of our tools and resources, to improve the wellbeing of people affected by poverty and trauma.' However, we now recognise that we need to do more than that if we are going to help shift the dial on poverty and trauma in a meaningful way. 'Improving the wellbeing of people affected by poverty and trauma' isn't enough; instead, we need to look more to prevention in order to drive lasting social change in Scotland. That is why we revised our mission statement in 2024 and now seek **to prevent and reduce poverty and trauma in Scotland, funding, supporting and influencing solutions to drive social change.** This is in line with our strategy, values, and role as an independent funder. This furthers our legal purpose which is set out in our objective. **What we do** to achieve our purpose is listed below.

The Trust is the principal owner of The Edrington Group Limited, a private company limited by shares incorporated in the United Kingdom under the Companies Act (2006) and is registered in Scotland, Company number SC036374. Edrington's principal activities are the sale and distribution of premium alcoholic beverages.

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REPORT OF THE CORPORATE TRUSTEE *(continued)*

OBJECTIVES AND ACTIVITIES *(continued)*

Our history

The Robertson Trust was established in 1961 by the Robertson sisters, Elspeth, Agnes, and Ethel, who donated their shares in the family businesses - built up by their grandfather and father - to the Trust for charitable purposes. The sisters wanted the family businesses to remain successful and independent, while they extended the past support they had given to charities. They were among the first Charity Trustees and pioneering women in business, serving for a combined total of 71 years, ensuring the Trust upheld the same principles as those at the heart of the family business: honesty, integrity, and willingness to help people in trouble or need. These principles, their philanthropy and business acumen ensured that profits from the successful Robertson companies would help people and communities in Scotland. In the present day, we continue to build on the legacy and vision of the Robertson sisters, while also looking at how we can use all of our resources to reduce poverty and trauma in Scotland, now and in future.

What we do

We have set out below our significant activities and how they contribute to the achievement of our aims and objectives.

Underpinning our strategy are three objectives which drive our work:

- **Fund**
- **Support**
- **Influence**

Each of these works together – like different layers in a cake – helping us to achieve our mission.

Fund is our primary objective and we have many ways in which we deliver it. The majority of our funding activity is delivered through Our Funds which is the responsive grant making strand of the Trust and includes Wee Grants, Small Grants, Large Grants and Community Vehicles. We also have Programme Awards which provide funding to organisations with an income above £100K a year that have specific activities that are trying to achieve big change that lasts. We also provide funding to individuals through our Robertson Scholarship programme.

Our Social Impact Investment Strategy also comes under this work. Building on the small number of social investments made previously, a new Social Impact Investment plan will see the Trust investing up to £20.0m designated funds in future years, primarily into funds managed by key intermediaries which are then lent out to a wider range of partners developing solutions which go further than our grant-making.

Support – We know that funding is not always enough so alongside our funding, we also provide non-financial support to grant holders (through Funder Plus activities), the broader third sector (through Wider Sector Support), and to Robertson Scholars through our Journey to Success self-development programme.

Influence – We are independent but not neutral. In order to advance social change, we need to use our voice and to amplify the voice of others. This includes advocating for solutions to poverty and trauma and promoting examples of good practice.

We have also identified two cross-cutting themes which sit across our work. These are our EDPR (Equity, Diversity, Participation and Rights) and our Climate Commitment. We know that people experiencing or at risk of poverty are disproportionately affected by barriers arising from discrimination, inequalities in power and climate risk and so we recognise their importance in helping us to achieve our mission.

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REPORT OF THE CORPORATE TRUSTEE *(continued)*

OBJECTIVES AND ACTIVITIES *(continued)*

What we do *(continued)*

Within our strategy, we identified four themes which we think are essential components of addressing and preventing poverty and complex trauma in Scotland:

- **Financial Security.** Through this theme we aim to improve income adequacy, income security, reduce cost-related pressures, and improve safety nets for people in hardship.
- **Emotional Wellbeing and Relationships.** Through this theme we want to see a Scotland that builds stronger relationships for people, families, communities and with services, to maximise the potential and wellbeing of those currently held back by poverty and trauma.
- **Education Pathways.** Through this theme we want to shape an education system that maximises its contribution to wellbeing and maximising attainment for those experiencing barriers, and is trauma informed with the aim of preventing and reducing poverty and trauma in Scotland.
- **Work Pathways.** Through this theme we aim to ensure that paid work can be a better route out of poverty by tackling the drivers of in-work poverty. We will support the workforce who are overrepresented in low paid, insecure work with inadequate hours and groups who are underrepresented in fair work. We will also support those furthest from employment to access good work.

While these thematic priorities are useful for shaping our work, we also recognise the overlaps and intersectionality between them.

ACHIEVEMENTS AND PERFORMANCE

1. OUR FUNDS

During the financial year 2023-24, we made 627 awards through Our Funds, totalling £19.6m. You can find a list of all of the awards we made in the year on our website.

The types of awards we made through Our Funds were:

Wee Grants (231 awards totalling £434k)

Funding of up to £2,000 for one year for constituted community groups and charities working in Scotland with an annual income of less than £25k.

Small Grants (199 awards totalling £6.3m)

Revenue funding of between £2k and £15k per year for up to five years for registered charities working in Scotland with an annual income of between £25k and £100k.

Large Grants (143 awards totalling £12.5m)

Revenue funding of between £15k and £50k per year for up to five years for registered charities working in Scotland with an annual income of between £100k and £2m.

Community Vehicles (54 awards totalling £377k)

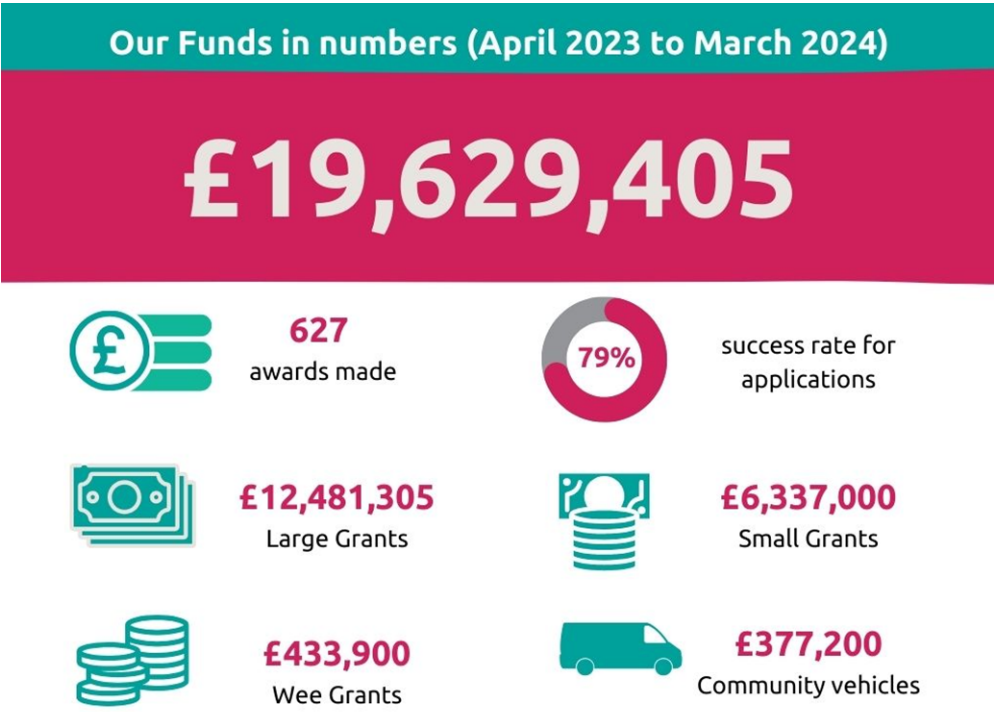
Funding of up to £10k towards the cost of a vehicle to support charitable activities for registered charities working in Scotland with an annual income of between £25k and £2m.

All awards are subject to agreed terms and conditions being met.

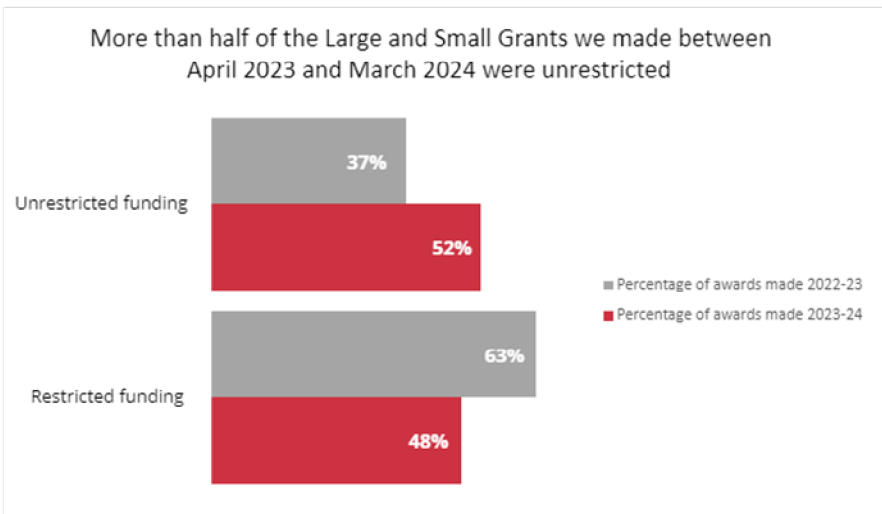
REPORT OF THE CORPORATE TRUSTEE *(continued)*

ACHIEVEMENTS AND PERFORMANCE *(continued)*

1. OUR FUNDS *(continued)*



In 2023-24 we saw an increase of 22% in the applications from the previous years. We have also seen the average success rate of successful applications as a percentage of total applications, increase from 74% across Our Funds in 2022-23 to 79% in 2023-24. Building on our commitment to IVAR's principles for Open and Trusting Grant Making, it is positive to see that more than half of our large and small grants revenue awards (52%) are now unrestricted. This contrasts with 37% in the previous financial year.

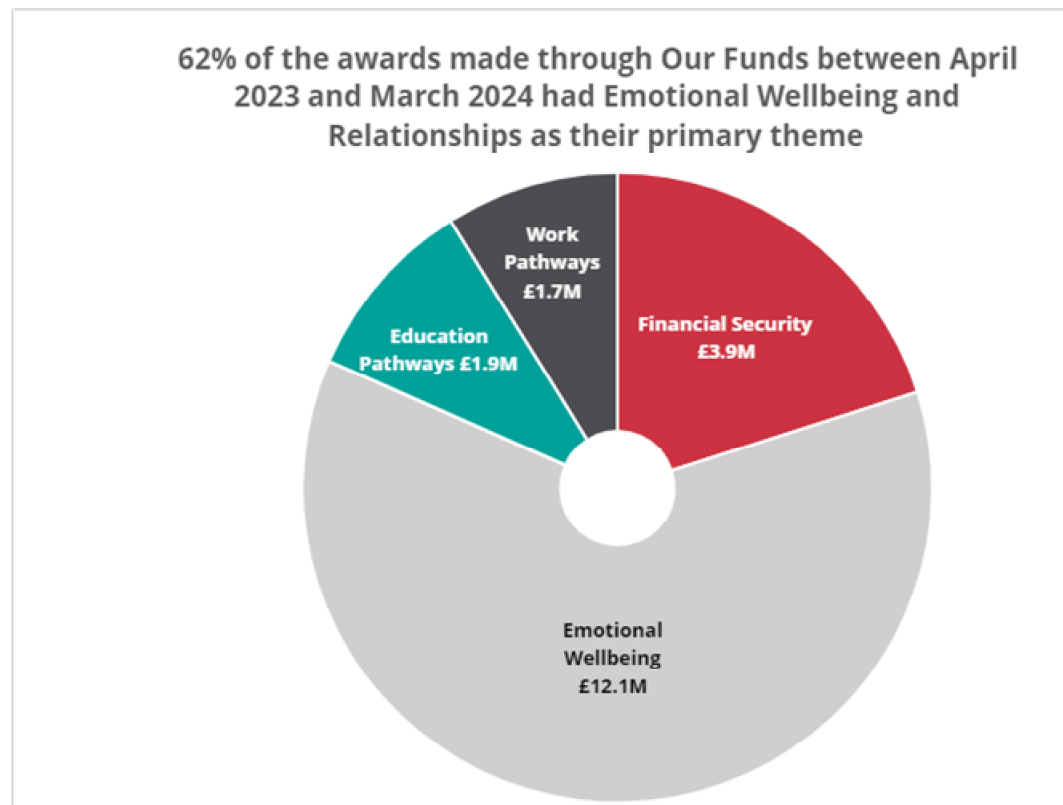


Many applicants still have a clear rationale for requesting restricted funding (e.g. to help secure match funding or to protect key elements of service delivery) but our funding officers work with applicants to reprofile requests where they would benefit from unrestricted funding. The majority of our awards are multi-year.

REPORT OF THE CORPORATE TRUSTEE *(continued)*

ACHIEVEMENTS AND PERFORMANCE *(continued)*

1. OUR FUNDS *(continued)*



The awards we made through Our Funds sit across all of our four themes. 62% (2023:54%) of our funding was tagged with the primary theme of Emotional Wellbeing and Relationships; 20% (2023: 24%) of our funding had Financial Security as its primary theme; 10% (2023:8%) of our funding had Education Pathways as its primary theme; and 8% (2023:14%) of funding had Work Pathways as its primary theme. This breakdown is broadly consistent with the previous year.

2. PROGRAMME AWARDS

Our Programme Awards aim to support work, which is bold, innovative and sustainable, with the potential to deliver big change that lasts on poverty and trauma in Scotland. This could be through development and feasibility awards, test and demonstrate awards, research focused on change, and advocacy, policy, campaigning and influencing projects.

During the financial year 2023-24, we made 28 Programme Awards totalling £6.2m. These covered all four of our themes plus specific programmes:

- £2.6m was awarded through Financial Security
- £1.7m was awarded through Education Pathways
- £0.5m was awarded through Work Pathways
- £0.4m was awarded through Emotional Wellbeing and Relationships
- £0.2m awarded to projects which are termed cross-theme, relating to multi thematic areas.
- £0.7m awarded to specific programmes: £0.6m Equity, Diversity, Participation & Rights (EDPR) – see section 4 below; £90k for Funder Plus/Wider Sector Support – see section 3 below, and £45k for development of a new Grassroots leadership programme.
- £0.1m other awards including cost of living up lift awards.

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REPORT OF THE CORPORATE TRUSTEE *(continued)*

ACHIEVEMENTS AND PERFORMANCE *(continued)*

Financial Security Open Call

In April 2023, we awarded £1.8m to six projects through our first open call for Programme Awards. An open call is a fund which is calling for applications to be submitted over a specific time period rather than one of our open funds which generally remain open all year round. These were for projects aiming to achieve big change that lasts to improve income adequacy, income security, reduce cost-related pressures on finances and improve financial safety nets for people in financial trouble.

The funded projects include work to: reform the child maintenance system; challenge the rural poverty premium; strengthen social security; shift public attitudes to child poverty; test different models to embed advice and cash first in responses to food insecurity; and tackle societal barriers faced by people with learning disabilities. There is more information about the awards on our [website](#).

We have already brought the six projects together for a learning and development day and will continue to do so at regular intervals over the remaining two year life of these projects so that we can learn alongside each other and strengthen our collective impact.

Education Pathways Open Call

From October 2023 to March 2024, we ran an open call through Education Pathways. The aim was to support big change that lasts in improving engagement in education for children, young people and their families. The open call resulted in four Programme Awards which include work to: identify and support young carers; test new ways of partnering with the local authorities' Early Learning and Childcare Team; understand more about why young people leave school without positive destinations; and conduct action research to measure and demonstrate the impact of youth work.

Co-produced awards

As well as making awards through open calls, we also have the ability to co-develop potential projects with a strong likelihood of achieving big change that lasts. We identify these through discovery and relationship building work across the Trust. In the financial year 2023-24, this route led to three awards being made, totalling £0.2m. (2023: £0.3m)

3. IN HOUSE AND HOSTED PROGRAMMES

The Robertson Scholarship and Journey to Success

We deliver the Robertson Scholarship bursary scheme combined with Journey to Success – a self-development programme – to around 700 scholars a year. Through our Scholarship, we provide practical and financial support to young people from widening access backgrounds to complete their degrees and find the right paths after graduation. This is linked to one of our priority themes on achieving fair access under Education Pathways. In the financial year 2023-24, we gave £2.5m in bursaries to scholars.

In 2023-24 we welcomed 175 new scholars (2022-23: 138) and had a total of 700 scholars across the Programme.

Alumni helped us to commission an independent evaluation of the Scholarship Programme which was conducted by ScotCen. Current scholars and alumnae were actively involved in all stages including the design, data collection and sense-making of findings.

The evaluation highlighted the positive impact that the Scholarship bursary and Journey to Success are having on their experiences at university, their ability to complete their degrees, and their own personal development. The evaluation also has recommendations for how we can improve the Programme. These include better communication with applicants, scholars and partners, and reviewing the type and levels of support on offer.

We are considering these findings, alongside other sources of evidence to see how we can improve the Scholarship Programme to have the biggest impact on poverty and trauma in Scotland. We will share more information about our plans in 2025.

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REPORT OF THE CORPORATE TRUSTEE *(continued)*

ACHIEVEMENTS AND PERFORMANCE *(continued)*

Each and Every Child:

This is an initiative supported by multiple funders and hosted by the Trust. This programme aims to tell a compelling story about children and young people in the care system, transforming the current public narrative, and mobilising people to take action to improve the life chances of children, young people, and families across Scotland. Over the year, the team has been learning a lot as the implementation of the framing recommendations expands and deepens into new areas of work.

Each and Every Child is beginning to see the real impact that this work is having across Scotland, both in terms of how framing is being used in different areas but also on how the approach taken by the team has facilitated partnership working and new ways of thinking. We know that the framing recommendations can shift public understanding and tackle stigma towards people with experience of care. We also know that doing this requires individuals and organisations to look critically at their own practice and tell a new story.

The approach of Each and Every Child has been to facilitate this learning in a way that is positive, progressive, and most importantly effective and sustainable. The feedback it has received so far has pointed to this space for reflection being highly valued by those they have engaged with.

Each and Every Child has been working with The Lines Between, a social research agency, to understand the learning and impact of the initiative so far. We are excited by the impact that has been achieved so far and have renewed funding support by confirming an award of £0.2m over the next three years. We will also continue to host the initiative.

Wider Sector Support

We recognise that we have a responsibility to support third sector organisations, beyond giving financial grants. For many years, we have provided optional non-financial support aimed at building skills, capacity and capabilities of organisations which can be accessed by our grant holders.

In 2023-24, we awarded £90k to organisations through our Wider Sector Support. This included funding to Community Enterprise Scotland and SCVO for digital support to organisations.

Findings from our Grant Holders' Survey in 2023, showed us that many of our grant holders do not know that our Funder Plus support exists. That is why, alongside making some awards, we are also developing more frequent communications in this area. We hope that this will raise awareness of the support and ensure that more of our grant holders are able to access it.

Giving More

In 2001, The Trust and Edrington established the Giving More scheme. This aims to encourage employees to become involved with charitable activities in Scotland as volunteers. Since 2011, for every £1 raised by staff, up to a maximum of £5,000 within a financial year, the Trust donates £1. In 2023-24, the Trust donated £444k to Giving More.

Charity Hubs

One of the distinctive ways in which the Trust supports the Third Sector beyond traditional grant making is through our charity hub model. The Barracks in Stirling is home to nine charities at Kintail House and Cameron House.

In 2023, we fully re-opened The Barracks Conference Centre for external events and have hosted numerous meetings, events, and conferences there. We continue to offer free use of the space for two events over a 12-month period to all our current grant holders as part of our Funder Plus offer. We also offer discounted rates to other eligible third sector organisations.

We have continued to use Robertson House in Glasgow as our main premises and have 14 charity tenants and desk licence users also using the building. Robertson House offers high quality, affordable office, desk hire and meeting room space for the charities housed there. We have invested in our IT infrastructure to equip the building for hybrid working.

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REPORT OF THE CORPORATE TRUSTEE *(continued)*

ACHIEVEMENTS AND PERFORMANCE *(continued)*

Social Impact Investment

Our Social Impact Investment (SII) Plan was approved by our Board in March 2023, and creates an additional set of tools and resources to help us achieve our mission. The SII Plan enables us to commit up to £20.0m in investments with a strong social impact which align to our mission and priority themes. Significantly, the plan does not have an expiry date so we can move at a pace that is right, driven by the strongest opportunities that we find. In 2023-24, we set up robust governance structures around this plan, including establishing a new Committee which will oversee the work. We also appointed an SII expert adviser to the Trust and have been scoping out potential new opportunities, some of which are in development.

4. EQUITY, DIVERSITY, PARTICIPATION AND RIGHTS

We believe that building our know-how and making progress towards equity, diversity, participation, and rights are critical for delivering our mission. We believe that progress on all four of these is required for lasting social change.

The Robertson Trust has been working with a network of activists, changemakers and community leaders since February 2024 to shape and co-produce a Fund to advance racial justice. This Fund aims to resource and influence change by helping small and medium community organisations led by and for Black people and People of Colour be at the forefront of anti-racist systems change in Scotland. It will focus on supporting impactful community-level initiatives to build wider systems change. We will share plans of the new fund early in the financial year 2024-25.

In December 2023, our Board approved a contribution of £0.5m including a share of running costs towards a new Independent Human Rights Fund for Scotland, alongside other founding funders Corra Foundation, The Baring Foundation, Cattanach and William Grant Foundation. The Fund will support action to realise and defend rights and tackle issues affecting people's daily lives. It will focus on people whose rights are most at risk. The Fund was open for applications between 4 June 2024 and 4 September 2024, and is hosted by Corra Foundation. An award of £100k was also made to Simon Community, to help sustain emergency support for destitute asylum seekers in Glasgow.

5. CLIMATE COMMITMENT

We have been signatories to ACF's Funder Commitment on Climate Change. In Our Plan 2022-25, we have committed to support work that aligns with our Climate Commitment and our strategic aims to reduce poverty and trauma in Scotland. Some of the awards we made in 2023-24 include:

- £35k over six months to New Philanthropy Capital (NPC) to support the development stage of their [Everyone's Environment Programme](#) – People Living in Poverty strand.
- We have committed development support to the [Edinburgh Regenerative Futures Fund](#). The ambition of the fund is to co-design a 10-year fund with community-based organisations to tackle and sustain change in Edinburgh across four key areas: poverty; racial inequality; the climate emergency; and closing the gap between ambition, policy and data.
- In November 2023, we joined the Environmental Funders Network. Our investment portfolio now has close to zero exposure to fossil fuels.

REPORT OF THE CORPORATE TRUSTEE *(continued)*

ACHIEVEMENTS AND PERFORMANCE *(continued)*

6. IMPACT, INSIGHTS, AND INFLUENCE

Over the last couple of years, we have been developing and testing an Impact and Insights Framework. This guides our approach to learning and aims to draw a line of sight between the changes we want to see in Scotland and what we do in our work to fund, support and influence.

It includes core questions for us to consider at different stages in our work and prompts pauses to reflect and ask:

- What have we done and why?
- What is the impact we are contributing to and how is that change happening?
- What does that mean for what we do next?

Working in this way enabled us to publish our first Impact Report in July 2024:

<https://www.therobertsontrust.org.uk/news-and-blogs/impact-report-2023/>

We are independent but not neutral. We fund influencing work through our Programme Awards, amplifying the voice of our grant holders and partners, and undertake influencing work directly.

We have worked closely with Aberlour to publish two pieces of research which have helped to explore the scale of the problem of public debt. Together these reports and associated calls for action ask for a shared commitment through the Scottish Government budget and through manageable actions that can be taken by councils.

They represent a tangible contribution towards the campaign led by Aberlour and its partners to reduce everyday costs for struggling families – resulting in the Scottish Government cancelling all school meal debt in the 2024-25 budget.

We have also joined the campaign to **#GuaranteeOurEssentials**. This was launched by the Trussell Trust, alongside the Joseph Rowntree Foundation. It calls on the UK Government to ensure that the basic rate of Universal Credit covers the real cost of essentials and is not pushing people further into hardship.

Our voices series gives a platform to our grant holders to talk about what matters to them. In the latest in the series, The Cottage Family Centre highlights the need for direct, holistic, and whole-family support to those facing various interconnected challenges relating to poverty and trauma. Being relationship-focused is at the centre of their approach, identifying with the family those issues which are having the greatest impact on their lives and working together to build solutions, which makes a real difference to family relationships and resilience, and their children's life in the long-term.

FINANCIAL REVIEW

The Trust's individual financial results for the year

The Trust's individual financial results, which are detailed in the Statement of Financial Activities, is presented on page 27.

Income

The Trust's income in the year ended 31 March 2024 was £33.3m (2023: £30.3m). Included within total income, is a dividend income of £23.4m which was received from Edrington during the period (2023: £23.8m).

As anticipated, given the increase in listed investments in the prior and current year, there has been an increase to our other investment income (from listed investments, social investments and bank interest) which totalled £9.4m (2023: £6.1m). Income from listed investments totalled £9.1m (2023: £5.9m), income from social investments totalled £13k (2023: £16.0k) while bank interest from managed cash deposits totalled £0.3m (2023: £0.2m).

**THE ROBERTSON TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

REPORT OF THE CORPORATE TRUSTEE *(continued)*

FINANCIAL REVIEW *(continued)*

Income from charitable activities totalled £0.4m (2023: £0.4m). This included rental income of £0.3m (2023: £0.3m). Rental income is from tenants with leases for dedicated office suites and those on short term desk licence agreements, together with the hire of meeting rooms within Robertson House and The Barracks.

Donation and legacy income of £43k (2023: £34k) was recognised in the year. This is restricted income and has been received in order to match the funding provided to a proportion of Scholars who received grants in the year.

Expenditure

Charitable activities have been split into Grant Making costs and Charity Hub costs as these are the two identifiable charitable activities that were undertaken in the year.

Support costs associated with the running of the charity hub at Robertson House have been apportioned 20% to grant making and 80% to charity hub. This is because the Trust's office takes up 20% of the floor space within Robertson House and so this portion is allocated to its grant making activity. Where there is no direct staff cost allocation, support staff costs are split 90% to grant making and 10% to charity hub. The support costs associated with the running of the charity hub at The Barracks are allocated in the same way as 10% of costs are allocated towards grant making supporting Funder plus activities.

In the year under review, the cost of charitable activities had risen to £33.7m (2023: £25.6m).

Included in expenditure is £96k restricted expenditure (2023: £41k). This included funding provided to Scholars who received matched funding in the year as well as costs to support the TSI network.

Results

The net deficit of income over expenditure prior to transfers, gains, and losses on investments for the year was (£0.4m) (2023: net surplus of £4.7m).

Investment policy and performance

The Trust's investments are divided into four distinct types: unlisted investments, listed investments, social investments and cash.

Unlisted investments – Investments in subsidiaries

The Trust's unlisted investments are represented by its controlling interest in Edrington. The book value of the Trust's unlisted investment shareholding in Edrington is £284.0m at 31 March 2024 (2023: £292.1m).

In February 2024, the Trust participated in a second share buyback scheme arranged by its Edrington subsidiary which saw shares sold back to Edrington realising a gain on investment of £71.9m (2023: £140.2m). The funds, net of associated costs, are being invested into the listed investment portfolio.

Listed investments

During the year, the Trust continued to invest new funds totalling £79.6m into its portfolio of pooled investments including that received from Edrington share buybacks which took place in February 2024. Funds are now held in a diversified portfolio across 17 separate funds within an overall agreed strategic asset allocation – designed to minimise risk and maximise return within Trust set parameters.

The Trust takes a total return view of the portfolio with a long-term target of inflation (measured by UK CPI) plus 4% to protect the portfolio's real value after funding an annual withdrawal. Note no annual withdrawal was made in 2024 having just made a new significant investment in the portfolio. The full investment policy can be read on our website. [here](#).

The Trust is further developing its responsible investment approach including consideration of Environment, Social & Governance ('ESG') factors, for example gaining an understanding of and tracking the Carbon footprint of the investment holdings. ESG scores are tracked with any "red flags" investigated with either a timeline set for improvement, or an exit strategy determined.

The value of the Trust's listed investments at 31 March 2024 was £569.1m (2023: £457.9m). The investment income yield on listed investments was £9.1m, 1.6% (2023: £5.9m, 1.3%).

**THE ROBERTSON TRUST
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FOR THE YEAR ENDED 31 MARCH 2024**

REPORT OF THE CORPORATE TRUSTEE *(continued)*

FINANCIAL REVIEW *(continued)*

Social investments

At 31 March 2024, the value of the Trust social investment was £0.3m (2023: £0.3m). However, the Trust has designated £20m new funds in the year towards a new range of social impact investments (SII) which will start to be developed following the agreement of a new SII strategy and policy in 2024/25.

Cash and cash equivalents

The Trust's treasury policy is to:

- ensure the Trust has sufficient cash balances throughout the year to meet all the Trust's commitments without realising any of its endowment held listed investments;
- invest surplus cash in listed investments; and
- maximise the returns on cash balances held by the Trust.

Charitable funds

Through our grant policy we offer a range of funding, often unrestricted, for up to five years to charitable organisations who are working to alleviate poverty and trauma in Scotland. **Our Funds** awards are aimed at constituted community groups and registered charities who have an annual income of under £2 million.

Programme Awards support work which aims to deliver big change that lasts. These are available to organisations (including Community Interest Companies, Housing Associations and Credit Unions) with an annual income of more than £100,000. We also support individuals through our scholar bursaries **Journey to Success Programme**. Funds are awarded through regular decision meetings with timelines published on our website.

The Trust's total funds at 31 March 2024 was £848.0m (2023: £744.8m), comprising of £794.2m (2023: £695.1m) in restricted funds, £33.7m (2023: £47.7m) in unrestricted funds and £20.0m (2023: £2.0m) designated funds. The Trust continues to maintain adequate resources to manage its charitable activities and generate charitable funds.

Reserves policy

The Trust's policy is to take account of future as well as current commitments in assessing the level of reserves required to meet the Trust's liabilities. This requirement is met if the unrestricted income fund, is maintained at a level sufficient to cover between 9 and 15 months future expenditure i.e., between £23.0m and £38.0m.

The Trust had total funds of £848.0m at 31 March 2024 (2023: £744.8m), including unrestricted income funds of £33.6m (2023: £47.7m). The unrestricted income funds held at 31 March 2024 is within the Trust's reserves policy requirement. Other reserves held are £794.2m (2023: £695.1m) in restricted funds and £20.0m (2023: £2.0m) designated funds. The Corporate Trustee considers that the financial position of the Trust is sufficiently strong to meet the planned expenditure for the year ahead. A full analysis of the funds of the Charity are included within the charitable funds section above.

The Group's consolidated financial results for the year

As explained in note 14 to these financial statements, the consolidated financial statements are presented on pages 51 to 101 in this annual report.

Edrington's performance during the year reflects its ongoing focus on the faster growing ultra-premium category, and its sustained high levels of investment behind its brands which drive increased consumer demand and the growth of its business.

The consolidated statement of financial activities is shown on pages 51-52.

Consolidated funds

The consolidated balance sheet is shown on page 53. At the year-end, the Group's total net assets was £1,773.5m (2023: £1,644.0m).

The value of the Group's total funds at 31 March 2024 was £1,038.4m (2023: £941.6m), comprising of £522.5m (2023: £415.4m) in restricted funds, £495.8m (2023: £524.2m) in unrestricted funds and £20.0m (2023: £2.0m) in designated funds.

**THE ROBERTSON TRUST
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FOR THE YEAR ENDED 31 MARCH 2024**

REPORT OF THE CORPORATE TRUSTEE *(continued)*

FINANCIAL REVIEW *(continued)*

Trading subsidiaries

During the year, Edrington's turnover increased to £1,351.8m (2023: £1,296.3m). Net income (before taxation) stood at £402.5m (2023: £399.8m) as reported under FRS102 accounting standard.

Within Edrington Group accounts, the overall profit for the financial year after tax (pre-exceptional) was £314.8m (2023: £312.9m) and £166.3m (2023: £168.5m) after minority interest. Exceptional items totalled a cost of £2.3m (2023: income £13.3m) (after taxation and minority interest), leading to a profit for the year, attributable to Edrington shareholders, of £164.0m (2023: £181.8m).

The strong performance this year reflects our ongoing focus on the ultra-premium category, and the sustained high levels of investment behind our brands and people, which drives increased consumer demand and the growth of the business.

Core revenue and core contribution grew by 11% and 16% respectively on the previous year, with particularly strong growth in the first six months of the year. The second half of the year reflected the significant reduction in consumer and customer confidence that was experienced by the whole industry. Pre-exceptional profit before tax was flat versus the prior year with the strong performance of the underlying business being offset by stronger sterling and higher interest costs. The retained profit for the financial year, before exceptional items, declined by 1% and included the impact of a higher UK corporation tax rate.

Edrington has continued to increase investment in the business through capital expenditure for both the quality and capacity of its operations, along with strategic investments in our sherry cask supply chain through the purchase of Vasyma SL, a cooperage in Jerez and an investment in Coopers Oak LLC, an American oak supplier in the US.

This year's results continue a trend of strong growth, with Edrington increasing its core contribution by 87% over four years from 2019/20, despite doubling our brand investment in the same period. This achievement reflects the success of our ultra-premium strategy, and especially of The Macallan.

Edrington declared dividends of £31.6m during the financial year (2023: £32.1m). In addition to the dividend, the strong performance enabled Edrington to return a further £80m to shareholders through a share buyback, in addition to the £220m of share buybacks in the prior financial year.

The Trust and its investment bank advisors are provided with regular reports from Edrington on its trading performance.

The Trust's and Edrington's employees are able to participate in a 'Giving More' scheme. The Trust and Edrington each match the amount raised resulting in a double matching. In 2024, Edrington added further matching to triple match their employee fundraising. Employees are also able to match time given to volunteering in support of a charity. The total amount raised by employees within the group and matched in the year to 31 March 2024 was £1.2m (2023: £0.7m).

Risk management

The Corporate Trustee is responsible for the oversight of the risks faced by the Trust. The Corporate Trustee, supported by its Committees and the Senior Management Team, review the Trust's risk position periodically. The Audit and Risk Committee is responsible for reviewing the risk management process and operation. The Committee has procured internal auditors to undertake an annual programme to highlight areas for improvement and provide an additional level of assurance to the Corporate Trustee. The Trust has a risk management process designed to:

- identify the major risks that could impact on the aims of the Trust; and
- ensure appropriate actions are taken to mitigate the identified risks.

**THE ROBERTSON TRUST
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REPORT OF THE CORPORATE TRUSTEE *(continued)*

FINANCIAL REVIEW *(continued)*

The principal risk faced by the Trust lies in the performance of its investments, unlisted and listed, and ensuring the maintenance of capital value and the protection of income. This risk is managed with the support of investment advisors, the Investor Relations Committee, the Investment Committee and through regular review of investment policy, management of strategic asset allocation, and on-going market updates and due diligence.

Other areas of significant risk identified are as follows:

Failure to effectively measure impact due to an inability to capture learning. To manage this, we have established core elements of an impact and insights framework through developing an approach, testing, and refining as we go. This is enabling us to and build our practice as a learning organisation, using evidence and insights to drive decision making. We have published our first annual impact report.

Cost of living challenges weakens the financial viability of our grant holders.

We have provided Inflationary up lifts to eligible grant holders for the last two years. Non-grant support services are also provided free to grantees through our Funder Plus programme.

Loss of business-critical information. We have an annual Cyber Risk Mitigation Delivery Plan which is monitored through our Audit & Risk Committee. We regularly test our disaster recovery and business continuity plans, including staff training.

Loss of personal data. This is being managed through a review and resultant action to minimise personal data held on our key systems. Key policies are in place with regular training.

The Corporate Trustee is regularly reviewing the Governance and Risk Management Frameworks to ensure they continue to support the delivery of the Trust's strategic aims.

PLANS FOR THE FUTURE

We paused Our Funds which are usually open all year round, between June and September 2024 to reflect on learning and refocus framing and guidance under our four themes in order to achieve the greatest impact in achieving our mission of preventing and reducing poverty and trauma in Scotland.

In June of 2024 we embarked on work to develop a second delivery plan under our 2020-2030 strategy. We are involving staff, trustees and experts by experience who participate in our work to review evidence and learning and ask what we should do more of / less of / start and stop across our objectives to fund, support and influence, in order to make the most progress towards our Mission.

Going concern

The review of financial performance and the reserves of the Trust is set out above shows that the Trust exceeds its current reserves policy. In the opinion of the Corporate Trustee, the Trust has significant financial resources with net assets of £848.0m at 31 March 2024 (2023: £744.8m), its regular dividend income from Edrington and a large portfolio of near liquid pooled investments totalling £569.1m at 31 March 2024 (2023: £457.9m) available to manage business risks and ensure continued operations for the foreseeable future being at least 12 months from the date of approval of these accounts.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

The Trust comprises two Charitable Funds established by Deeds of Trust dated 1 May 1961 with a supplementary Deed of Trust dated 2 July 1963, both granted by Misses J.E. and A.H. and E.G. Robertson of Cawderstones, Berwick Upon Tweed. The Trust was registered with the Scottish Charity Regulator ('OSCR') on 18 March 1963.

At the inception of the Trust, Misses Robertson gifted to the Trust shares in Edrington. It is the Corporate Trustee's intention not to deplete the capital of the Trust but to distribute all normal income, taking a long-term view.

REPORT OF THE CORPORATE TRUSTEE *(continued)*

STRUCTURE, GOVERNANCE AND MANAGEMENT *(continued)*

Governance

Trustee Board – Corporate Trustee

The Robertson Trust has a Corporate Trustee structure. Details of the structure including the names of the Trustees who served in the reporting period through to the signing of accounts are included on page 19.

The directors of the Corporate Trustee have general control and management of the administration of the Trust and are thus the “Charity Trustees” for the purposes of the Charities and Trustee Investment (Scotland) Act 2005.

Our trustees are recruited through fair and open competition, new trustees undergo an induction programme and are assigned an existing trustee “buddy” to help them settle into their new role. The induction process includes meeting with senior management, and they are also offered training and development throughout their trusteeship.

New Charity Trustees are appointed for a four-year period after which they may put themselves forward for re-appointment for a further four-year period. The Corporate Trustee meets five times a year to ensure the strategic direction of the Trust is set, to review the delivery performance of the Trust and ensure that the Corporate Trustee is acting to advance the interests of the Charity.

In its exercise of governance, the Corporate Trustee seeks regular professional input and advice including an annual update from its legal advisors. It also meets with its investment advisers, fund managers, investment bank, external auditor, internal auditor, and the directors and senior executives of Edrington at least once a year.

Sub-Committees

The Charity Trustees undertake more detailed governance functions through four Committees (i.e., Sub-committees) as below. While the Sub-committees are able to approve various matters, ultimate decision-making on significant

issues rests with the Corporate Trustee informed by committee recommendations. The Chief Executive Officer (‘CEO’) and Finance Director & Company Secretary attend all committee meetings:

The Investor Relations Committee facilitates the relationship between Edrington and the Trust. The Non-Executive Chair, a Non-Executive Director of Edrington and the Chief Executive, with the Chief Financial Officer of Edrington also in attendance, meet with three Charity Trustees and an external Robertson Trust committee adviser four times a year.

The Audit and Risk Committee reviews and recommends systems of internal controls on financial, governance and operations risks. A programme of work undertaken by Internal Auditors provide an additional level of assurance. The Committee also reviews the draft annual report and accounts and meets with the Trust’s external auditor ahead of final approval of the accounts. It meets four times a year.

The Investment Committee reviews and makes recommendations to the Corporate Trustee on the listed and pooled investment policy and strategy of the Trust and on the appointment and performance of the Trust’s fund managers, advisers, and investment custodians. It meets four times a year.

The Social Impact Investment Committee reviews and makes recommendations to the Corporate Trustee on the social impact investment policy and strategy of the Trust and individual investment opportunities. It meets four times a year.

The Governance, Nominations, Remuneration & Finance Committee is responsible for governance matters including board effectiveness and recommending the appointment of new Charity Trustees, Committee members and Senior Executives of the Trust. It also reviews the remuneration of the Senior Management Team of the Trust as well as recommending an annual cost of living award for staff. In addition, it also reviews key financial matters for the Charity including delegated authorities, management accounts and policies.

**THE ROBERTSON TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

REPORT OF THE CORPORATE TRUSTEE *(continued)*

STRUCTURE, GOVERNANCE AND MANAGEMENT *(continued)*

REFERENCE AND ADMINISTRATIVE DETAILS

Corporate Trustee

Kintail Trustees Limited

Secretary

Joanne Cook

Charity Trustees

Mark Batho

(Chair)

Gerald McLaughlin

(Vice Chair)

Garry Coutts

Professor Lorne Crerar CBE

Prof. Morag Treanor (Retired 4 Jul 2023)

Campbell Robb (Retired 8 Mar 2024)

Dr Ligia Teixeira

Donald Workman

Fiona Larg MBE

John Loughton BEM

Kevin Troup

Dr. Khadija Coll MBE (Appointed 6 Feb 2024)

Amanda McGuigan (Appointed 6 Feb 2024)

Ashley Scotland (Appointed 6 Feb 2024)

Dr. Wendy Wu (Appointed 6 Feb 2024)

Joanna McCreadie (Appointed 14 Mar 2024)

Senior Management Team

Jim McCormick

Chief Executive Officer

Joanne Cook

Finance Director & Company Secretary

Lesley MacDonald

Head of Giving (to 31 Jan 2024)

Lydia Rose

Head of Administration

Zoe Ferguson

Head of Insight and Impact

Russell Gunson

Head of Programmes and Practice

**THE ROBERTSON TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

REPORT OF THE CORPORATE TRUSTEE *(continued)*

STRUCTURE, GOVERNANCE AND MANAGEMENT *(continued)*

SUB-COMMITTEES

Investor Relations Committee

Donald Workman
Professor Lorne Crerar CBE
Mark Batho
Angus Cockburn
Crawford Gillies
Scott McCroskie

Audit and Risk Committee

Fiona Larg MBE
Garry Coutts
Kevin Troup
Graham Gillespie
Gavin Urwin (Retired 7 Aug 2023)
Dr Khadija Coll MBE (Appointed 22 May 2024)
Ashley Scotland (Appointed 22 May 2024)

Investment Committee

Kevin Troup
Donald Workman
John Loughton BEM (23 Nov 2023 – 27 Feb 2024)
Amanda McGuigan
Harry Morgan
Abigail Rotheroe (Appointed 31 May 2023)
Romane Thomas (Appointed 31 May 2023)

Social Impact Investment Committee

Dr Ligia Teixeira
Campbell Robb (Retired 8 Mar 2024)
Gerald McLaughlin (to 6th Sep 2024)
Dr. Wendy Wu
Abigail Rotheroe (Appointed 31 May 2023)
Elizabeth Corrado (Appointed 31 May 2023)
Donald Workman (Appointed 17 Sep 2024)

Governance, Nominations, Remuneration & Finance Committee

Mark Batho
Garry Coutts
Gerald McLaughlin
John Loughton BEM (Appointed 5 Mar 2024)
Joanna McCreadie (Appointed 5 Mar 2024)

**THE ROBERTSON TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

REPORT OF THE CORPORATE TRUSTEE *(continued)*

REFERENCE AND ADMINISTRATIVE DETAILS *(continued)*

Principal Address

Robertson House, 152 Bath Street, Glasgow, G2 4TB

Solicitors

CMS Cameron McKenna Nabarro Olswang LLP
Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EN

Turcan Connell

Princes Exchange, 1 Earl Grey Street, Edinburgh, EH3 9EE

Investment Bank

Gleacher Shacklock LLP
Cleveland House, 33 King Street, London, SW1Y 6RJ

External Auditor

Deloitte LLP
110 Queen Street, Glasgow, G1 3BX

Internal Auditor

Henderson Loggie LLP
The Vision Building, 20 Greenmarket, Dundee, DD1 4QB

Investments Adviser

Stanhope Capital LLP
35 Portman Square, London. W1H 6LR

Investment Custodian (holds 16 individual funds)

Northern Trust
50 Bank Street, Canary Wharf, London, E14 5NT

Fund Manager

Sarasin & Partners LLP
100 St Paul's Churchyard, London, EC4M 8BU

Bankers

Bank of Scotland
110 St. Vincent Street, Glasgow, G2 5ER

Virgin Money

30 St Vincent Place, Glasgow, G1 2EU

Aberdeen Standard Investments

1 George Street, Edinburgh, EH2 2LL

Royal London Asset Management

55 Gracechurch Street, London, EC3V 0RL

Website

www.therobertsontrust.org.uk

Scottish Charity Number

SC002970

VAT Registration Number

130905442

**THE ROBERTSON TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

REPORT OF THE CORPORATE TRUSTEE *(continued)*

Corporate Trustee Responsibilities

The Trustees are responsible for preparing the Corporate Trustee's annual report and the financial statements in accordance with 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".

The law applicable to charities in Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Charity's constitution.

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.

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

External Auditor

The Trust appointed Deloitte LLP as its independent auditors for the year ended 31 March 2024.

The Trustee's Report of the Corporate Trustee has been approved and signed on behalf of the Trustees by:

A handwritten signature in black ink, appearing to read 'Mark Batho', with a stylized, flowing script.

Mark Batho

Date: 4 December 2024

**THE ROBERTSON TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
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**INDEPENDENT AUDITOR'S REPORT TO THE CORPORATE TRUSTEE
FOR THE YEAR ENDED 31 MARCH 2024**

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of The Robertson Trust (the 'charity') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2024 and of the group's and parent charity's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 and the trust deed.

We have audited the financial statements which comprise:

- the consolidated and charity's statements of financial activities (incorporating an income and expenditure account);
- the consolidated and charity's balance sheets;
- the consolidated and charity's statement of cash flows; and
- the related notes 1 to 58.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 group and of the parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Standard's (the 'FRC'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

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

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

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

**THE ROBERTSON TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
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**INDEPENDENT AUDITOR'S REPORT TO THE CORPORATE TRUSTEE
FOR THE YEAR ENDED 31 MARCH 2024** *(continued)*

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Responsibilities of trustees

As explained more fully in the Corporate trustees' responsibilities statement, the trustees 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 group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

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.

**THE ROBERTSON TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

**INDEPENDENT AUDITOR'S REPORT TO THE CORPORATE TRUSTEE
FOR THE YEAR ENDED 31 MARCH 2024** *(continued)*

Extent to which the audit was considered capable of detecting irregularities, including fraud

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 considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the trustees about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included Trust deed, Charities (Accounts and Reports) Regulations 2008, UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included Scottish Charity Regulator (OSCR) regulations, the Bribery Act and the Equality Act requirements.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our procedures performed to address them are described below:

- Large awards in the Robertson Trust, specifically in relation to the accuracy and application of expenditure. Our audit procedures to address this risk included, but were not limited to, testing expenditure to award letters.
- Revenue recognition in the Edrington Group, specifically in relation to the recording of sales around the year end, the elimination of intra Group trading and the consistency and accuracy of the treatment of price promotions. Our audit procedures to address these risks included, but were not limited to, substantive detailed testing on pre and post year end revenue transactions.
- Accruals, specifically in relation to the completeness, existence, valuation, and allocation of advertising & promotion and selling cost accruals in the Edrington Group. Our audit procedures to address this risk included, but were not limited to, substantive detailed testing, including recalculation of the year-end accruals balances with agreement to contracts and post year end invoices.
- Maturing inventory, specifically in relation to existence of inventory in the Edrington Group. Our audit procedures to address this risk included, but were not limited to, attendance at and re-performance of inventory counts.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

**THE ROBERTSON TRUST
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**INDEPENDENT AUDITOR'S REPORT TO THE CORPORATE TRUSTEE
FOR THE YEAR ENDED 31 MARCH 2024** *(continued)*

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

Under the Charities Accounts (Scotland) Regulations 2006 we are required to report in respect of the following matters if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- proper accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom
4 December 2024

Deloitte LLP is eligible for appointment as auditor for the charity by virtue of its eligibility for appointment as audit of a company under section 1212 of the Companies Act 2006.

THE ROBERTSON TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

THE CHARITY'S STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2024

		Endowment Funds £'000	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Year ended 31 March 2024 Total Funds £'000	Year ended 31 March 2023 Total Funds £'000
Income and endowments from:	Note						
Donations and legacies	6	-	-	-	43	43	34
Charitable activities	7	-	437	-	-	437	376
Investment income							
• Dividends from Edrington		-	23,395	-	-	23,395	23,796
• Income from listed investments		-	9,078	-	-	9,078	5,929
• Income from social investments		-	13	-	-	13	16
• Bank interest		-	330	-	-	330	153
Total income		-	33,253	-	43	33,296	30,304
Expenditure on:							
Charitable activities	8	(968)	(32,604)	-	(96)	(33,668)	(25,613)
Total expenditure		(968)	(32,604)	-	(96)	(33,668)	(25,613)
Net operational (deficit)/surplus before net gains on investments		(968)	649	-	(53)	(372)	4,691
Transfer between funds	21	-	(18,000)	18,000	-	-	-
Net gains/(loss) on investments							
Net gain/(loss) on quoted investments	15	28,271	3,295	-	-	31,566	(16,190)
Net gain on investments held within cash and cash equivalents		-	23	-	-	23	39
Realised gain on investments in subsidiaries	14	71,939	-	-	-	71,939	140,196
Net gains on investments		100,210	3,318	-	-	103,528	124,045
Net movement in funds		99,242	(14,033)	18,000	(53)	103,156	128,736
Reconciliation of funds:							
Total funds brought forward	21	694,966	47,678	2,000	159	744,803	616,067
Total funds carried forward	21	794,208	33,645	20,000	106	847,959	744,803

All the activities of the Charity are classed as continuing. The notes on pages 30 to 49 form part of these financial statements.

**THE ROBERTSON TRUST
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2024**

**THE CHARITY'S BALANCE SHEET
AS AT 31 MARCH 2024**

	Note	31 March 2024 £'000	31 March 2023 £'000
Fixed assets			
Tangible assets	13	4471	4,598
Investments in subsidiaries	14	283,996	292,057
Quoted investments	15	569,081	457,890
Social investments	16	250	282
Total fixed assets		857,798	754,827
Current assets			
Stocks		1	1
Debtors	17	1,342	1,266
Cash and cash equivalents	18	20,931	17,327
Total current assets		22,274	18,594
Liabilities			
Creditors: amounts falling due within one year	19	(20,215)	(17,415)
Net current assets		2,059	1,179
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	20	(11,898)	(11,203)
Total net assets		847,959	744,803
The funds of the Trust:			
Restricted funds:			
Endowment fund	21, 22	794,208	694,966
TSI reserve	21, 22	106	159
Matched funding reserve	21, 22	-	-
Unrestricted funds:			
Unrestricted income funds	21, 22	33,645	47,678
Designated funds	21, 22	20,000	2,000
Total Trust funds		847,959	744,803

The notes on pages 30 to 49 form part of these financial statements.

The financial statements set out on pages 27 to 49 were approved by the Corporate Trustee on 4 December 2024 and signed on its behalf by:

Mark Batho



On behalf of the Corporate Trustee

Fiona Larg MBE



On behalf of the Corporate Trustee

THE ROBERTSON TRUST
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THE CHARITY'S STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Year ended 31 March		Year ended 31 March	
	2024	2024	2023	2023
	£'000	£'000	£'000	£'000
Cash flows from operating activities:				
Net income for the year	103,156		128,736	
Adjustments for:				
Depreciation of tangible assets	261		283	
Loss on disposal of fixed assets	4		-	
Gains on investments	(103,505)		(124,006)	
Dividends and interest income	(32,816)		(29,894)	
Increase in debtors	(76)		(592)	
Increase/ (decrease) in creditors	3,495		(1,382)	
Net cash (used in) operating activities		(29,481)		(26,855)
Cash flows from investing activities:				
Dividends, interest and rents from investments	32,816		29,894	
Purchase of tangible assets	(138)		(236)	
Sale of investments	80,000		173,043	
Purchase of investments	(79,625)		(203,102)	
Decrease in social investments	32		32	
Net cash provided by /(used in) investing activities		33,085		(369)
Net increase/(decrease) in cash and cash equivalents in the year		3,604		(27,224)
Cash and cash equivalents at the beginning of the year		17,327		44,551
Cash and cash equivalents at the end of the year		20,931		17,327
Analysis of changes in net debt				
	At 1 April	Cashflows	At 31 March	
	2023		2024	
Cash and cash equivalents	£'000	£'000	£'000	
Cash	17,327	3,604	20,931	

There are no cash equivalents or borrowings.

The notes on pages 30 to 49 form part of these financial statements.

**THE ROBERTSON TRUST
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2024**

NOTES TO THE CHARITY'S FINANCIAL STATEMENTS

1. General information

The Robertson Trust is an unincorporated charity in the United Kingdom and is registered in Scotland. It is recognised as a charity for tax purposes by HMRC and is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC002970. These are the financial statements of the Trust as an individual entity. The address of the Charity's registered office is shown on page 21.

The principal activities and nature of operations of the Charity (and its trading subsidiaries) are set out in the Report of the Corporate Trustee.

These financial statements, which are presented in Pounds Sterling (GBP), have been prepared on the going concern basis, under the historical cost convention except as modified to include the fair value basis for certain fixed asset investments. All amounts have been presented in round thousands ("£'000s"), unless otherwise stated.

The Charity's financial statements have been prepared for the year ended 31 March 2024 while the comparative period covers the year ended 31 March 2023.

2. Principal accounting policies

The principal accounting policies adopted, judgements and key sources of estimated uncertainty in the preparation of the Trust's financial statements are set out below. These policies have been applied consistently to all the years presented, in dealing with items which are considered material in relation to the charity's financial statements unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102') (effective 1 January 2019), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 ('the SORP'), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The Trust meets the definition of a public benefit entity under FRS 102.

Critical accounting judgements and key sources of estimation uncertainty

In application of the accounting policies which are described below, the Corporate Trustee is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based upon historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both the current and future years.

The Corporate Trustee does not consider there to be any significant judgements in accounting policies, or key sources of estimation or uncertainty requiring disclosure.

Going Concern

The review of financial performance and the reserves of the Trust shows that the Trust exceeds its current reserves policy. In the opinion of the Corporate Trustee, the Trust has significant financial resources with net assets of £848.0m at 31 March 2024 (2023: £744.8m), its regular dividend income from Edrington and a large portfolio of near liquid pooled investments totalling £569.1m at 31 March 2024 (2023: £457.9m) available to manage business risks and ensure continued operations for the foreseeable future being at least 12 months from the date of approval of these accounts.

NOTES TO THE CHARITY'S FINANCIAL STATEMENTS *(continued)*

2. Principal accounting policies *(continued)*

Income recognition

All income is included in the Trust's Statement of Financial Activities when the Charity is entitled to the income, it is probable that the income will be received, and the amount can be measured reliably. The following specific policy is applied to particular categories of income:

- ***Charitable activities***

Rental income is recognised in the period in which the facilities are provided. Income from the cafe and The Barracks is recognised in the period in which the sale or event takes place.

- ***Investment income***

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due; this is normally upon notification by our listed portfolio custodian or fund managers and by Edrington.

- ***Donations and legacies***

Donations and legacies income is included in the Statement of Financial Activities when the Trust becomes entitled to the funds, it is probable that the income will be received, and the amount can be measured reliably.

Expenditure recognition

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates. Expenditure is classified under the following headings:

- ***Charitable expenditure***

The costs of charitable activities include grants made, operation of the charity hub and an apportionment of overhead, support and governance costs as shown in note 8.

Grant awards are amounts payable to third parties in furtherance of the charitable objectives of the Trust. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Corporate Trustee has agreed to pay the grant without any condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside the control of the Trust.

Provisions for grants are made when the award has been approved by a decision meeting and the intention to make a grant has been communicated to the recipient.

Allocation of overhead, support and governance costs

Overhead support and governance costs have been allocated to charitable activities on the basis of resources used. Governance costs comprise all costs involving the public accountability of the Trust and its compliance with regulation and good practice. These costs include costs related to the statutory audit and legal fees as well as costs associated with the general running of the Trust. Where costs cannot be directly allocated to one of the activities, they have been apportioned as detailed within note 10.

**THE ROBERTSON TRUST
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NOTES TO THE CHARITY'S FINANCIAL STATEMENTS *(continued)*

2. Principal accounting policies *(continued)*

Expenditure recognition *(continued)*

- **Irrecoverable VAT**

Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

Gains and losses

All gains and losses are recognised in the Trust's Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between the sales proceeds and the opening market value (or purchase value if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later). Realised and unrealised investment gains and losses are aggregated in the Trust's Statement of Financial Activities.

Taxation

The Trust is a charity and is recognised as such by HM Revenue and Customs for taxation purposes. As a result, the Trust is exempt from taxation to the extent that its surpluses are applied to its charitable purposes.

Tangible assets

Capital purchases equal to or greater than £1,500 are capitalised. Tangible assets are recognised at cost net of depreciation and any provision for impairment.

Depreciation is calculated to write down the cost of the assets less the estimated residual value of the tangible fixed assets by equal annual instalments on a straight-line basis over their expected useful lives. The rates generally applicable are:

Heritable Property (including buildings)	2%
Fixtures, Fittings, and Equipment comprising:	
Office Equipment	20%
Furniture & Fixtures	10%
Computer Equipment	33%

Impairment of non-financial assets

At each reporting period, the Trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as a gain immediately.

Financial instruments

The Charity's financial assets and financial liabilities all qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of grant commitments which are subsequently measured at amortised cost using the effective interest method.

- **Quoted Investments**

Quoted investments are measured initially at fair value, which is normally the transaction price. The unrealised net gains and losses arising from the fair value movements and any realised gains on disposals are included within the Trust's Statement of Financial Activities.

NOTES TO THE CHARITY'S FINANCIAL STATEMENTS *(continued)*

2. Principal accounting policies *(continued)*

Investments *(continued)*

- **Social Investments**

Social investments are initially recognised at the amount paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted, if necessary, for any impairment.

- **Investments in subsidiaries**

The Trust recognises its investment in subsidiaries at cost less any impairment losses. The Trust's Statement of Financial Activities includes realised gains and losses on investments sold in the year.

Debtors

Debtors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment losses.

Debtors, accrued donations and legacies are recognised when the Trust becomes a party to the contractual provisions but remain outstanding at the year end.

Accrued investment income is recognised on fixed-term deposit accounts which mature after the year end.

Cash and cash equivalents

Cash and cash equivalents include cash and short-term highly liquid investments with a maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors

Creditors are recognised where the Charity has a present obligation resulting from a past event that will result in the transfer of funds to a third-party and the amount due to settle the obligation can be measured or estimated reliably. Creditors due within one year are recognised at their settlement amount after allowing for any trade discounts due. From this year, for creditors due after one year, a discounted cash flow approach has been taken to measure the commitments at their present value. The resulting adjustments is shown in note 8 to the accounts.

Committed grants

Grants awarded are recognised as liabilities in the financial statements when the Corporate Trustee approves the grant unconditionally or the conditions included in the grant falls outside the control of the Trust. When grants are approved with a condition, the grant is disclosed by way of a note as a commitment until the condition is satisfied.

Funds structure

The Trust has an endowment which comprises of its direct shareholdings in Edrington and quoted investments which have been purchased from recent proceeds of their partial sale.

Unrestricted income funds comprise those funds which the Corporate Trustee is free to use for any purpose in furtherance of the charitable objectives. Designated funds comprise unrestricted funds which the Corporate Trustee has set aside for a specific use. Restricted funds are to be used for specific purposes as laid down, either implicitly or explicitly, by the donor. Details of each fund are shown in note 21.

Pension contributions

Pension contributions are made to a defined contribution pension scheme. These are charged to the Trust's Statement of Financial Activities as unrestricted expenditure in the period in which they are incurred.

THE ROBERTSON TRUST
ANNUAL REPORT AND ACCOUNTS
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NOTES TO THE CHARITY'S FINANCIAL STATEMENTS *(continued)*

3. Comparative Statement of the Trust's Financial Activities for the year ended 31 March 2023

	Endowment Funds £'000	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Year ended 31 March 2023 £'000
Income and endowments from:					
Donations and legacies	-	-	-	34	34
Charitable activities	-	376	-	-	376
Investment income					
• Dividend from Edrington	-	23,796	-	-	23,796
• Income from listed investments	-	5,929	-	-	5,929
• Income from social investments	-	16	-	-	16
• Bank interest	-	153	-	-	153
Total income	-	30,270	-	34	30,304
Expenditure on:					
Charitable activities	(1,874)	(23,698)	-	(41)	(25,613)
Total expenditure	(1,874)	(23,698)	-	(41)	(25,613)
Net operational deficit before net gains on investments	(1,874)	6,572	-	(7)	4,691
Transfer between funds	-	-	-	-	-
Net gains/(losses) on investments					
Net loss on listed investments	(13,728)	(2,462)	-	-	(16,190)
Net gain on investments held within cash and cash equivalents		39			39
Realised gain on investments in subsidiaries	140,196	-	-	-	140,196
Net gains/ (losses) on investments	126,468	(2,423)	-	-	124,045
Net income/(expenditure) for the year	124,594	4,149	-	(7)	128,736
Reconciliation of funds:					
Total funds brought forward	570,372	43,529	2,000	166	616,067
Total funds carried forward	694,966	47,678	2,000	159	744,803

**THE ROBERTSON TRUST
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NOTES TO THE CHARITY'S FINANCIAL STATEMENTS *(continued)*

4. Related party transactions

From time-to-time, the Charity Trustees will be asked to consider an application for financial support from a charity which one or more of the Committee members support in either a professional or personal capacity. In such circumstances, the Committee member and/or Trustee with an interest in the relevant charity declares their interest at the outset of the committee meeting at which the application is to be considered and withdraws from the meeting when the application is considered.

All awards are made following a rigorous assessment process under delegated authorities, approved by at least 2 members of the Senior Management Team, with no trustee involvement. If an award exceeds the delegated authorities, or for any investment decision, approval would also be required from the Board. In this event any connected trustee would recuse themselves from any discussions and decision making.

In the current year, donations were made to two charities to which a Trust Charity Trustee is also a Trustee/Director (*2023: £nil*). Trustee John Loughton BEM is also a trustee of the Scran Academy which was awarded £105k in year – all still to be drawn down at 31 March 2024. Trustee Dr Khadija Coll MBE is also a director of One Community Scotland which had an existing award predating their trusteeship and which received a cost-of-living top up award of £1k during the year. The balance of the overall award still to be drawn down at 31 March 2024 was £15k.

Trustee Ashley Scotland is Chief Executive of Thriving Survivors which has an existing award which predated their trusteeship with the Trust. The balance still to be drawn down at 31 March 2024 was £136k.

Trustee Amanda McGuigan is an employee of Blackrock. At the year end the Trust held a temporary holding in Blackrock Sterling Liquidity Fund valued at £6.6m. This was disposed of post year end. The Trust also has a continuing holding of iShares UK Gilts which is owned by Blackrock. This was valued at £18.1m at year end.

There were no trustee related party disclosures for prior year.

During the year, 1 (*2023: 1*) member of key management personnel of the Trust held a minority interest in Edrington and received dividends of £2.4k (*2023: £2.3k*).

During the year, £761k (*2023: £219k*) Giving More donations were paid on behalf of Edrington and recharged by the Trust. Dividends totalling £23.4m (*2023: £23.8m*) were received from Edrington in the year. At the year-end, amounts owed by Edrington amounted to £127k (*2023: £124k*) and are included within debtors in note 17.

The Clappers Trust and the Robertson Trust are related parties as they are under the common control of the Corporate Trustee, Kintail Trustees Limited. In the current and prior year, there were no transactions between parties during the year and no outstanding balances at year end.

5. Net income for the year

	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
This is stated after charging:		
Depreciation of tangible fixed assets	261	283
Auditor's remuneration – audit fees	105	129
Auditor's remuneration – non audit fees	-	-
	<hr/>	<hr/>

**THE ROBERTSON TRUST
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NOTES TO THE CHARITY'S FINANCIAL STATEMENTS *(continued)*

6. Income from donations and legacies

	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Donation	-	-
Matched funding income	43	34
	43	34

7. Income from charitable activities

	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Charity hub:		
Rent and service charges	274	324
Hospitality income	163	52
	437	376

8. Expenditure on charitable activities

	2024 Charity hub £'000	2024 Grant making £'000	Year ended 31 March 2024 Total £'000
Staff costs	218	1,959	2,177
Project recharges	-	(167)	(167)
Charitable donations (note 9)	-	29,277	29,277
Charitable commitments discounted cash flow adjustment*	-	(1,544)	(1,544)
Programme support costs	-	445	445
Allocated support costs (note 10)	1,050	2,430	3,480
	1,268	32,400	33,668

*The discounted cash flow adjustment reduces creditors greater than one year back to their net present value.

	2023 Charity hub £'000	2023 Grant making £'000	Year ended 31 March 2023 Total £'000
Staff costs	195	1,760	1,955
Project recharges	-	(123)	(123)
Charitable donations (note 9)	-	19,083	19,083
Programme support costs	-	377	377
Allocated support costs (note 10)	1,062	3,259	4,321
	1,257	24,356	25,613

**THE ROBERTSON TRUST
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NOTES TO THE CHARITY'S FINANCIAL STATEMENTS *(continued)*

9. Charitable donations

	Open Awards £'000	Programme Awards £'000	Other £'000	Total Awards to Institutions £'000	Awards to Individual Scholars £'000	Total year ended 31 March 2024 £'000
Wee Grants	434	-	-	434	-	434
Small Awards	6,337	-	-	6,337	-	6,337
Large Awards	12,481	-	-	12,481	-	12,481
Community Vehicles	377	-	-	377	-	377
Other awards	-	-	6	6	-	6
Cost of living awards	1,130	48	-	1,178	-	1,178
Continuation awards (former strategy)	-	-	30	30	-	30
Programme awards	-	6,123	-	6,123	-	6,123
Journey to Success Programme	-	44	-	44	2,472	2,516
	20,759	6,215	36	27,010	2,472	29,482
Giving more awards	-	-	444	444	-	444
Awards withdrawn	(419)	-	-	(419)	(230)	(649)
	20,340	6,215	480	27,035	2,242	29,277

A full list of awards we made to organisations through Our Funds is available on our [website](#). We also publish our monthly awards through our website and social media channels.

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NOTES TO THE CHARITY'S FINANCIAL STATEMENTS *(continued)*

9. Charitable donations *(continued)*

	Open Awards £'000	Programme Awards £'000	Other £'000	Total Awards to Institutions £'000	Awards to Individual Scholars £'000	Total year ended 31 March 2023 £'000
Wee Grants	280	-	-	280	-	280
Small Awards	4,430	-	-	4,430	-	4,430
Large Awards	10,946	-	-	10,946	-	10,946
Community Vehicles	249	-	-	249	-	249
Other awards	-	-	60	60	-	60
Cost of living awards	1,565	56	-	1,621	-	1,621
Continuation awards (former strategy)	52	-	-	52	-	52
Programme awards	-	159	-	159	-	159
Journey to Success Programme	-	55	-	55	1,898	1,953
	17,522	270	60	17,852	1,898	19,750
Giving more awards	-	-	246	246	-	246
Awards withdrawn	(680)	-	-	(680)	(233)	(913)
	16,842	270	306	17,418	1,665	19,083

THE ROBERTSON TRUST
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NOTES TO THE CHARITY'S FINANCIAL STATEMENTS *(continued)*

10. Support costs

	Year ended 31 March 2024			Basis of apportionment
	Charity Hub £'000	Grant Making £'000	Total Allocated £'000	
Staff costs	54	490	544	Staff time (10:90)
Premises costs	594	147	741	Floor space (80:20)
Office costs	21	191	212	Staff time (10:90)
Depreciation	209	52	261	Floor space (80:20)
Sundry costs	4	33	37	Staff time (10:90)
Governance costs (note 11)	168	1,517	1,685	Staff time (10:90)
	1,050	2,430	3,480	

	Year ended 31 March 2023			Basis of apportionment
	Charity Hub £'000	Grant Making £'000	Total Allocated £'000	
Staff costs	49	440	489	Staff time (10:90)
Premises costs	424	96	520	Floor space (80:20)
Office costs	38	205	243	Staff time (10:90)
Depreciation	269	30	299	Floor space (80:20)
Sundry costs	7	12	19	Staff time (10:90)
Governance costs (note 11)	275	2,476	2,751	Staff time (10:90)
	1,062	3,259	4,321	

11. Governance costs

	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Corporate Trustee expenses	4	3
Audit – external and internal audit	203	158
Legal & Professional fees*	1,478	2,590
	1,685	2,751

*Legal and professional fees in the year include £1.0m costs (£2023: £1.9m) directly attributable to the Edrington share buybacks, and which have been allocated against the endowment fund.

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NOTES TO THE CHARITY'S FINANCIAL STATEMENTS *(continued)*

12. Analysis of staff costs and remuneration of key management personnel

	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Salaries and wages	2,082	1,851
Social security costs	211	208
Other pension costs	340	287
	<u>2,633</u>	<u>2,346</u>

The monthly average number of employees in the year was 53 (2023: 48).

The key management personnel comprise the Charity Trustees, CEO, the Director of Finance & Company Secretary and Heads of department. The total employment benefits including employer national insurance contributions and employer pension contributions of the key management personnel were £0.6m (2023: £0.6m).

Expenses of £4k (2023: £3k) were paid to 9 (2023: 7) of the Charity Trustees, for travel and subsistence.

No Charity Trustee or person related or connected by business to them has received any remuneration from the Trust (2023: nil).

The number of employees earning £60k per annum or more was:

	Year ended 31 March 2024 Number	Year ended 31 March 2023 Number
£60,000 - £70,000	-	1
£70,001 - £80,000	2	2
£80,001 - £90,000	1	-
£90,001 - £100,000	1	-
£100,001 - £110,000	-	1
	<u>-</u>	<u>1</u>

The number of employees with emoluments in excess of £60k, with retirement benefits accruing in a money purchase scheme was 4 (2023:4).

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NOTES TO THE CHARITY'S FINANCIAL STATEMENTS *(continued)*

13. Tangible assets

	Heritable Property £'000	Fixtures, Fittings and Equipment £'000	Total £'000
Cost at 1 April 2023	4,708	1,513	6,221
Additions	-	138	138
Disposals	-	(276)	(276)
Cost at 31 March 2024	4,708	1,375	6,083
Depreciation at 1 April 2023	632	991	1,623
Charge for the year	95	166	261
Disposals	-	(272)	(272)
Depreciation at 31 March 2024	727	885	1,612
Net book value at 31 March 2024	3,981	490	4,471
Net book value at 31 March 2023	4,076	522	4,598

Included within the cost of Heritable Property is £2.4m (2023: £2.4m) of freehold land and buildings and £2.3m (2023: £2.3m) in relation to long leasehold property.

The property at Barracks, Stirling was independently assessed for impairment purposes by Brian Allen MRICS of Ryden LLP in 2020. The impairment assessment was carried out on a fair value basis and the valuation resulted in a £5.7m impairment in the 2020 financial year. The equivalent historical cost of the property prior to impairment was £7.7m (2023: £7.7m).

14. Investments in subsidiaries

	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Cost at 1 April	292,057	307,767
Disposals*	(8,061)	(15,710)
Cost at 31 March	283,996	292,057
Historical cost at 31 March	283,996	292,057

*During the year the Trust participated in a further share buyback with Edrington receiving £80.0m (2023: 155.9m) and creating a realised gain on investments in subsidiaries of £71.9m (2023: £140.2m), which has been reported in the Statement of Financial Activities. No further share buy backs are planned.

The Trust's investments in subsidiaries represents its holdings in Edrington. At 31 March 2024, the Trust owned 100% of the "A" Shares in issue and 70.1 % of the "B" Shares in issue and as such is the controlling shareholder of Edrington. Included within the Edrington shareholding is a gift of shares received in years ended 31 March 2017 and 2021 that were classified as unrestricted and, as such is not included in the restricted endowed amount within the Trust's Balance Sheet.

The consolidated financial statements are presented on pages 51 to 101 of this annual report.

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NOTES TO THE CHARITY'S FINANCIAL STATEMENTS *(continued)*

14. Investments in subsidiaries *(continued)*

By virtue of its investments in Edrington, the Trust indirectly holds investments in the following companies:

Name of Company/ (registered address)	Holding	Proportion held at 31 March 2024	Nature of business
Subsidiary undertakings:			
The Edrington Group Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	'A' Ordinary shares 'B' Ordinary shares	100%* 70.08%*	Management of Scotch whisky companies
Edrington Distillers Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Blending, bottling, sales and marketing of Scotch whisky
The 1887 Company Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	75% **	Management of Scotch whisky companies
Brugal & Co., S.A. (Carretera Luperón Km. 3 1/2 Puerto Plata, Dominican Republic)	Ordinary shares	61%	Distilling, bottling, sales and marketing of Dominican rum
Casa Brugal RD., S.A. (Piso 11, Downtown Business Tower, Avenue Núñez de Cáceres esq. Rómulo Betancourt, Santo Domingo, R.D.)	Ordinary shares	61%	Distilling, bottling, sales and marketing of Dominican rum
Brugal Subsidiaria España, SLU (Calle Mahonia No.2, Edificio Portico, 1ra planta, Campo de las Naciones, 28043, Madrid, España)	Ordinary shares	61%	Sales and marketing of Dominican rum
SLV (Edrington) Limited (One Fleet Place, London, England, EC4M 7WS)	Ordinary shares	100%	Dormant
Clyde Bonding Company Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Dormant
Marshall McGregor Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Marketing of Scotch whisky
Clyde Cooperage Company Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Dormant
Edrington Africa Pty Ltd (Block A, Ground Floor, 3021 William Nicol Drive, Bryanston, 2191, Johannesburg)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Hepburn & Ross Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Dormant
R & B (West Nile Street) Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Dormant
Robertson & Baxter Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Dormant
Edrington Brands Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Dormant
Edrington International Brands Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Activities of holding companies
Edrington USA Inc (18 West 24th Street, New York, NY10010, USA)	Ordinary shares	100%	Activities of holding companies
Edrington (Trustees) Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Dormant
Edrington Trustees (2017) Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Dormant
Edrington Distillers Group Limited (formerly Row & Company Limited) (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Sale and marketing of Scotch whisky
Edrington Singapore Holdings Limited (9 Raffles Place, #26-01 Republic Plaza, Singapore, (048619))	Ordinary shares	100%	Activities of holding companies
Wyoming Whiskey, Inc. (100 South Nelson Street, Kirby, Wyoming 82430)	Ordinary shares	80%	Distilling, bottling, marketing & sales, American craft Whiskey

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NOTES TO THE CHARITY'S FINANCIAL STATEMENTS *(continued)*

14. Investments in subsidiaries *(continued)*

Name of Company/ (registered address)	Holding	Proportion held at 31 March 2024	Nature of business
Joint venture and associated undertakings:			
Lothian Distillers Limited (9 Wheatfield Rd, Edinburgh, EH11 2PX)	Ordinary shares	50%	Distillation and maturation of Scotch grain whisky
No.3 London Dry Gin Limited (3 St.James's Street, London, SW1A 1EG)	Ordinary shares	25%	Sale and distribution of alcoholic beverages

Key:

* Investment is held directly by The Robertson Trust

** The Edrington Group has 70% of the voting and economic rights in respect of The 1887 Company Limited.

The 1887 Company Limited holds the following investments either directly or indirectly:

Name of Company/ (registered address)	Holding	Proportion held at 31 March 2024	Nature of business
Subsidiary undertakings:			
Highland Distillers Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Distilling, blending, bottling, sales and marketing of Scotch Whisky
The Glenrothes Distillery Company Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Dormant
GT Distillery Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Dormant
BB&R Spirits Limited (One, Fleet Place, London, England, EC4M 7WS)	Ordinary shares	100%	Dormant
Highland Distribution Company Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Activities of distribution holding companies
Edrington Mexico S.A. de C.V. (Javier Barrios Sierra No. 495 Piso 1 Oficina 01-116 C.P. 01376 Colonia Santa Fe Localidad Alvaro Obregon Ciudad de Mexico)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Importadora EMEX S.A. de C.V. (Paseo de los Tamarindos 90, Piso 18, 05120, Cuajimalpa de Morelos, Ciudad de Mexico)	Ordinary shares	100%	Importer of alcoholic beverages
(Servicios 1824 S.A. de C.V (Paseo de los Tamarindos 90, Piso 18, 05120, Cuajimalpa de Morelos, Ciudad de Mexico)	Ordinary shares	100%	Provision of employment services
Edrington Middle East and Africa (Makrasykas 1, KBC North, Office 201, Strovolos, 2034 Nicosia, Cyprus)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Edrington European Travel Retail Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Edrington Danmark A/S (Bredgade 20, 1. 1260 København K, Denmark)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Edrington Sweden AB (Luntmakargatan 46, 111 37 Stockholm, Sweden)	Ordinary shares	100%	Sales and distribution of alcoholic beverages
Edrington Finland OY (Firdonkatu T2 144 005200, Helsinki, Finland)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Edrington Norge AS (Radhusgata 30B NO-0151, Oslo, Norway)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Edrington Singapore Pte Limited (9 Raffles Place, #26-01 Republic Plaza, Singapore, (048619))	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Edrington Taiwan Limited (9F, No. 9 Songgao Road, Xinyi Dist., Taipei City, 11073 Taiwan)	Ordinary shares	87.5%	Sale and distribution of alcoholic beverages

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NOTES TO THE CHARITY'S FINANCIAL STATEMENTS *(continued)*

14. Investments in subsidiaries *(continued)*

Name of Company/ (registered address)	Holding	Proportion held at 31 March 2024	Nature of business
Subsidiary undertakings <i>(continued)</i> :			
Edrington Shanghai Limited (Unit 1, 10/F, Tower 2 Grand Gateway, No.3 Hong Qiao Road, Xuhui, Shanghai, China)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Edrington Hong Kong Limited (Room 1020, 1209 A, 12F, Exchange Tower, 33 Wang Chiu Road, Kowloon Bay, Hong Kong)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Edrington (Malaysia) SDN BHD (Unit 30-01, Tower A, Vertical Business Suite, Ave 3, Bangsar South, No 8, Jalan Kerinchi, 59200 Kuala Lumpur)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
The Edrington Group USA, LLC (18 West 24th Street, 4th Floor, New York, NY10010, USA)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Edrington France SAS (23 Rue d'Anjou, 75008, Paris)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Highland Distribution Netherlands Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Activities of distribution holding companies
Highland Distribution Ventures Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Activities of distribution holding companies
Edrington Distribution UK Limited (191 West George Street, Glasgow, Scotland, G2 2LD)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Highland Distribution Holdings Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Activities of distribution holding companies
Highland Distillers Group Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Activities of holding companies
HS (Distillers) Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares Preference shares	75% 100%	Activities of holding companies
The Macallan Distillers Limited (The Macallan Distillery, Craigellachie, Banffshire, AB38 9RX)	Ordinary shares Preference shares	75% 100%	Distilling, sales and marketing of Scotch whisky
Macallan Property Development Company Limited (The Macallan Distillery Easter Elchies House, Craigellachie, Aberlour, Banffshire, AB38 9RX)	Ordinary shares	75%	Development of building projects
Macallan Property Company Limited (The Macallan Distillery Easter Elchies House, Craigellachie, Aberlour, Banffshire, AB38 9RX)	Ordinary shares	75%	Letting and operating of real estate
Matthew Gloag & Son Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Dormant
James Grant & Company (Highland Park Distillery) Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Dormant
Vasyma S.L (Calle Einstein 6, Parque Empresarial de Jerez de la Frontera, 11407-Cadiz)	Ordinary shares	100%***	Manufacture of oak casks
Destiladores y Bodegueros S.L.U. (Calle Einstein 6, Parque Empresarial de Jerez de la Frontera, 11407-Cadiz)	Ordinary shares	100%***	Manufacture of oak casks

Key:

*** Vasyma S.L. and its subsidiary Destiladores y Bodegueros S.L.U. were purchased by Highland Distillers Group Limited on the 5 September 2023, further details of the acquisition can be found in note 32.

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NOTES TO THE CHARITY'S FINANCIAL STATEMENTS *(continued)*

14. Investments in subsidiaries *(continued)*

Name of Company/ (registered address)	Holding	Proportion held at 31 March 2024	Nature of business
Subsidiary undertakings <i>(continued)</i> :			
Maxxium Nederland BV (Koivistokade 62, 1013 BB Amsterdam)	Ordinary shares	50%	Sale and distribution of alcoholic beverages
Maxxium Belux NV (NV Leuvensesteenweg 643-16, 1930, Zaventem)	Ordinary shares	50%	Sale and distribution of alcoholic beverages
Maxxium Worldwide BV (Basisweg 10, 1043 AP Amsterdam, The Netherlands)	Ordinary shares	50%	Activities of holding companies
Gesa Grupo Estévez De Inversiones Empresariales, S.L (Grupo Estévez) (Carretera Nacional IV, Km 640, 11408 Jerez, Spain)	Ordinary shares	50%	Manufacture, sale and distribution of alcoholic beverages.
Coopers Oak LLC (300 James Road, Waverly, OH 45690, USA)	Ordinary shares	50%*	Sawmill

*On 31 August 2023 the Group purchased 50% of the share capital of Coopers Oak LLC for £1.4m.

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NOTES TO THE CHARITY'S FINANCIAL STATEMENTS *(continued)*

15. Quoted investments

	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Market value at 1 April	457,890	288,115
Additions	79,625	203,102
Disposals	-	(17,137)
Net gain/(loss) on investment	31,566	(16,190)
Market value at 31 March	569,081	457,890
Historical cost at 31 March	545,507	463,725

In the year to 31 March 2024, £0k of the net gain on the quoted investments was realised with £31,566k remaining unrealised. (2023: £495k realised loss, £15,694k unrealised loss).

	Year ended 31 March 2024 £'000	Year ended 31 March 2023* £'000
Equities	376,175	253,040
Fixed income investments	70,499	45,172
Property	17,353	13,588
Alternatives**	44,868	32,190
Liquid assets	60,186	113,899
Market value at 31 March	569,081	457,890

*The prior year categories have been restated to match 2024.

**Alternatives include funds that are Absolute Return Funds.

16. Social investments

	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Bonds in Fair for You Enterprise CIC	250	250
Loan to Haven	-	32
	250	282

Fair For You was set up in 2015 to alleviate poverty through better credit solutions for lower income family households and to influence how we lend as a society to lower-income families. It is the sole owner of Fair for You Enterprise CIC, which lends customers the money to buy household items from suppliers on its 'digital high street'. The loan was secured on the existing loan book with a fixed interest rate of 6% per annum. In 2021, the loan was converted to a perpetual bond. The bond will yield 3% with the entire £250k being converted.

Haven Products Limited repaid the remaining balance on their loan in full during the year.

**THE ROBERTSON TRUST
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NOTES TO THE CHARITY'S FINANCIAL STATEMENTS *(continued)*

17. Debtors

	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Trade debtors	359	383
Prepayments and accrued income	983	842
Sundry debtors	-	41
	1,342	1,266

18. Cash and cash equivalents

	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Current accounts	15,029	7,247
Deposit accounts	5,902	10,080
	20,931	17,327

19. Creditors: amounts falling due within one year

	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Charitable commitments	19,515	16,692
Trade creditors	235	146
Accrued expenses	331	468
Taxation and social security	79	54
Sundry creditors	55	55
	20,215	17,415

20. Creditors: amounts falling due after more than one year

	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Charitable commitments	11,898	11,203

The charitable commitments will become due as follows:

	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Due within one year	19,515	16,692
Between two to five years	11,898	11,203
	31,413	27,895

**THE ROBERTSON TRUST
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NOTES TO THE CHARITY'S FINANCIAL STATEMENTS *(continued)*

21. Analysis of charitable funds

	At 1 April 2023 £'000	Income £'000	Expenditure £'000	Gains/ (Losses) £'000	Transfers £'000	At 31 March 2024 £'000
Restricted funds:						
Endowment fund	694,966	-	(968)	100,210	-	794,208
TSI reserve	159	-	(53)	-	-	106
Matched funding reserve	-	43	(43)	-	-	-
Unrestricted funds:						
Unrestricted income funds	47,678	33,253	(32,604)	3,318	(18,000)	33,645
Designated funds:						
Charitable activities	2,000	-	-	-	18,000	20,000
	<u>744,803</u>	<u>33,296</u>	<u>(33,668)</u>	<u>103,528</u>	<u>-</u>	<u>847,959</u>

	At 1 April 2022 £'000	Income £'000	Expenditure £'000	Gains £'000	Transfers £'000	At 31 March 2023 £'000
Restricted funds:						
Endowment fund	570,372	-	(1,874)	126,468	-	694,966
TSI reserve	166	-	(7)	-	-	159
Matched funding reserve	-	34	(34)	-	-	-
Unrestricted funds:						
Unrestricted income funds	43,529	30,270	(23,698)	(2,423)	-	47,678
Designated funds:						
Charitable activities	2,000	-	-	-	-	2,000
	<u>616,067</u>	<u>30,304</u>	<u>(25,613)</u>	<u>124,045</u>	<u>-</u>	<u>744,803</u>

Restricted funds:

The endowment comprises the Trust's holding in Edrington and its quoted investments (less any transfers to unrestricted funds), purchased from proceeds from the partial sale of the Edrington shares held by the Trust. Income generated by the endowment is only available for charitable purposes.

The TSI Reserve represents the £0.1m (2023: £0.2m) closing reserves of Voluntary Action Scotland which are to be used to support the work of the TSI network.

The matched funding reserve comprises of the funding received from other charitable organisations in order to assist with the Trust's Scholarship programme. The funding is provided by the Trust and then matched by a number of organisations. All matched funding received was awarded in the year.

Unrestricted funds:

The unrestricted income funds are available to be spent for any of the purposes of the Charity.

Designated funds:

As the unrestricted income exceeded the budget in the current year, the Corporate Trustee undesignated the £2.0m funds formerly designated to support the 3 year business plan which runs to 31 March 2025. A new designation of £20m was made in year to be used to develop the Social Impact Investment portfolio.

THE ROBERTSON TRUST
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NOTES TO THE CHARITY'S FINANCIAL STATEMENTS *(continued)*

22. Net assets by fund

	Endowment Fund	Unrestricted Fund	Designated Fund	Restricted Fund	Year ended 31 March 2024 £'000
	£'000	£'000	£'000	£'000	
Fixed assets	-	4,471	-	-	4,471
Investments	794,208	39,119	20,000	-	853,327
Current assets	-	22,168	-	106	22,274
Creditors: amounts falling due within one year	-	(20,215)	-	-	(20,215)
Creditors: amounts falling due after more than one year	-	(11,898)	-	-	(11,898)
	794,208	33,645	20,000	106	847,959

	Endowment Fund	Unrestricted Fund	Designated Fund	Restricted Fund	Year ended 31 March 2023 £'000
	£'000	£'000	£'000	£'000	
Fixed assets	-	4,598	-	-	4,598
Investments	694,966	55,263	-	-	750,229
Current assets	-	16,435	2,000	159	18,594
Creditors: amounts falling due within one year	-	(17,415)	-	-	(17,415)
Creditors: amounts falling due after more than one year	-	(11,203)	-	-	(11,203)
	694,966	47,678	2,000	166	744,803

23. Pensions

The total pension contributions payable in the year on behalf of all employees were £0.3m (2023: £0.3m).

At the year-end there was £31k due to the pension scheme (2023: £29k) and this is included within sundry creditors.

24. Commitments

The Trust has entered a 100-year occupational lease with Stirling Council for The Barracks expiring in June 2118. The annual rental charge for the lease is £1.

**CONSOLIDATED FINANCIAL
STATEMENTS**

**For the year ended
31 March 2024**

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THE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2024

		Endowment Funds £'m	Unrestricted Funds £'m	Designated Funds £'m	Restricted Funds £'m	Year ended 31 March 2024 Total Funds £'m	Year ended 31 March 2023 Total Funds £'m
Note		£'m	£'m	£'m	£'m	£'m	£'m
Income and endowments from:							
Donations and legacies	30	-	-	-	-	-	-
Charitable activities	31	-	0.4	-	-	0.4	0.4
Other trading activities	32	-	1,351.8	-	-	1,351.8	1,296.3
Investments:							
Income from quoted investments		-	9.1	-	-	9.1	5.9
Bank interest		-	0.3	-	-	0.3	0.2
Total income		-	1,361.6	-	-	1,361.6	1,302.8
Expenditure on:							
Charitable activities	33	(1.0)	(32.6)	-	(0.1)	(33.7)	(25.6)
Other trading activities	32	-	(949.3)	-	-	(949.3)	(896.5)
Total expenditure		(1.0)	(981.9)	-	(0.1)	(983.0)	(922.1)
Net operational (deficit)/surplus before net gains on investments		(1.0)	379.7	-	(0.1)	378.6	380.7
Transfer between funds	47	80.0	(98.0)	18.0	-	-	-
Net gains/ (losses) on investments							
Net gain/(loss) on quoted investments	38	28.3	3.3	-	-	31.6	(16.2)
Net gains/ (losses) on investments		28.3	3.3	-	-	31.6	(16.2)
Taxation	35	-	(93.1)	-	-	(93.1)	(72.9)
Net income/(expenditure) for the year		107.3	191.9	18.0	(0.1)	317.1	291.6
Attributable to non-controlling interests	40	-	(194.3)	-	-	(194.3)	(198.7)
Net income/(expenditure) in the year (excluding non-controlling interests)		107.3	(2.4)	18.0	(0.1)	122.8	92.9
Net income/ (expenditure) for the year							
Arising from the Charity		107.3	(37.5)	18.0	(0.1)	87.7	120.6
Arising from trading activities		-	35.1	-	-	35.1	(27.7)

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THE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES *(continued)*
FOR THE YEAR ENDED 31 MARCH 2024

	Endowment Funds £'m	Unrestricted Funds £'m	Designated Funds £'m	Restricted Funds £'m	Year ended 31 March 2024 Total Funds £'m	Year ended 31 March 2023 Total Funds £'m
Other recognised (losses)/gains						
Actuarial losses on defined benefit pension schemes	-	(17.4)	-	-	(17.4)	(24.7)
Revaluation reserves movement	-	0.2	-	-	0.2	0.2
Other sundry movements	-	-	-	-	-	34.0
Pension fees paid direct to Pension Fund	-	-	-	-	-	(0.1)
Exchange difference on foreign operations	-	(16.0)	-	-	(16.0)	7.0
Exchange difference on foreign dividend	-	(0.4)	-	-	(0.4)	2.6
Share-based payments movements	-	3.8	-	-	3.8	(3.4)
Cash flow hedge reserve movements	-	0.3	-	-	0.3	1.0
Tax on other recognised (losses)/gains	-	-	-	-	-	(0.2)
Net movement in funds	107.3	162.4	18.0	(0.1)	287.6	308.0
Attributable to minority interests	-	(190.8)	-	-	(190.8)	(190.9)
Net movement in funds in the year (excluding non-controlling interests)	107.3	(28.4)	18.0	(0.1)	96.8	117.1
Reconciliation of funds:						
Total funds brought forward	415.2	524.2	2.0	0.2	941.6	824.5
Total funds carried forward	522.5	495.8	20.0	0.1	1,038.4	941.6

All the activities of the Group are classed as continuing. The notes on pages 56 to 101 form part of these financial statements.

The transfer between funds relates to the cash transferred from unrestricted trading reserves to the endowment fund relating to the buy back of Edrington shares during the year.

**THE ROBERTSON TRUST
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2024**

**THE CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2024**

	Note	2024 £'m	2023 £'m
Fixed assets			
Intangible assets	36	376.7	379.4
Tangible assets	37	683.5	636.1
Quoted investments	38	569.1	457.9
Social investments	39	0.3	0.3
Investment in joint venture	40	68.6	65.4
Other investments	40	0.4	0.4
Derivative financial instruments	49	2.7	3.6
Pension surplus	52	4.7	-
Deferred tax asset	50	87.6	76.1
Total fixed assets		1,793.6	1,619.2
Current Assets			
Stocks	41	942.9	844.4
Debtors	42	298.1	283.7
Assets held for sale	40	0.4	0.5
Derivative financial instruments	49	6.0	10.5
Current tax asset	42	3.9	-
Cash and cash equivalents	43	207.2	272.1
Total current assets		1,458.5	1,411.2
Liabilities			
Creditors: amounts falling due within one year	44/45	(384.2)	(528.8)
Derivative financial instruments	49	(0.9)	-
Net current assets		1,073.4	882.4
Total assets less current liabilities		2,867.0	2,501.6
Creditors: amounts falling due after more than one year	46	(879.7)	(679.2)
Derivative financial instruments	49	(0.4)	-
Deferred tax liability	50	(213.4)	(200.3)
Net assets excluding pension asset		1,773.5	1,622.1
Defined benefit pension scheme asset	52	-	21.9
Total net assets		1,773.5	1,644.0
The funds of the Group:			
Restricted funds:			
Endowment fund	47	522.5	415.2
TSI reserve	47	0.1	0.2
Unrestricted funds:			
Unrestricted income funds	47	21.3	35.4
Non-charity trading reserves	47	471.0	488.3
Non-charity other reserves	47	3.5	0.5
Designated funds	47	20.0	2.0
Total funds (excluding non-controlling interests)		1,038.4	941.6
Non-controlling interests	40	735.1	702.4
Total Trust funds		1,773.5	1,644.0

Notes on pages 56 to 101 form part of these financial statements.

The financial statements set out on pages 51 to 101 were approved by the Corporate Trustee on 4 December 2024 and signed on its behalf by:

Mark Batho



Fiona Larg MBE



On behalf of the Corporate Trustee

On behalf of the Corporate Trustee

THE ROBERTSON TRUST
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2024

THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Year ended 31 March		Year ended 31 March	
	2024	2024	2023	2023
	£'m	£'m	£'m	£'m
Cash flows from operating activities:				
Net income in the year	439.5		365.9	
Adjustments for:				
Depreciation of tangible assets	26.7		24.5	
Amortisation and impairment of intangible assets	7.8		7.1	
Profit on the sale of tangible assets	-		(0.1)	
Net (gains)/losses on investments	(31.6)		16.2	
Dividends and interest income	(9.4)		(6.1)	
Increase in stocks	(89.0)		(48.1)	
Increase in debtors	(21.4)		(37.9)	
Decrease in creditors	(20.0)		(21.9)	
Employer pension contributions paid	(5.9)		(7.5)	
Tax paid by trading subsidiary	(94.2)		(67.9)	
Other non-cash movements	1.7		(8.2)	
Movement in non-cash derivative	-		(0.1)	
Net cash provided by operating activities		204.2		215.9
Cash flows from investing activities:				
Dividends received	11.5		17.3	
Interest received	10.7		6.3	
Purchase of fixed assets	(90.3)		(71.9)	
Sale of fixed assets	-		1.3	
Purchase of intangible assets	(1.7)		(2.2)	
Sale of investments	-		18.1	
Purchase of investments	(79.6)		(203.1)	
Disposal of investment	1.0		-	
Capital investment in joint venture	(1.0)		(35.4)	
Net cash acquired on acquisition	0.2		0.3	
Acquisition of a subsidiary	(7.0)		(14.5)	
Net cash used by investing activities		(156.2)		(283.8)

THE ROBERTSON TRUST
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2024

THE CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*
FOR THE YEAR ENDED 31 MARCH 2024

	Year Ended 31 March		Year Ended 31 March	
	2024	2024	2023	2023
	£'m	£'m	£'m	£'m
Cash flows from financing activities:				
Interest paid by trading subsidiary	(45.4)		(26.5)	
Net proceeds from EBT share transactions by trading subsidiary	(33.6)		(11.2)	
Dividends paid by trading subsidiary	(125.0)		(136.8)	
Drawdown of revolving credit facility by trading subsidiary	706.8		2,008.3	
Repayment of revolving credit facility by trading subsidiary	(610.5)		(2,139.9)	
Drawdown of private placement debt by trading subsidiary	-		300.0	
Drawdown of other loans by trading subsidiary	-		(4.0)	
Repayment of other loans by trading subsidiary	(7.3)		-	
Net cash used in financing activities		(115.0)		(10.1)
Change in cash and cash equivalents in the reporting year		(67.0)		(78.0)
Cash and cash equivalents at the beginning of the year (net of bank overdraft)		269.8		347.5
Effect of foreign exchange rate changes		(0.8)		0.3
Cash and cash equivalents at the end of the year (net of bank overdraft included in creditors)		202.0		269.8
Analysis of changes in net debt				
	At 1 April 2023	Cash flows	Non-cash movements	At 31 March 2024
	£'m	£'m	£'m	£'m
Cash (net of bank overdraft included in creditors)	269.8	(67.8)	-	202.0
Current asset investments	0.5	-	(0.1)	0.4
Bank loans	(176.8)	(89.0)	(3.0)	(268.8)
Private placement debt	(638.6)	-	(0.2)	(638.8)
Other borrowings	(10.0)	-	-	(10.0)
Total	(555.1)	(156.8)	(3.3)	(715.2)

The notes on pages 56 to 101 form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. General information

These are the second set of consolidated financial statements prepared by the Trust. The Group's financial statements consolidate those of the Trust and its subsidiaries, comprising of Edrington, its subsidiaries and investments in joint ventures and associates (together referred to as 'the Group'). The parent Charity's financial statements present information about the Trust as a separate entity and are set out on pages 27 to 49.

The principal activities and nature of operations of the Group are set out in the Report of the Corporate Trustee.

These consolidated financial statements, which are presented in Pounds Sterling (GBP), have been prepared on the going concern basis, under the historical cost convention, with the exception of derivative financial instruments and quoted investments, which are measured at fair value as explained in the accounting policies below. All amounts have been presented in millions ("£'m"), rounded to the nearest million, unless otherwise stated.

The Group's financial statements have been prepared for the year ended 31 March 2024 while the comparative period covers the year ended 31 March 2023.

26. Principal accounting policies

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. Where an accounting policy specifically relates to the Trust, it is not repeated in this note, and reference should be made to note 2 in the Trust's financial statements.

These policies have been applied consistently to all the years presented, in dealing with items which are considered material in relation to the Group's financial statements, unless otherwise stated.

Basis of preparation

The consolidated financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102') (effective 1 January 2019), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 ('the SORP'), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Going concern

A full assessment of the appropriateness of the going concern method of preparation has been included within the Corporate Trustee's Report. The trading group annually forecasts future trading performance and cash flow to assess compliance with banking covenants and to confirm that the going concern assumption remains appropriate for the preparation of its financial statements. The forecasts reflect the challenges faced by the trading group in certain markets, together with the strong growth experienced in others and indicates, to the trading group's satisfaction, that it has resources more than sufficient to continue as a going concern for at least 12 months from date of signing these financial statements.

Edrington's transition to FRS 102

To facilitate the preparation of the consolidated financial statements, Edrington's financial statements, which are prepared in accordance with the International Financial Reporting Standards as adopted by the UK ('IFRS') are converted to FRS 102 annually. As a result of its transition to FRS 102, the Group has made some recognition and measurement adjustments to Edrington's financial results.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

26. Principal accounting policies *(continued)*

Edrington's transition to FRS 102 *(continued)*

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions have been taken in these consolidated financial statements:

- **Business combinations** – Business combinations that took place prior to 1 April 2021 have not been restated.
- **Lease arrangements** – In order to determine whether an arrangement contains a lease, Edrington has analysed facts and circumstances existing at 1 April 2021 rather than commencement date of the arrangement.
- **Fair value or revaluation as deemed cost** – The previous GAAP revaluation at 1 April 2021 has been used as deemed cost for tangible and intangible assets at that date.
- **Separate financial instruments** – The carrying amount of Edrington's cost of investment in associates and joint venture are used as the deemed cost at 1 April 2021.
- **Borrowing costs** – Edrington has elected to capitalise borrowing costs only from the date of transition.

On adoption of FRS 102, the Group has not retrospectively changed Edrington's accounting policy under IFRS for the recognition and measurement of financial instruments, the derecognition of financial assets and liabilities before the date of transition, equity instruments granted before the transition date (in relation to share-based payments) and accounting estimates.

Critical accounting judgements and key sources of estimation uncertainty

Judgements made by the Corporate Trustee, in the application of the Trust's accounting policies that have significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

In addition to the above, there are three key areas of estimation uncertainties for the Group, particularly in relation to Edrington. This includes the valuation of pension assets and liabilities, the carrying value of brand assets and liabilities and the carrying value of equity acquisitions:

- ***Pensions and other post-retirement benefits***

Edrington operates both defined benefit pension schemes providing benefits based on final pensionable earnings, and a defined contribution scheme. The determination of any pension scheme surplus/deficit is based on assumptions determined with independent actuarial advice. The assumptions used include discount rate, inflation, pension increases, salary increases, the expected return on scheme assets and mortality assumptions. Sensitivity analysis has been undertaken on these key assumptions as detailed in note 52.

- ***Brand valuation***

Assessment of the recoverable value of an intangible asset, the useful economic life of an asset, or that an asset has an indefinite useful life requires management estimate.

These assets are reviewed for impairment at least annually or when there is an indication that the asset may be impaired. The impairment reviews compare the carrying value of the brand with its value in use based on discounted future cash flow. The tests are dependent on management's estimates and judgements, in particular in relation to the forecasting of future cash flows, the discount rates applied to those cash flows and the expected long term growth rates. Such estimates and judgements are subject to change as a result of changing economic conditions and actual cash flows may differ from forecasts. Sensitivity analysis is undertaken on these key assumptions as outlined within note 36.

- ***Valuation of equity acquisition***

Edrington holds minority equity stakes with several key strategic partners. The valuation of each equity stake requires management estimate in both the calculation of future cash flows and the appropriateness of the discount rate used.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

26. Principal accounting policies *(continued)*

Critical accounting judgements and key sources of estimation uncertainty *(continued)*

The estimates and judgements around future cash flows are subject to change as a result of changing economic conditions and actual cash flows may differ from forecasts. Management have performed sensitivity analysis on the discount rate applied and are satisfied that a change in the rate applied will not result in a material change in the valuation. Details of acquisitions made are within notes 40 and 55.

Basis of consolidation

Subsidiaries

Subsidiary undertakings are entities in which the Group has a controlling interest. Control is achieved when the Group:

- has power over more than half of the voting rights by virtue of an agreement with other investors;
- power to govern the financial and operating policies of the entity under a statute or an agreement;
- power to appoint or remove the majority of the members of the board of directors or equivalent governing body and control of the entity is by that board or body;
- power to cast the majority of votes at meetings of the board of directors or equivalent governing body and control of the entity is by that board or body.
- is exposed, or has rights, to variable return from its involvement with the investee; or
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method of accounting. The cost of a business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree plus costs directly attributable to the acquisition.

At the acquisition date, the identifiable assets acquired, and liabilities assumed are measured initially at their fair values. Minority interests are measured at a proportionate share of the identifiable net assets of the acquiree. Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination, then the excess is recognised separately within the Consolidated Balance Sheet.

The results of subsidiary undertakings acquired or disposed of during the year are included in the consolidated statement of financial activities from the date that control commenced until the date that control ceases.

Joint ventures and associates

An associate is an entity in which the Edrington Group has significant influence, but not control, over the operating and financial policies of the entity. Significant influence is presumed to exist when the investors hold between 20% and 50% of the equity voting rights.

A joint venture is a contractual arrangement undertaken in which the Group exercises joint control over the operating and financial policies of the entity. Where the joint venture is carried out through an entity, it is treated as a jointly controlled entity.

The Group's share of the profits/ losses of associates and joint ventures is included in the Consolidated Statement of Financial Activities while its interests in their net assets are recorded in the Consolidated Balance Sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

26. Principal accounting policies *(continued)*

Foreign currencies

The Group's functional currency is Pounds Sterling.

While the Group's presentational currency, in its consolidated financial statements, is Pounds Sterling, it conducts business in many currencies. As a result, it is subject to foreign currency risk due to exchange rate movements which will affect the Group's transactions and translation of the results and underlying net assets of its operations.

Transactions in foreign currencies are translated at the spot rate at the date of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at each balance sheet date, with exchange gains and losses recognised in the Consolidated Statement of Financial Activities.

Foreign operations

Trading results denominated in foreign currency are translated into Pounds Sterling at average rates of exchange during the year. Assets and liabilities are translated at the rates of exchange ruling at the year-end except where rates of exchange are fixed under contractual arrangements. Differences on exchange arising from the retranslation of the opening net assets of foreign subsidiaries denominated in foreign currency are taken to non-charity trading reserves, together with the differences between the statement of financial activities translated at average rates and rates ruling at the year-end.

Trading activities – Turnover

Turnover is generated from the sale of goods, royalties and rents received from contracts with customers. It is measured at the fair value of consideration received or receivable, excluding sales tax, and reduced by any rebates and trade discounts allowed.

Turnover from the sale of goods is recognised, at the point in time, when the following conditions are satisfied:

- significant risk and rewards of ownership are transferred to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be reliably measured;
- it is probable that the economic benefits of the transaction will be received by the Group; and
- the related costs can be measured reliably.

The sales of goods are recognised depending upon individual customer terms based on the point at which the transfer of control is deemed to have been made. For most customers this is the point at which the goods are transported onto the ship for delivery but it can differ for some customers.

Turnover from rendering of services is generally recognised over time, using a measure of progress.

Exceptional items

Exceptional items are those that, in management's judgement, need to be disclosed by virtue of their size or incidence. These items are included within the Consolidated Statement of Financial Activities and separately disclosed in the notes to the consolidated financial statements.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Group. All other leases are classified as operating leases.

Finance Leases

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the Consolidated Balance Sheet as a finance lease obligation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

26. Principal accounting policies *(continued)*

Finance Leases *(continued)*

Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring the net income/expenditure for the year. Assets held under finance leases are included in fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Operating Leases

Rentals payable under operating leases are charged to the Consolidated Statement of Financial Activities on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the Group recognises annual rent expense equal to amounts owed to the lessor.

Tangible assets

The Charity's policy on tangible assets is provided in note 2. In addition, the Group applies the following rates for the depreciation of its tangible assets:

Buildings	2% to 5%
Plant, vehicles, equipment	5% to 33%
Casks	5% to 15%

Intangible assets

Brands

These intangible assets are comprised of brands with a material value, which are long term in nature and are recorded at cost less accumulated amortisation and impairment losses. Such brands are only recognised where title is clear, brand earnings are separately identifiable, and the brand could be sold separately from the rest of the business.

Amortisation is on a straight-line basis over the estimated useful life of the brand currently between 5 and 50 years. The amortisation and impairment charge for the period is included in the statement of financial activities within expenditure arising from trading activities.

Software system costs

Software system costs are stated at historical cost net of amortisation. Amortisation is charged on a straight-line basis over the useful life of the assets. The principal annual rates used for this purpose are 10% to 33%. The amortisation and impairment charge for the period is included in the statement of financial activities within expenditure arising from trading activities.

Goodwill

Goodwill is recognised on acquisition of a subsidiary, being the excess of the cost over the fair value of assets and liabilities acquired, is capitalised in the Consolidated Balance Sheet and amortised over its estimated useful economic life currently 5 years. Goodwill is tested annually for impairment and the amortisation and any impairment charge for the period is included in the statement of financial activities within expenditure arising from trading activities.

Impairment of non-financial assets

The Group's policy on impairment of non-financial assets is provided in note 2.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

26. Principal accounting policies *(continued)*

Financial instruments

As permitted by FRS 102, the Group has chosen to account for Edrington's financial instruments using the recognition and measurement provisions of IFRS 9 Financial Instruments ('IFRS 9') as issued by the International Accounting Standards Board.

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through income and expenditure ('FVTIE'); or fair value through other recognised gains or losses ('FVORGL').

The Group makes an assessment of the objective of the business model in which a financial asset is held because this best reflects the way the business is managed, and information is provided to management. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets not classified as measured at amortised cost as described above are measured at fair value, with the gain or loss recognised in the Consolidated Statement of Financial Activities.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTIE. For the purpose of group reporting, a financial liability is classified as at FVTIE if it is held for trading, it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Where the contractual obligations of financial instruments are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Interest expense and gains or losses relating to financial liabilities are included in the Consolidated Statement of Financial Activities. Interest expense is calculated to produce a constant rate of return on the outstanding liability.

Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and reported on a net basis only when the Group has a legally enforceable right to set off the amounts and either intends to settle on a net basis, or to realise the asset or liability simultaneously.

Hedge accounting

The Group designates derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in cash flow hedges. At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives, its strategy and at inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is in effect offsetting changes in cash flows of the hedged item attributable to the hedged risk. All derivatives designated in a cash flow hedge are designated in their entirety as the hedging instrument, with the exception of the cross-currency swaps. In the case of the cross-currency swaps, the foreign currency basis risk has been excluded and as such is treated as a cost of hedging.

The cash flow hedge reserve (recognised within non-charity trading reserves) is adjusted to the lower of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in fair value of the hedged item from inception of the hedge.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

26. Principal accounting policies *(continued)*

Hedge accounting *(continued)*

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other recognised gains/(losses). Any remaining gain or loss on the hedging instrument is hedge ineffectiveness and is recognised in the statement of financial activities. Where the amount that has been accumulated in the cash flow hedge reserve relates to a hedged forecast transaction that subsequently results in the recognition of a non-financial asset or liability, it is removed from cash flow hedge reserves and included in the initial cost of the asset or liability. For hedges that relate to a financial asset or liability, amounts deferred in equity are recognised in the statement of financial activities in the same period in which the hedged item affects the statement of financial activities.

In accordance with IFRS 9's transition provisions for hedge accounting, the Group has applied the IFRS 9 hedge accounting requirements prospectively from the date of initial application on 1 April 2018, with the exception of the treatment of the cross-currency swaps basis component of foreign exchange derivatives designated in qualifying cash flow hedging relationships which has been excluded as "cost of hedging". This change has been applied retrospectively as is permissible under IFRS9. The Group's qualifying hedging relationship in place as at 1 April 2018 also qualify for hedge accounting in accordance within IFRS 9 and were therefore regarded as continuing hedging relationships. As the critical terms of the hedging instruments match those of their corresponding hedging items, all hedging relationships continue to be effective under IFRS9's effectiveness assessment requirements. On transition to IFRS 9 the unamortised proportion of the basis risks, bifurcated from the cross-currency swap valuation, has been accounted for in the cost of hedging reserve and continued to be amortised over the remaining life of the underlying hedging item with an annual relation to the statement of financial activities.

Stocks

Stocks are measured at the lower of cost and net realisable value.

Cost is defined as the production cost (including distillery overheads) or purchase price, as appropriate, plus carrying costs such as depreciation, warehousing rent and freight but excluding interest. Net realisable value is based on estimated selling price, less the estimated costs of completion and selling.

Stocks are valued at standard cost which is reviewed at least annually. Provision is made for obsolete and slow-moving items where appropriate.

Taxation

Income tax expense comprises current and deferred tax in relation to the subsidiary undertakings. It is recognised in the Consolidated Statement of Financial Activities, except to the extent that it relates to a business combination, or items recognised directly in equity or other recognised gains or losses.

Current tax

Current tax is recognised for the amount of income tax payable by the trading subsidiaries in respect of their taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Taxable income differs from the profit before tax reported in the trading subsidiaries' statement of financial activities because of items of income/expense which are taxable/deductible in other years ("temporary differences") and items that are never taxable/deductible ("permanent differences"). Current tax is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax

Deferred tax is recognised by the trading subsidiaries on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences while deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

26. Principal accounting policies *(continued)*

Deferred tax *(continued)*

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated using the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates and laws that have been enacted or substantively enacted by the reporting period.

The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the way the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Uncertain tax provisions

The Group is required to estimate the corporate tax in each of the many jurisdictions in which it operates. Management is required to estimate the amount that should be recognised as a tax liability or tax asset in many countries which are subject to tax audits which by their nature are often complex and can take several years to resolve. Current tax balances and tax provisions are based on management's judgement and interpretation of country specific tax law and the probability that the tax authority will accept the tax treatment used or planned to be used in the tax filing made.

Share-based payments

Edrington issues equity-settled share-based payments to certain Group employees under its Share Reward Scheme. The fair value at grant date of the shares granted is charged to the company's Statement of Financial Activities, with a corresponding increase recognised in share-based payments reserves (within non-charity trading reserves), over the vesting period.

In addition, Edrington also provides employees with the ability to save for a three-year period to by Edrington 'B' Ordinary Shares at 80% of the market price through its Share Save Scheme. The fair value of the share options awarded is determined at the grant date and is expensed on a straight-line basis over the three-year vesting period, based on an estimate of the shares that will ultimately vest.

The fair value of the shares and options granted is calculated at grant date using the Black-Scholes model taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Edrington reflects the fair value of the shares issued to subsidiary undertakings to enable them to meet their obligations under the share-based payment incentive schemes as an additional investment.

Other liabilities and provisions

Other liabilities are primarily provisions which are liabilities of uncertain timing or amounts. A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and which will result in an outflow of economic benefit. Provisions are discounted where the effect is materially different to the original undiscounted amount and represent the Corporate Trustee's best estimate of likely settlement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

26. Principal accounting policies *(continued)*

Pensions and other post-retirement benefits

Edrington operates three principal pension schemes based on final pensionable salary in addition to a number of schemes based on defined contributions. The assets of the schemes are held separately from those of the Group.

Defined benefit scheme assets are measured at fair value. Scheme liabilities which represent the present value of the obligation are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the consolidated balance sheet. A net surplus is recognised only to the extent that it is recoverable by the Group.

For defined benefit schemes, the amounts charged to the Consolidated Statement of Financial Activities are the gains/losses from settlements and curtailments. Past service costs are spread over the period until the benefits vest. Interest on the scheme liabilities and the expected return on the scheme assets are included in other financial income/costs. Actuarial gains and losses are reported as other recognised gains and losses in the Consolidated Statement of Financial Activities.

For defined contribution schemes the amount charged to the statement of financial activities in respect of pension costs as unrestricted expenditure is the contributions payable in the year. Any differences between contributions payable in the year and the contributions actually paid are shown as either accruals or prepayments in the balance sheet.

In addition, Edrington pays other post-retirement discretionary benefits which are accounted for in accordance with FRS 17. In the view of the Corporate Trustee, there is no future legal commitment to pay these benefits. However, a constructive obligation exists as it has been custom and practise to pay them in the past; therefore, the most appropriate treatment is to provide for the full potential liability in the balance sheet.

Accounting for The Edrington Group Limited Employee Benefit Trust

Edrington, as the sponsoring company of The Edrington Group Limited Employee Benefit Trust, recognises the assets and liabilities of the Employee Benefit Trustee in the Group's accounts as it has deemed control.

The Group accounts for the Employee Benefit Trust as follows:

- Until such time as the Company's own shares held by the Employee Benefit Trust vest unconditionally in employees, the consideration paid for the shares is deducted from reserves.
- Other assets and liabilities (including borrowings) of the Employee Benefit Trust are recognised as assets and liabilities of the Group.
- Consideration paid or received for the purchase or sale of Company's own shares in the Employee Benefit Trust is down as a separate amount in reserves.
- No gain or loss is recognised in the statement of financial activity on purchase, sale, issue or cancellation of the Company's own shares.
- Finance costs and any administration expenses are charged as they accrue.
- Any dividend income arising on own shares is excluded from the statement of financial activity.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

27. Comparative Consolidated Statement of Financial Activities for the year ended 31 March 2023

		Endowment Funds £'m	Unrestricted Funds £'m	Designated Funds £'m	Restricted Funds £'m	Year ended 31 March 2023 Total Funds £'m
	Note					
Income and endowments from:						
Donations and legacies	30	-	-	-	-	-
Charitable activities	31	-	0.4	-	-	0.4
Other trading activities	32	-	1,296.3	-	-	1,296.3
Investments:						
Income from quoted investments		-	5.9	-	-	5.9
Bank interest		-	0.2	-	-	0.2
Total income		-	1,302.8	-	-	1,302.8
Expenditure on:						
Charitable activities	33	(1.9)	(23.7)	-	-	(25.6)
Other trading activities	32	-	(896.5)	-	-	(896.5)
Total expenditure		(1.9)	(920.2)	-	-	(922.1)
Net operational (deficit)/surplus before net gains on investments		(1.9)	382.6	-	-	380.7
Transfer between funds	47	155.9	(155.9)	-	-	-
Net losses on investments						
Net loss on quoted investments	38	(13.7)	(2.5)	-	-	(16.2)
Net losses on investments		(13.7)	(2.5)	-	-	(16.2)
Taxation	35	-	(72.9)	-	-	(72.9)
Net income for the year		140.3	151.3	-	-	291.6
Attributable to non-controlling interests		-	(198.7)	-	-	(198.7)
Net income/(expenditure) in the year (excluding non-controlling interests)		140.3	(47.4)	-	-	92.9
Net income/(expenditure) in the year						
Arising from the Charity		140.3	(19.7)	-	-	120.6
Arising from trading activities		-	(27.7)	-	-	(27.7)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

28. Comparative Consolidated Statement of Financial Activities for the year ended 31 March 2023

	Endowment Funds £'m	Unrestricted Funds £'m	Designated Funds £'m	Restricted Funds £'m	Year ended 31 March 2023 Total Funds £'m
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	-	(24.7)	-	-	(24.7)
Revaluation reserves movement	-	0.2	-	-	0.2
Other sundry movements	-	34.0	-	-	34.0
Pension fees paid direct to Pension Fund	-	(0.1)	-	-	(0.1)
Exchange difference on foreign operations	-	7.0	-	-	7.0
Exchange difference on foreign dividend	-	2.6	-	-	2.6
Share-based payments movements	-	(3.4)	-	-	(3.4)
Cash flow hedge reserve movement	-	1.0	-	-	1.0
Tax on other recognised gains/losses)	-	(0.2)	-	-	(0.2)
Net movement in funds	140.3	167.7	-	-	308.0
Attributable to minority interests	-	(190.9)	-	-	(190.9)
Net movement in funds in the year (excluding non-controlling interests)	140.3	(23.2)	-	-	117.1
Reconciliation of funds:					
Total funds brought forward	274.9	547.4	2.0	0.2	824.5
Total funds carried forward	415.2	524.2	2.0	0.2	941.6

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

29. Net income for the year

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
This is stated after charging:		
Depreciation of tangible fixed assets	26.7	31.7
Amortisation of intangible assets	7.8	7.1
Gain on disposal of tangible fixed assets	-	(0.1)
Stocks charged to the statement of financial activities	66.9	83.5
Auditor's remuneration – audit fees	1.3	1.0
Auditor's remuneration – non-audit fees	-	-

The depreciation charge noted above is different from that shown in note 37 in these consolidated financial statements as cask and warehouse depreciation is added to the cost of Scotch whisky inventory and is not released to the Statement of Financial Activities until the relevant stock is sold. The current year cashflow depreciation charge excludes lease costs which are included within cash flows from financing activities.

30. Income for donations and legacies

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
Matched funding income	-	-

31. Income for charitable activities

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
Charity hub:		
Rent and service charges	0.3	0.3
Hospitality income	0.1	0.1
	0.4	0.4

32. Trading activities

The income and expenditure arising from trading activities relates to the activities of the Trust's trading subsidiaries consolidated into Edrington. A list of Trust's trading subsidiaries is provided in note 14. The results of the trading subsidiaries are included in unrestricted funds in the Consolidated Statement of Financial Activities.

The income from trading activities includes turnover generated from the sale of goods, distribution of third-party products and other income from the storage of goods.

Analysis of turnover from trading activities is set out below:

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
Core turnover	1,165.2	1,082.4
Turnover from the distribution of 3 rd party products	138.2	145.1
Sale of non-cased goods	26.1	44.8
Other income	22.3	24.0
Total Turnover	1,351.8	1,296.3

The analysis of turnover by class of business or geographical market has not been disclosed as the Corporate Trustee considers that this could be seriously prejudicial to the Group's interest.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

32. Trading activities *(continued)*

The consolidated results of Edrington are set out below:

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
Profit and Loss Account:		
Turnover	1,351.8	1,296.3
Cost of sales	(853.5)	(841.2)
Gross profit	498.3	455.1
Impairment of share in joint ventures	-	2.2
Impairment of investment in associates	-	3.5
Gain on investments	-	-
Administrative costs	(50.1)	(34.4)
Other expenditure	(50.1)	(28.7)
Finance cost	(43.3)	(25.2)
Other finance costs	(2.4)	(1.4)
Profit before taxation	402.5	399.8
Taxation	(93.1)	(72.9)
Profit for the year	309.4	326.9
Other comprehensive income	(33.4)	(17.6)
Total comprehensive income	276.0	309.3
Balance Sheet:		
Total assets	2,652.3	2,525.2
Equity	(1,295.0)	(1,241.2)
Liabilities	(1,357.3)	(1,284.0)
Total equity and liabilities	(2,652.3)	(2,525.2)
<i>Exceptional items:</i>		
	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
(a) Restructuring costs	(4.1)	-
(b) Gain/(impairment) of investment in joint venture	-	2.2
(c) Income from investment in joint venture	-	9.7
(d) Reversal of impairment of investment in associate	-	3.5
Total exceptional items before taxation and minority interest	(4.1)	15.4
Taxation	0.9	0.3
Total exceptional items after taxation	(3.2)	15.7
Minority interest	0.9	(4.0)
Net impact on retained earnings	(2.3)	11.7

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

32. Trading activities *(continued)*

- (a) The restructuring cost in the current year represents a provision taken as a result of a decision to exit our 3rd party brand portfolio in the UK which will result in a reduced number of employees.
- (b) The gain on investment in joint venture in the prior year resulted in a partial reversal of a previously recorded impairment as the costs of exiting the joint venture were lower than anticipated.
- (c) During the prior year, the Group sold its investment in Maxxium Cyprus Limited to local management for €1. Prior to the sale, we received dividend income of £9.7m. This is recorded as income from investment in joint venture and is exceptional in nature.
- (d) The prior year gain on acquisition of subsidiary relates to the increase in the investment in Wyoming Whiskey to an 80% holding on 30 March 2023. Further details of the acquisition are disclosed in Note 55. The prior year reversal of impairment of investment in associate of £3.5m relates to an impairment previously taken on Wyoming Whiskey which has been reversed as a result of the increase in investment.

33. Expenditure on charitable activities

	2024 Charity hub	2024 Grant making	Year ended 31 March 2024 Total
	£'m	£'m	£'m
Staff costs	0.2	2.0	2.2
Project recharges	-	(0.2)	(0.2)
Charitable donations (note 9)	-	29.3	29.3
Discounted cash flow creditor adjustment	-	(1.5)	(1.5)
Programme support costs	-	0.4	0.4
Allocated support costs (note 10)	1.1	2.4	3.5
	1.3	32.4	33.7

	2023 Charity hub	2023 Grant making	Year ended 31 March 2023 Total
	£'m	£'m	£'m
Staff costs	0.2	1.8	2.0
Project recharges	-	(0.1)	(0.1)
Charitable donations (note 9)	-	19.1	19.1
Programme support cost	-	0.3	0.3
Allocated support costs (note 10)	1.1	3.2	4.3
	1.3	24.3	25.6

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

34. Employees

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
Wages and salaries	177.1	145.4
Social security costs	16.4	14.6
Pension costs	16.0	13.6
Employee share schemes	5.6	5.6
Long term incentive plans	6.4	10.0
Annual employee incentive schemes	24.6	28.4
	246.1	217.6

The monthly average number of employees in the year was 3.3k (2023: 2.9k).

The key management personnel of the Group comprise of the Charity Trustees, the CEO, the Director of Finance & Company Secretary and Heads of Department of the Trust. The total employment benefits including employer national insurance contributions and employer pension contributions of the key management personnel were £0.6m (2023: £0.6m).

Expenses of £4k (2023: £3k) were paid to 9 (2023: 7) of the Charity Trustees for travel and subsistence.

No Charity Trustee or person related or connected by business to them has received any remuneration from the Trust (2023: nil).

The SORP's requirement to disclose the number of employees who received emoluments over £60k is considered commercially sensitive to the trading activities of the Group and with the agreement of the Charity Trustees, is not made in these consolidated financial statements. However, full disclosure for the Charity's staff is made in note 12.

35. Taxation

For the trading subsidiaries, corporation tax is calculated at 25% (2023: 19%) of the estimated taxable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
The tax charge represents:		
Current tax:		
UK Corporation tax at 25% (2023: 19%)	51.7	40.4
Adjustment in respect of prior periods	(1.0)	(5.1)
Foreign tax	36.6	41.5
Tax on buybacks of shares	-	7.6
Tax on exceptional items	(0.1)	0.3
Total current tax	87.2	84.7
Deferred tax:		
Deferred tax charge/(credit) for the year	5.8	(5.7)
Adjustment to deferred tax attributable to changes in tax rates and laws	-	(6.9)
Tax on exceptional items	(0.8)	-
Adjustment in respect of prior periods	0.9	0.8
Total deferred tax	5.9	(11.8)
Total tax	93.1	72.9

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

35. Taxation *(continued)*

Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 25% (2023: 19%).

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
Profit before tax (note 32)	402.5	399.8
Income tax expense calculated at 25% (2023: 19%)	100.6	76.0
Effect of expenses that are not deductible in determining taxable profit	5.5	2.5
Effect of different tax rates of subsidiaries operating in other jurisdictions	(14.1)	1.5
Non-taxable income	(3.2)	(4.3)
Other differences	1.0	4.9
Adjustment in respect of prior periods	(0.1)	(4.3)
Effect on deferred tax balances due to changes in future tax rates	-	(6.5)
Effect of deferred tax assets no longer recognised	2.1	2.1
Share of results of associates and joint ventures	(1.3)	(0.4)
Deferred tax on distributable reserves	2.6	1.4
Taxation (note 32)	93.1	72.9

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group's financial year begins on 1 April 2024. We have performed an assessment of the Group's potential exposure to Pillar Two income taxes based on the most recent financial information available, and based on this assessment, don't anticipate Pillar Two top up tax to be material.

As of 31 March 2024, the IAS12 exception to not recognise any deferred tax relating to top up tax arising from the Pillar Two legislation has been applied.

36. Intangible assets

	Brands £'m	Software £'m	Goodwill £'m	Total £'m
Cost at 1 April 2023	904.2	36.3	(18.3)	922.2
Additions	-	1.7	3.8	5.5
Disposals	-	(1.3)	-	(1.3)
Transfers	4.1	-	(4.1)	-
Exchange adjustment	-	(0.6)	(0.1)	(0.7)
Cost at 31 March 2024	908.3	36.1	(18.7)	925.7
Amortisation at 1 April 2023	529.0	20.8	(7.0)	542.8
Charge for the year	8.3	3.5	(4.0)	7.8
Disposals	-	(1.3)	-	(1.3)
Exchange adjustment	-	(0.3)	-	(0.3)
Amortisation at 31 March 2024	537.3	22.7	(11.0)	549.0
Net book value at 31 March 2024	371.0	13.4	(7.7)	376.7
Net book value at 31 March 2023	375.2	15.5	(11.3)	379.4

The amortisation expense of the intangible assets is included within cost of goods sold and other administrative expenses with the trading activities in the statement of financial activity.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

36. Intangible assets *(continued)*

At 31 March 2024, the carrying amount of the principal brands acquired by Edrington are as follows:-

	Year ended 31 March 2024 £'m
The Macallan	304.6
The Famous Grouse	30.1
Highland Park	13.1
The Glenrothes	17.9
Wyoming Whiskey	5.3
	371.0

The brands are protected by trademarks, which are renewable indefinitely, in all the major markets they are sold. There are not believed to be any legal, regulatory, or contractual provisions that limit the useful lives of these brands, and the nature of the premium drinks industry is that obsolescence is not a common issue. Indefinite useful lives of intangible assets are not permitted under FRS 102 and as such a useful life of 50 years has been deemed reasonable to apply across all established brands and a 10 year useful life attributed to Wyoming Whiskey as a newly acquired brand.

As noted in the prior year financial statements, the brand valuation of an acquired business can be reassessed within 12 months of purchase. Following the purchase of Wyoming Whiskey in 2023, the Group has reassessed the split of the intangible assets and transferred the goodwill balance to the brand valuation.

The goodwill addition in the year relates to the acquisition of Vasyma SL.

37. Tangible assets

	Land, buildings & heritable property £'m	Fixtures, fittings and equipment £'m	Casks £'m	Assets under construction £'m	Total £'m
Cost at 1 April 2023	273.5	257.3	440.2	25.0	996.0
Additions	2.9	14.0	39.9	33.5	90.3
Acquisition of subsidiary	4.8	1.7	-	-	6.5
Disposals	-	(2.9)	(8.7)	-	(11.6)
Transfers	11.4	12.1	3.6	(27.1)	-
Exchange adjustment	(1.2)	(4.2)	(1.8)	(1.2)	(8.4)
Cost at 31 March 2024	291.4	278.0	473.2	30.2	1,072.8
Depreciation at 1 April 2023	68.0	153.8	138.1	-	359.9
Charge for the year	6.5	15.5	20.2	-	42.2
Acquisition of subsidiary	1.1	1.2	-	-	2.3
Disposals	-	(2.9)	(8.0)	-	(10.9)
Exchange adjustment	(0.7)	(2.8)	(0.7)	-	(4.2)
Depreciation at 31 March 2024	74.9	164.8	149.6	-	389.3
Net book value at 31 March 2024	216.5	113.2	323.6	30.2	683.5
Net book value at 31 March 2023	205.5	103.5	302.1	25.0	636.1

Included in the cost of heritable property is £2.4m (2023: £2.4m) of freehold land and buildings and £2.3m (2023: £2.3m) in relation to long leasehold property, and £2.2m (2023: £2.2m) in respect of freehold land which is not depreciated.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

38. Quoted investments

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
Market value at 1 April	457.9	288.1
Additions	79.6	203.1
Disposals	-	(17.1)
Net gain/(loss) on investment	31.6	(16.2)
Market value at 31 March	569.1	457.9
Historical cost at 31 March	545.5	463.7

In the year to 31 March 2024, £0m of the net gain on the quoted investments was realised with £31.6m remaining unrealised. (2023: £0.5m realised loss, £15.7m unrealised loss)

	Year ended 31 March 2024 £'m	Year ended 31 March 2023* £'m
Equities	376.2	253.0
Fixed income investments	70.5	45.2
Property	17.4	13.6
Alternatives**	44.9	32.2
Liquid assets	60.2	113.9
Market value at 31 March	569.1	457.9

*The prior year categories have been restated to match 2024.

**Alternatives include funds that are Absolute Return Funds.

39. Social investments

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
Bonds in Fair for You Enterprise CIC	0.3	0.3
	0.3	0.3

Fair For You was set up in 2015 to alleviate poverty through better credit solutions for lower income family households and to influence how we lend as a society to lower-income families. The Trust is the sole owner of Fair for You Enterprise CIC, which lends customers the money to buy household items from suppliers on its 'digital high street'. The £0.3m (2023: £0.3m) loan was secured on the existing loan book with a fixed interest rate of 6% per annum. In 2021, the loan was converted to a perpetual bond. The bond will yield 3% with the entire £0.3m being converted.

Haven Products Limited repaid the remaining balance on their loan in full during the year.

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40. Other investments

	Joint ventures £'m	Associates and other investments £'m	Total £'m
Cost at 1 April 2023	65.4	0.4	65.8
Share of retained profits less dividends received	2.7	-	2.7
Movement in intercompany profit	(0.3)	-	(0.3)
Actuarial loss on pension scheme	0.3	-	0.3
Movement on deferred tax relating to pension scheme	(0.1)	-	(0.1)
Investment in joint venture	1.4	-	1.4
Exchange adjustment	(0.8)	-	(0.8)
Cost at 31 March 2024	68.6	0.4	69.0

	Joint ventures £'m	Associates and other investments £'m	Total £'m
Cost at 1 April 2022	30.1	6.7	36.8
Share of retained profits less dividends received	0.8	1.3	2.1
Movement in intercompany profit	0.2	-	0.2
Actuarial loss on pension scheme	(1.5)	-	(1.5)
Movement on deferred tax relating to pension scheme	0.4	-	0.4
Transfer from associate to subsidiary	-	(11.1)	(11.1)
Reversal of impairment *	-	3.5	3.5
Additional investment	35.4	-	35.4
Cost at 31 March 2023	65.4	0.4	65.8

*In the year to 31 March 2020, the Group impaired its investment in Wyoming Whiskey, Inc which reflected the economic environment and outlook for the brand at the time. Subsequent to this in the prior year, as a result of revised outlook and additional investment in the business the impairment was reversed.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

40. Other investments *(continued)*

Name of Company/ (registered address)	Holding	Proportion held at 31 March 2024	Nature of business
Subsidiary undertakings:			
The Edrington Group Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	'A' Ordinary shares 'B' Ordinary shares	100%* 70.08%*	Management of Scotch whisky companies
Edrington Distillers Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Blending, bottling, sales and marketing of Scotch whisky
The 1887 Company Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	75% **	Management of Scotch whisky companies
Brugal & Co., S.A. (Carretera Luperón Km. 3 1/2 Puerto Plasta, Dominican Republic)	Ordinary shares	61%	Distilling, bottling, sales and marketing of Dominican rum
Casa Brugal RD., S.A. (Piso 11, Downtown Business Tower, Avenue Núñez de Cáceres esq. Rómulo Betancourt, Santo Domingo, R.D.)	Ordinary shares	61%	Distilling, bottling, sales and marketing of Dominican rum
Brugal Subsidiaria España, SLU (Calle Mahonia No.2, Edificio Portico, 1ra planta, Campo de las Naciones, 28043, Madrid, España)	Ordinary shares	61%	Sales and marketing of Dominican rum
SLV (Edrington) Limited (One Fleet Place, London, England, EC4M 7WS)	Ordinary shares	100%	Dormant
Clyde Bonding Company Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Dormant
Marshall McGregor Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Marketing of Scotch whisky
Clyde Cooperage Company Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Dormant
Edrington Africa Pty Ltd (Block A, Ground Floor, 3021 William Nicol Drive, Bryanston, 2191, Johannesburg)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Hepburn & Ross Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Dormant
R & B (West Nile Street) Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Dormant
Robertson & Baxter Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Dormant
Edrington Brands Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Dormant
Edrington International Brands Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Activities of holding companies
Edrington USA Inc (18 West 24th Street, New York, NY10010, USA)	Ordinary shares	100%	Activities of holding companies
Edrington (Trustees) Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Dormant
Edrington Trustees (2017) Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Dormant
Edrington Distillers Group Limited (formerly Row & Company Limited) (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Sale and marketing of Scotch whisky
Edrington Singapore Holdings Limited (9 Raffles Place, #26-01 Republic Plaza, Singapore, (048619))	Ordinary shares	100%	Activities of holding companies
Wyoming Whiskey, Inc. (100 South Nelson Street, Kirby, Wyoming 82430)	Ordinary shares	80%	Distilling, bottling, marketing & sales, American craft Whiskey

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40. Investments in subsidiaries *(continued)*

Name of Company/ (registered address)	Holding	Proportion held at 31 March 2024	Nature of business
Joint venture and associated undertakings:			
Lothian Distillers Limited (9 Wheatfield Rd, Edinburgh, EH11 2PX)	Ordinary shares	50%	Distillation and maturation of Scotch grain whisky
No.3 London Dry Gin Limited (3 St.James's Street, London, SW1A 1EG)	Ordinary shares	25%	Sale and distribution of alcoholic beverages

Key:

* Investment is held directly by The Robertson Trust

** The Edrington Group has 70% of the voting and economic rights in respect of The 1887 Company Limited.

The 1887 Company Limited holds the following investments either directly or indirectly:

Name of Company/ (registered address)	Holding	Proportion held at 31 March 2024	Nature of business
Subsidiary undertakings:			
Highland Distillers Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Distilling, blending, bottling, sales and marketing of Scotch Whisky
The Glenrothes Distillery Company Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Dormant
GT Distillery Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Dormant
BB&R Spirits Limited (One, Fleet Place, London, England, EC4M 7WS)	Ordinary shares	100%	Dormant
Highland Distribution Company Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Activities of distribution holding companies
Edrington Mexico S.A. de C.V. (Javier Barrios Sierra No. 495 Piso 1 Oficina 01-116 C.P. 01376 Colonia Santa Fe Localidad Alvaro Obregon Ciudad de Mexico)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Importadora EMEX S.A. de C.V. (Paseo de los Tamarindos 90, Piso 18, 05120, Cuajimalpa de Morelos, Ciudad de Mexico)	Ordinary shares	100%	Importer of alcoholic beverages
(Servicios 1824 S.A. de C.V (Paseo de los Tamarindos 90, Piso 18, 05120, Cuajimalpa de Morelos, Ciudad de Mexico)	Ordinary shares	100%	Provision of employment services
Edrington Middle East and Africa (Makrasykas 1, KBC North, Office 201, Strovolos, 2034 Nicosia, Cyprus)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Edrington European Travel Retail Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Edrington Danmark A/S (Bredgade 20, 1. 1260 København K, Denmark)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Edrington Sweden AB (Luntmakargatan 46, 111 37 Stockholm, Sweden)	Ordinary shares	100%	Sales and distribution of alcoholic beverages
Edrington Finland OY (Firdonkatu T2 144 005200, Helsinki, Finland)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Edrington Norge AS (Radhusgata 30B NO-0151, Oslo, Norway)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Edrington Singapore Pte Limited (9 Raffles Place, #26-01 Republic Plaza, Singapore, (048619))	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Edrington Taiwan Limited (9F, No. 9 Songgao Road, Xinyi Dist., Taipei City, 11073 Taiwan)	Ordinary shares	87.5%	Sale and distribution of alcoholic beverages

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NOTES TO THE CHARITY'S FINANCIAL STATEMENTS *(continued)*

40. Investments in subsidiaries *(continued)*

As at 31 March 2023, the Group held more than 20% of the equity, and no other share or loan capital of the following companies:

Name of Company/ (registered address)	Holding	Proportion held at 31 March 2024	Nature of business
Subsidiary undertakings <i>(continued)</i> :			
Edrington Shanghai Limited (Unit 1, 10/F, Tower 2 Grand Gateway, No.3 Hong Qiao Road, Xuhui, Shanghai, China)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Edrington Hong Kong Limited (Room 1020, 1209 A, 12F, Exchange Tower, 33 Wang Chiu Road, Kowloon Bay, Hong Kong)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Edrington (Malaysia) SDN BHD (Unit 30-01, Tower A, Vertical Business Suite, Ave 3, Bangsar South, No 8, Jalan Kerinchi, 59200 Kuala Lumpur)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
The Edrington Group USA, LLC (18 West 24th Street, 4th Floor, New York, NY10010, USA)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Edrington France SAS (23 Rue d'Anjou, 75008, Paris)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Highland Distribution Netherlands Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Activities of distribution holding companies
Highland Distribution Ventures Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Activities of distribution holding companies
Edrington Distribution UK Limited (191 West George Street, Glasgow, Scotland, G2 2LD)	Ordinary shares	100%	Sale and distribution of alcoholic beverages
Highland Distribution Holdings Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Activities of distribution holding companies
Highland Distillers Group Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Activities of holding companies
HS (Distillers) Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares Preference shares	75% 100%	Activities of holding companies
The Macallan Distillers Limited (The Macallan Distillery, Craigellachie, Banffshire, AB38 9RX)	Ordinary shares Preference shares	75% 100%	Distilling, sales and marketing of Scotch whisky
Macallan Property Development Company Limited (The Macallan Distillery Easter Elchies House, Craigellachie, Aberlour, Banffshire, AB38 9RX)	Ordinary shares	75%	Development of building projects
Macallan Property Company Limited (The Macallan Distillery Easter Elchies House, Craigellachie, Aberlour, Banffshire, AB38 9RX)	Ordinary shares	75%	Letting and operating of real estate
Matthew Gloag & Son Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Dormant
James Grant & Company (Highland Park Distillery) Limited (100 Queen Street, Glasgow, Scotland, G1 3DN)	Ordinary shares	100%	Dormant
Vasyma S.L (Calle Einstein 6, Parque Empresarial de Jerez de la Frontera, 11407-Cadiz)	Ordinary shares	100%***	Manufacture of oak casks
Destiladores y Bodegueros S.L.U. (Calle Einstein 6, Parque Empresarial de Jerez de la Frontera, 11407-Cadiz)	Ordinary shares	100%***	Manufacture of oak casks

Key:

*** Vasyma S.L. and its subsidiary Destiladores y Bodegueros S.L.U. were purchased by Highland Distillers Group Limited on the 5 September 2023, further details of the acquisition can be found in note 32.

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NOTES TO THE CHARITY'S FINANCIAL STATEMENTS *(continued)*

40. Investments in subsidiaries *(continued)*

Name of Company/ (registered address)	Holding	Proportion held at 31 March 2024	Nature of business
Subsidiary undertakings <i>(continued)</i> :			
Maxxium Nederland BV (Koivistokade 62, 1013 BB Amsterdam)	Ordinary shares	50%	Sale and distribution of alcoholic beverages
Maxxium Belux NV (NV Leuvensesteenweg 643-16, 1930, Zaventem)	Ordinary shares	50%	Sale and distribution of alcoholic beverages
Maxxium Worldwide BV (Basisweg 10, 1043 AP Amsterdam, The Netherlands)	Ordinary shares	50%	Activities of holding companies
Gesa Grupo Estévez De Inversiones Empresariales, S.L (Grupo Estévez) (Carretera Nacional IV, Km 640, 11408 Jerez, Spain)	Ordinary shares	50%	Manufacture, sale and distribution of alcoholic beverages.
Coopers Oak LLC (300 James Road, Waverly, OH 45690, USA)	Ordinary shares	50%*	Sawmill

*On 31 August 2023 the Group purchased 50% of the share capital of Coopers Oak LLC for £1.4m.

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40. Other investments *(continued)*

The following information is given in respect of the Group's share of its joint ventures on an aggregate basis:

	31 March 2024 £'m	31 March 2023 £'m
Statement of Financial Activities		
Revenue (before elimination of group transactions with joint ventures)	110.8	79.4
Profit before interest and taxation	7.6	3.3
Interest and other finance costs	(0.4)	(0.4)
Taxation	(2.0)	(0.6)
Group's share of profit for the year	5.2	2.3
Dividends paid	(2.5)	(1.5)
	2.7	0.8
Balance Sheet		
Non-current assets	48.1	36.6
Current assets	57.1	52.6
	105.2	89.2
Current liabilities	(25.8)	(23.3)
Non-current liabilities	(11.6)	(9.0)
	(37.4)	(32.3)
Group's share of net assets	67.8	56.9
Proportion of the Group's ownership interest in the joint venture		
Net assets of joint venture	67.8	56.9
Goodwill	0.8	8.5
Total joint venture investment	68.6	65.4

The following joint venture held for sale during the year:

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
Maxxium Worldwide BV	0.4	0.5

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40. Other investments *(continued)*

Non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by non- controlling interest	Profit allocation to non- controlling interests		Accumulated non- controlling interests	
			Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
The Edrington Group	UK	23%	48.5	52.4	235.8	220.6
The Macallan Distillers Limited	UK	25%	71.0	62.7	252.9	246.7
1887 Company Limited	UK	30%	62.9	68.9	196.6	192.7
Brugal & Co., S.A.	Dominican Republic	39%	12.9	14.7	44.6	36.0
Edrington Taiwan Limited	Taiwan	12.5%	0.3	-	0.9	0.7
Wyoming Whiskey, Inc.	US	20%	(1.3)	-	4.3	5.7
			194.3	198.7	735.1	702.4

41. Stocks

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
Raw materials	11.0	7.5
Scotch whisky and bourbon	854.6	757.7
Rum	33.4	38.2
Packaging materials	32.7	36.8
Other inventory	11.2	4.2
	942.9	844.4

Within total inventory, £668.9m relates to inventory which will be realised in greater than one year (2023: £583.6m).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

42. Debtors

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
Trade debtors	223.8	221.6
Less: Expected credit loss	(4.4)	(2.0)
Trade debtors – net	219.4	219.6
Amounts due from joint ventures	0.9	0.9
Amounts due from associates	0.8	-
Prepayments and accrued income	58.4	45.2
Other debtors	18.6	18.0
	298.1	283.7
Corporation tax and group relief receivable	3.9	-
	302.0	283.7

Credit terms vary across markets from cash in advance to 180 days and reflect customary practice within markets. In certain markets credit insurance reduces or eliminates the risk and this has been reflected within the expected credit loss calculation.

No interest is charged on outstanding debtors.

The Group measures the loss allowance for trade receivables at an amount equal to a lifetime ECL. The ECL on trade debtors is estimated using a provision matrix by reference to past default experience on the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group has recognised an aggregate loss allowance of 2.0% in the year and 0.9% in the prior year.

The Group only writes off-trade receivables when there is information that the debtor is in financial distress (liquidation or bankruptcy) and there is no prospect of recovery.

The following table details the risk profile of trade receivables based on the Group's provision matrix:

	Trade receivables – days past due					
	Not past due £'m	<30 £'m	31-60 £'m	61-90 £'m	>90 £'m	Total £'m
At 31 March 2024						
Expected credit loss rate	0.5%	1.6%	17.7%	31.7%	51.3%	2.0%
Expected total gross carrying amount at default	203.8	10.5	4.4	0.5	4.6	223.8
Lifetime ECL	0.9	0.2	0.8	0.1	2.4	4.4
	Trade receivables – days past due					
	Not past due £'m	<30 £'m	31-60 £'m	61-90 £'m	>90 £'m	Total £'m
At 31 March 2023						
Expected credit loss rate	0.2%	0.5%	3.9%	11.9%	30.8%	0.9%
Expected total gross carrying amount at default	203.0	8.2	4.0	2.7	3.7	221.6
Lifetime ECL	0.4	-	0.2	0.3	1.1	2.0

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

42. Debtors *(continued)*

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9.

	Collectively assessed £'m
Balance as at 1 April 2022	2.4
Net remeasurement of loss allowance	
Amount written off	(12.2)
Amounts recovered	12.3
Change in loss allowance due to the new trade and other receivables originated net of those derecognised due to settlement	(0.5)
Balance as at 31 March 2023	2.0
Net remeasurement of loss allowance	
Amount written off	(14.5)
Amounts recovered	14.7
Change in loss allowance due to the new trade and other receivables originated net of those derecognised due to settlement	2.2
Balance as at 31 March 2024	4.4

43. Cash and cash equivalents

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
Current accounts	201.3	262.0
Deposit accounts	5.9	10.1
	207.2	272.1

44. Creditors: amounts falling due within one year

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
Charitable commitments	19.5	16.7
Bank overdrafts	5.2	2.4
Bank borrowings	46.9	153.9
Other external borrowings	10.0	10.0
Trade creditors	66.2	65.3
Amounts due to joint ventures	6.0	6.3
Accrued expenses	174.0	213.1
Provisions for liabilities (note 45)	7.0	1.5
Corporation tax payable	17.2	22.3
Taxation and social security	32.0	37.2
Other creditors	0.2	0.1
	384.2	528.8

Bank overdrafts are on demand facilities. Interest on bank overdrafts is linked to SONIA, the currency equivalent of SONIA or the issuing banks benchmark rate.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

45. Provisions for liabilities

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
At 1 April	1.5	1.8
Increase during the year	7.0	1.5
Release during the year	(1.5)	(1.8)
At 31 March	7.0	1.5

Provisions for liabilities consist of other provision related to the closure of sites and locations within the Edrington business. There is uncertainty over the timing of the resulting payments.

46. Creditors: amounts falling due after more than one year

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
Charitable commitments	11.9	11.2
Bank borrowings	221.9	22.9
Private placements	638.8	638.6
Deferred consideration*	2.2	2.4
Accruals and other payables	4.9	4.1
	879.7	679.2

*The deferred consideration in both years relates to the contractual terms of Edrington's share purchase of Wyoming Whiskey. During the year the opening balance was £2.4m, £0.2m of this was utilised resulting in a closing position of £2.2m. In the prior year, the opening balance was £0m, £2.4m was deferred resulting in a closing position of £2.4m

Charitable commitments:

Charitable commitments will become due as follows:

	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Due within one year	19.5	16.7
Due within two to five years	11.9	11.2
	31.4	27.9

Borrowings and private placements:

UK bank borrowings are denominated in GBP and borrowings in overseas entities are generally drawn down in the local currency with the exception of a Euro loan in the Dominican Republic.

As at 31 March 2024, The 1887 Company Limited had six Sterling denominated private placements totalling £638.8m (2023: £638.6m) with maturities ranging from 2025 to 2034 at fixed interest rates of 2.84%, 2.91%, 2.96%, 3.21% and 6.17% respectively.

Amortisation of deferred arrangement fees is recorded within the finance costs line in the statement of financial activities.

With the exception of the long-term fixed private placement debt, the book value of borrowings equates to the fair value as the outstanding bank debt is short-term in nature and at floating market rates. The fair value of the long-term fixed debt, calculated on a discounted cash flow basis, as at 31 March 2024 was £613.8m (2023: £614.2m).

Borrowings of the Group are unsecured. In the prior year the Group had guaranteed bank borrowings for distribution companies totalling £12.9m.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

46. Creditors: amounts falling due after more than one year *(continued)*

The Group has available undrawn committed bank facilities as follows:

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
Expiring between one and two years	284.8	314.0
Expiring after two years	-	-
	284.8	314.0

The facilities can be used for general corporate purposes. There are no financial covenants on the Group's material short term borrowings. Certain of the borrowings include cross default provisions and negative pledges.

The following table shows the bank covenants applicable as at 31 March 2024.

	Bank Debt	Private Placement Debt
Net Debt: EBITDA	< 3.5 times	< 4.0 times
EBITDA: Net Interest	> 3.0 times	n/a
EBIT: Net Interest	n/a	> 3.0 times

The Group was in full compliance with its financial covenants throughout each of the years presented. There have been no changes to the covenant arrangements as a result of changes to the financing arrangements in the year.

Borrowings and private placements will mature as follows:

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
Within one year	62.1	166.3
Between one and two years	208.4	15.0
Between two and five years	233.5	227.8
Beyond five years	418.8	418.7
	922.8	827.8

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47. Analysis of the Group's funds

	At 1 April 2023 £'m	Income £'m	Expenditure £'m	Investment Gains/ (Losses) £'m	Other movements £'m	At 31 March 2024 £'m
Restricted funds:						
Endowment	415.2	-	(1.0)	28.3	80.0	522.5
TSI reserve	0.2	-	(0.1)	-	-	0.1
Matched funding reserve	-	-	-	-	-	-
Unrestricted funds:						
Unrestricted income fund	35.4	9.8	(32.6)	3.3	5.4	21.3
Non-charity trading reserves	488.3	1351.8	(949.3)	-	(419.8)	471.0
Non-charity other reserves	0.5	-	-	-	3.0	3.5
Designated funds:						
Charitable activities	2.0	-	-	-	18.0	20.0
	941.6	1,361.6	(983.0)	31.6	(313.4)	1,038.4

	At 1 April 2022 £'m	Income £'m	Expenditure £'m	Investment Gains/ (Losses) £'m	Other movements £'m	At 31 March 2023 £'m
Restricted funds:						
Endowment	274.9	-	(1.9)	(13.7)	155.9	415.2
TSI Reserve	0.2	-	-	-	-	0.2
Matched Funding Reserve	-	-	-	-	-	-
Unrestricted funds:						
Unrestricted income fund	31.2	6.5	(23.7)	(2.5)	23.9	35.4
Non-charity trading reserves	515.3	1296.3	(896.6)	-	(426.7)	488.3
Non-charity other reserves	0.9	-	0.1	-	(0.5)	0.5
Designated funds:						
Charitable activities	2.0	-	-	-	-	2.0
	824.5	1,302.8	(922.1)	(16.2)	(247.4)	941.6

Other movements

Other movements include transfers, taxation, other recognised gains/(losses), reserves movements on consolidation and deductions for funds attributable to non-controlling interests. More details are included with the Consolidated Statement of Financial Activities for the relevant year.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

47. Analysis of the Group's funds *(continued)*

Restricted funds:

The endowment comprises the Trust's quoted investments (less any transfers to unrestricted funds), purchased from proceeds from the partial sale of the Edrington shares held by the Trust. Income generated by the endowment can only be applied for charitable purposes.

The TSI reserve represents the £0.1m (2023: £0.2m) closing reserves of Voluntary Action Scotland which are to be used to support the work of the TSI network.

The matched funding reserve comprises of the funding received from other charitable organisations in order to assist with the Trust's Scholarship programme. All matched funding received was awarded in the year.

Unrestricted funds:

The unrestricted income funds are available to be spent for any of the purposes of the Charity.

Non-charity other reserves represent Edrington's reserves which comprise of the following:

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
Share-based payment reserve	3.2	0.5
Cash flow hedge reserve	0.3	-
	<u>3.5</u>	<u>0.5</u>

Designated funds:

As the unrestricted income exceeded the budget in the current year, the Corporate Trustee undesignated the £2.0m funds formerly designated to support the 3 year business plan which runs to 31 March 2025. A new designation of £20m was made in year to be used to develop the Social Impact Investment portfolio.

Net assets by the Group's funds

	Endowment Funds £'m	Unrestricted funds Charity Funds £'m	Non-Charity Funds* £'m	Designated Funds £'m	Restricted Funds £'m	Year ended 31 March 2024 £'m
Fixed assets	522.5	31.3	1,219.8	20.0	-	1,793.6
Current assets	-	22.0	1,436.4	-	0.1	1,458.5
Creditors: amounts falling due within one year**	-	(20.1)	(365.0)	-	-	(385.1)
Creditors: amounts falling** due after more than one year	-	(11.9)	(868.2)	-	-	(880.1)
Deferred tax liability	-	-	(213.4)	-	-	(213.4)
Defined benefit pension scheme asset	-	-	-	-	-	-
	<u>522.5</u>	<u>21.3</u>	<u>1,209.6</u>	<u>20.0</u>	<u>0.1</u>	<u>1,773.5</u>
Net funds (excluding non-controlling interests)	-	-	(735.1)	-	-	(735.1)
Non-controlling interests	<u>522.5</u>	<u>21.3</u>	<u>474.5</u>	<u>20.0</u>	<u>0.1</u>	<u>1,038.4</u>

*Non-charity fund comprises of non-charity trading reserves and non-charity other reserves.

** Creditors due within one year and due after more than one year both include derivative financial instruments.

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47. Analysis of the Group's funds *(continued)*

Net assets by the Group's funds *(continued)*

Net assets by the Group's funds

	Unrestricted funds					Year ended 31 March 2023 £'m
	Endowment Funds £'m	Charity Funds £'m	Non-Charity Funds* £'m	Designated Funds £'m	Restricted Funds £'m	
Fixed assets	415.2	47.6	1,156.4	-	-	1,619.2
Current assets	-	16.4	1,392.6	2.0	0.2	1,411.2
Creditors: amounts falling due within one year	-	(17.4)	(511.4)	-	-	(528.8)
Creditors: amounts falling due after more than one year	-	(11.2)	(668.0)	-	-	(679.2)
Deferred tax liability	-	-	(200.3)	-	-	(200.3)
Defined benefit pension scheme asset	-	-	21.9	-	-	21.9
Net funds (excluding non- controlling interests)	415.2	35.4	1,191.2	2.0	0.2	1,644.0
Non-controlling interests	-	-	(702.4)	-	-	(702.4)
	415.2	35.4	488.8	2.0	0.2	941.6

*Non-charity fund comprises of non-charity trading reserves and non-charity other reserves.

48. Risk Management

Market risk

The Group's funding, liquidity and exposure to foreign currency and interest rate risks are managed by the Group's treasury department. The treasury department uses a range of financial instruments to manage the underlying risks. Treasury operations are conducted within a framework of Edrington's Board approved policies and guidelines, which are recommended and monitored by the Edrington's Treasury Committee, chaired by the Chief Financial Officer. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities. The Group does not use derivatives for speculative purposes.

Currency risk

Foreign exchange risk management

The Group undertakes transactions denominated in foreign currencies and is therefore exposed to foreign exchange risk.

Foreign exchange contracts

It is the Group's policy to enter into derivative contracts to manage the risk associated with anticipated sales and purchase transactions out to 24 months.

The Group implements a rolling policy which ensures that by the end of the current year, as a minimum, 50% of anticipated currency contribution (excluding GBP) will be hedged within the next 12 months and 20% in the following 12 months. Refer to note 49 for further details on derivatives outstanding as at 31 March 2024.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

48. Risk Management *(continued)*

Interest rate risk

The 1887 Company has a substantial element of fixed debt issued through US Private Placement with maturities ranging from 2025 to 2034. The remainder of the Group's debt is bank debt at floating rates. The Group's interest rate policy is to fix between 30% and 90% of planned debt primarily through the issuance of fixed debt in the private placement market.

The following table shows the split of debt between fixed and floating at each reporting date:-

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
Fixed rate debt	648.8	666.1
Floating rate debt	274.0	161.7
	922.8	827.8

The average interest rate across the portfolio of debt including the impact of derivatives is 5.30% (2023: 4.48%).

The following table details the Group's sensitivity to a 10% increase and decrease in currency rates and a 10bps increase and decrease in interest rates and the impact on profit and loss and equity. The 10% sensitivity rate applied to foreign currency and 10bps movement applied to interest represents management's assessment of the reasonably possible change on foreign exchange rates and interest rates within a 12-month period. The sensitivity analysis is based on outstanding foreign currency denominated monetary items and interest-bearing debt on the balance sheet at as 31 March 2024, adjusted for a 10% movement in foreign currency rates or 10bps movement in interest rates, to quantify the impact over a 12-month period. The sensitivity analysis to movement in foreign currency rates and interest rates takes account of the impact of financial derivatives.

The results of the sensitivity analysis should not be considered as projections of likely future events or gains or losses as actual results may differ materially as a result of developments in global financial markets impacting exchange rates and interest rates.

	Impact on statement of financial activity gain/(loss)		Impact on other recognised gains/(losses)	
	2024 £'m	2023 £'m	2024 £'m	2023 £'m
10% weakening of sterling	15.9	11.5	(8.9)	4.8
10% strengthening of sterling	(13.0)	(9.4)	7.3	(3.9)
10bps increase in interest rates	(0.3)	(0.2)	-	-
10bps decrease in interest rates	0.3	0.2	-	-

Capital risk

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of debt and equity balance. The Group's overall strategy remains unchanged from 2023.

The Group is not subject to any externally imposed capital requirements.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises on cash balances, derivative financial instrument and credit exposures to customers.

The carrying amount of financial assets represents the Group's exposure to credit risk at the balance sheet date.

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48. Risk Management *(continued)*

Credit risk is managed through application of risk management policies approved and monitored within the Group. Financial credit risk is managed by limiting counterparties to major banks and financial institutions primarily with a long-term credit rating within the A band. The Group's policy is to spread the risk by using a number of banks to avoid significant concentrations of credit risk.

Trade and other debtors' exposures are managed locally in the operating units where they arise, and credit limits are set as deemed appropriate for the customer. A small proportion of customers, including those 3rd parties shipped directly from the UK and the majority of European Travel Retail and EMEA customers are covered by credit insurance.

Financial assets and liabilities

31 March 2024	FVTIE	Amortised Cost	Total	Current	Non- Current
	£'m	£'m	£'m	£'m	£'m
Financial assets					
Trade and other receivables	-	298.1	298.1	298.1	-
Cash and liquid resources	-	207.2	207.2	207.2	-
Derivative in a hedge relationship	1.9	-	1.9	0.4	1.5
Derivative not classified as hedges	6.8	-	6.8	5.6	1.2
	8.7	505.3	514.0	511.3	2.7
Financial liabilities					
Trade and other payables	-	(291.8)	(291.8)	(272.8)	(19.0)
Borrowings	-	(922.8)	(922.8)	(62.1)	(860.7)
Derivatives in a hedge relationship	(1.2)	-	(1.2)	(0.8)	(0.4)
Derivatives not classified as hedges	(0.1)	-	(0.1)	(0.1)	-
	(1.3)	(1,214.6)	(1,215.9)	(335.8)	(880.1)
	7.4	(709.3)	(701.9)	175.5	(877.4)
31 March 2023	FVTIE	Amortised Cost	Total	Current	Non- Current
	£'m	£'m	£'m	£'m	£'m
Financial assets					
Trade and other receivables	-	283.7	283.7	283.7	-
Cash and liquid resources	-	272.1	272.1	272.1	-
Derivative in a hedge relationship	0.4	-	0.4	0.3	0.1
Derivative not classified as hedges	13.7	-	13.7	10.2	3.5
	14.1	555.8	569.9	566.3	3.6
Financial liabilities					
Trade and other payables	-	(318.2)	(318.2)	(302.9)	(15.3)
Borrowings	-	(827.8)	(827.8)	(166.3)	(661.5)
Derivatives in a hedge relationship	-	-	-	-	-
	-	(1,146.0)	(1,146.0)	(469.2)	(676.8)
	14.1	(590.2)	(576.1)	97.1	(673.2)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

48. Risk Management *(continued)*

Liquidity risk

Liquidity risk is the risk that the Group cannot meet its obligations associated with financial liabilities that are settled by delivering cash and other financial assets.

The following table provides an analysis of the anticipated contractual cash flows for the Group's financial liabilities including derivative instruments on an undiscounted basis.

Where interest rate payments are on a floating rate basis, rates of each cash flow until maturity of the instruments are calculated based on the forward yield curve prevailing at 31 March 2024 and 31 March 2023.

The gross cash outflows in relation to derivative financial liabilities are presented for the purposes of this table, although in practice, the Group uses netting arrangements to reduce its liquidity requirements of these instruments. The Group has entered into master netting agreements with the following counterparties; Royal Bank of Scotland, NatWest, HSBC, Lloyds, SEB, Barclays and Clydesdale Bank. Derivatives subject to offsetting, master netting agreements and any collateral pledged or received are presented below.

Contractual cash flows

31 March 2024	Note	2025 £'m	2026 £'m	2027 £'m	2028 £'m	2029 £'m	2030 and there after £'m	Total £'m
Loans and other borrowings	(i)	(177.4)	(209.7)	-	(20.0)	-	(520.0)	(927.1)
Interest on borrowings	(ii)	(28.8)	(27.3)	(25.8)	(25.5)	(25.3)	(90.1)	(222.8)
Payables		(272.8)	(19.0)	-	-	-	-	(291.8)
Non-derivative financial liabilities		(479.0)	(256.0)	(25.8)	(45.5)	(25.3)	(610.1)	(1,441.7)
Amounts payable under foreign exchange contracts		(99.4)	(127.1)	-	-	-	-	(226.5)
Derivative instruments		(99.4)	(127.1)	-	-	-	-	(226.5)
31 March 2023	Note	2024 £'m	2025 £'m	2026 £'m	2027 £'m	2028 £'m	2029 and there after £'m	Total £'m
Loans and other borrowings	(i)	(177.4)	(4.6)	(107.9)	-	(20.0)	(520.0)	(829.9)
Interest on borrowings	(ii)	(28.8)	(28.7)	(28.7)	(25.9)	(25.6)	(115.4)	(253.1)
Payables		(302.9)	(12.9)	(2.2)	(0.2)	-	-	(318.2)
Non-derivative financial liabilities		(509.1)	(46.2)	(138.8)	(26.1)	(45.6)	(635.4)	(1,401.2)
Amounts payable under foreign exchange contracts		(32.5)	(15.6)	-	-	-	-	(48.1)
Derivative instruments		(32.5)	(15.6)	-	-	-	-	(48.1)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

48. Risk Management *(continued)*

(i) For the purpose of these tables above, borrowings are defined as gross borrowings excluding fair value derivative instruments.

(ii) Interest on borrowings represents the gross interest payable on private placement denominated in GBP, in USD at prevailing spot rate and on fixed bank debt in DOP and EUR at prevailing spot rate.

49. Derivative financial instruments

Fair value hierarchy

Fair value measurements of financial instruments are presented through use of a three-level fair value hierarchy that prioritises the valuation technique used in fair value calculations.

Level 1 : quoted price (unadjusted) in active market for identical assets or liabilities.

Level 2 ; inputs other than quoted prices are included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : inputs for the asset or liability are not based on observable market data.

Cash flow hedges

Foreign exchange forward contracts

The Group uses foreign exchange forward contracts to manage the transactional foreign exchange risk associated with anticipated sales and purchase transactions out to 24 months. Consistent with prior periods, when a forward contract is designated in a cash flow hedge relationship, the Group has designated the change in fair value of the entire forward contract, i.e., including the forward element, as the hedging instrument.

At the end of the reporting period, the total notional amount of outstanding forward foreign exchange contracts to which the Group is committed is £226.5m (2023: £54.9m). Changes in the fair value of derivatives that are designated as and are effective cash flow hedges amounting to a gain of £0.6m (2023: £0.5m) being recognised in the cash flow hedge reserve. A net gain of £0.3m (2023: £0.5m) has been transferred out of the cash flow hedge reserve to the Consolidated Statement of Financial Activities.

Financial instruments not qualifying for hedge accounting

The Group's policy does not permit the use of derivatives for trading purposes. However, some derivatives do not qualify for hedge accounting, or are specifically not designated as a hedge where gains and losses on the hedging instrument and the hedged item naturally offset in the other recognised gains and losses.

These instruments include foreign exchange forward contracts and average basket rate options to hedge transactional exposures denominated in foreign currencies. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the Consolidated Statement of Financial Activities. Changes in the fair value of derivatives not designated as hedges at 31 March 2024 had a net £5.0m gain (2023: £4.9m loss) impact on costs.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

49. Derivative financial instruments *(continued)*

Derivative financial instruments – carrying value

	Year ended 31 March 2024		Year ended 31 March 2023	
	Assets £'m	Liabilities £'m	Assets £'m	Liabilities £'m
Within one year:				
Hedging derivatives - cash flow hedges				
• Foreign exchange rates	0.4	(0.8)	0.3	-
Non-hedging derivatives				
• Foreign exchange rate – at FVTIE	5.6	(0.1)	10.2	-
	6.0	(0.9)	10.5	-
After more than one year:				
Hedging derivatives - cash flow hedges				
• Foreign exchange rates	1.5	(0.4)	0.1	-
Non-hedging derivatives				
• Foreign exchange rate – at FVTIE	1.2	-	3.5	-
	2.7	(0.4)	3.6	-
	8.7	(1.3)	14.1	-

All fair values are level 2, based on discounted cashflow used quoted market prices for interest rates and exchange rates.

The flowing table sets out the maturity profile, average interest rates and foreign currency exchange rates of the hedging instruments used in the Group's cash flow hedging strategies.

31 March 2024

	Up to one year	Maturity One to five years	More than five years
Cash flow hedges			
<i>Foreign exchange risk</i>			
Foreign exchange forward contracts (GBP:USD)			
• Notional amount (£'m)	54.6	94.1	-
• Average exchange rate	1.263	1.257	-
Foreign exchange forward contracts (GBP:EUR)			
• Notional amount (£'m)	42.2	35.8	-
• Average exchange rate	1.136	1.121	-

Hedge ineffectiveness resulting from cash flow hedging in the year was immaterial. The principal potential source of ineffectiveness has been identified as periodic (credit) valuation adjustments made to the hedging instruments when marked-to-market which are not reflected in the periodic repricing of the associated hedged items. A change in the timing of the cash flows of a designated hedged item and/or a reduction in the volume of hedged item occurring subsequent to having been designated in a cash flow hedging relationship have also been identified as potential sources of ineffectiveness. Historically, such adjustments have not resulted in significant hedge ineffectiveness and are similarly not expected to generate significant ineffectiveness in future reporting periods.

Since 100% of the notional amount of the hedging instruments are designated against the equivalent principal amount of the associated hedged items, the hedge ratio for all live hedges is 1:1.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

50. Deferred tax

Group	Cash flow hedges	Accelerated tax depreciation	Intangible assets	Retirement benefit obligations	Withholding tax on distributable reserves	Other temporary differences	Property revaluation	Tax losses	Total
	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m
At 1 April 2022	0.2	(73.6)	(92.7)	(8.4)	(3.0)	33.4	(1.3)	(0.1)	(145.5)
(Charge)/credit to the income and expenditure account	-	(7.2)	3.6	(3.2)	(1.4)	21.2	-	0.1	13.1
Credit to the other recognised gains/(losses) account	(0.3)	-	-	7.9	-	0.5	0.1	-	8.2
At 31 March 2023	(0.1)	(80.8)	(89.1)	(3.7)	(4.4)	55.1	(1.2)	-	(124.2)
(Charge)/credit to the income and expenditure account	-	(16.4)	2.3	(2.5)	(1.6)	12.3	-	-	(5.9)
(Charge)/credit to the other recognised gains/(losses) account	(0.1)	-	-	5.9	-	(1.5)	-	-	4.3
At 31 March 2024	(0.2)	(97.2)	(86.8)	(0.3)	(6.0)	65.9	(1.2)	-	(125.8)

Deferred tax amounts relating to joint ventures are excluded from this note. They are not separated out but included within the overall movements for joint ventures.

The net deferred tax liability due after more than one year is £125.8m (2023: £124.2m).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

50. Deferred tax *(continued)*

Deferred tax assets and liabilities are offset where the trading subsidiaries have a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
Deferred tax asset	87.6	76.1
Deferred tax liability	(213.4)	(200.3)
	(125.8)	(124.2)

Unrecognised deferred tax assets:

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
Tax losses (capital in nature)	3.2	3.2
Tax losses (revenue in nature)	5.1	3.4
	8.3	6.6

UK corporation tax rate changes

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the UK companies' future current tax charge accordingly. The deferred tax asset/liabilities at 31 March 2024 have been calculated based on these rates, reflecting the expected timing reversal of the related temporary difference.

51. Share-based payments

Equity-settled share option scheme

The Group operates two share schemes for certain Group employees – a ShareSave scheme and a ShareReward scheme. During the year, the Group recognised total expenses of £5.6m (2023: £5.6m) relating to equity-settled share-based payment transactions in the year to 31 March 2024.

The ShareSave scheme is a share option scheme for all employees of Edrington. Options are exercisable at the market price of Edrington's shares on the date of grant, less a discount of 20%, as estimated by an independent external valuation specialist. The vesting period is 3 years. If the options remain unexercised after a period of 3½ years from the date of grant, the options expire. Substantially all options are exercised upon vesting. Options are forfeited if the employee leaves the Group before the options vest.

Details of the share options outstanding in respect of the ShareSave scheme at the balance sheet date are as follows:

	Year ended 31 March 2024		Year ended 31 March 2023	
	Number of share options	Weighted average exercise price (£)	Number of share options	Weighted average exercise price (£)
Outstanding at 1 April	224,112	£37.98	278,187	£27.87
Granted during the year	62,744	£54.20	98,547	£39.80
Exercised during the year	-	-	(143,932)	£19.76
Forfeited during the year	(22,096)	£37.97	(8,690)	£36.56
Outstanding at 31 March	264,760	£41.83	224,112	£37.98

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51. Share-based payments *(continued)*

The weighted average share price at the date of exercise for share options exercised during the period was £nil (2023: £19.76). The options outstanding at 31 March 2024 had a weighted average exercise price of £41.83 (2023: £37.98), and a weighted average remaining contractual life of 1.8 years (2023: 2.4 years). The fair value of the options granted on 1 April 2023 was £110.0m (on 1 April 2022: £1.0m).

The range of exercise price in the year to March 2024 was between £36.56 and £54.20 (2023: £36.56 and £39.80).

The fair value of shares and options granted is calculated at grant date using the Black-Scholes model. The inputs into the Black-Scholes model are as follows:

Grant date	1 April 2023	1 April 2022	1 April 2021
Share price at grant date	£67.75	£49.75	£45.71
Exercise price at grant date	£54.20	£39.80	£36.56
Expected volatility	11%	11%	12%
Expected life	3 years	3 years	3 years
Risk free rate	3.45%	1.43%	0.14%
Expected dividend yield	0.93%	0.95%	0.82%

Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous three years.

ShareReward disclosure requirements

The ShareReward scheme allows eligible employees to be awarded shares to the value of a common percentage of their earnings, dependent on the performance of the Group up to a maximum of 10% of annual salary. The shares awarded are held in trust for five years. The ShareReward scheme operated in both the current and prior years.

52. Retirement benefits

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
Defined benefit surplus in principal subsidiaries	7.1	24.1
Other defined benefit liabilities	(0.2)	(0.4)
Other post-retirement benefits	(2.2)	(1.8)
	4.7	21.9

Defined benefit schemes

The Group operates three defined benefit pension schemes in the UK providing benefits based on final salary. The Edrington Group Limited and Highland Distillers Limited pension schemes have been closed to future accrual since 2014 and the Edrington UK scheme closed since 2015. The benefit commitments are funded in advance and the assets of the schemes are held in separate trustee administered funds. The contributions are determined by a qualified actuary based on regular valuations using the projected unit method. In addition, for new employees, the Group also provides a defined contribution scheme.

The most recent actuarial valuations of The Edrington Group Limited and Highland Distillers Limited defined benefit pension schemes and other post-retirement benefits were undertaken at 6 April 2022, whilst the Edrington UK valuation was undertaken at 31 October 2023. All valuations were performed by independent, professionally qualified actuaries.

The notes below relate only to the principal defined benefit schemes in the Group based on their materiality.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

52. Retirement benefits *(continued)*

Defined benefit schemes *(continued)*

Defined benefit scheme amounts relating to associates and joint ventures, including any deferred tax implications are excluded from this note. These are not separated out but included within the overall movement for associates and joint ventures.

The major assumptions used by the actuary were as follows:

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
Rate of increase of pensions in payment	1.95%-3.80%	1.85%-3.80%
Discount rate	4.85%	4.85%
Inflation assumption (RPI/CPI)	3.30%/2.85%	3.35%/2.85%
Medical benefits inflation	9.00%	7.00%

The post retirement mortality assumptions used to value the benefit obligation at 31 March 2024 were those of the S3 series actuarial index, adjusted by 98% for males and 108% for females (2023: 98% for males and 108% for females), plus an allowance for 'CMI 2022 with a long-term improvement rate of 1.25%'. In 2015, as permitted by scheme rules, the company has linked the deferred pension valuation in excess of Guaranteed Minimum Pension to CPI. Inflation-linked pension increases continue to be based on RPI.

Mortality Assumptions:	31 March 2024		31 March 2023	
Edrington Distillers and Highland Distillers	Males	Female	Male	Female
Average future life expectancy (in years) for a member aged 65	21.5	22.7	21.8	23.8
Average future life expectancy (in years) at age 65 for a member aged 45	22.7	24.2	23.4	25.6
Edrington UK				
Average future life expectancy (in years) for a member aged 65	21.3	22.6	22.7	24.9
Average future life expectancy (in years) at age 65 for a member aged 45	22.6	24.0	24.3	26.6

The assets in the schemes were:

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
Bonds	98.4	174.8
Cash	15.1	20.5
Insured pensions	147.2	92.7
Illiquid debt	9.9	12.1
Equities	13.8	15.2
Total market value of assets	284.4	315.3
Present value of scheme liabilities	(277.3)	(291.2)
Surplus in pension schemes	7.1	24.1

Analysis of amount charged to the financial activities in respect of defined benefit schemes:

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
GMP equalisation	-	-

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

52. Retirement benefits *(continued)*

Defined benefit schemes *(continued)*

Analysis of amounts recognised in income/(expenses):

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
Expected return on pension scheme assets	15.1	13.0
Interest on pension liabilities	(13.8)	(11.6)
	1.3	1.4

Analysis of amounts recognised in other recognised gains/(losses):

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
Actual return less expected return on assets	(36.2)	(158.3)
Experience gains/ (losses) on liabilities	0.7	(7.5)
Changes in assumptions	12.3	133.1
	(23.2)	(32.7)

Reconciliation of fair value of scheme assets:

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
Opening fair value of scheme assets	315.3	472.4
Acquisition of subsidiary	-	-
Expected return on assets	15.1	13.0
Employers' contributions	5.9	7.5
Actuarial losses	(36.2)	(158.3)
Benefits paid	(15.7)	(19.3)
Closing fair value of scheme assets	284.4	315.3

The actual return on plan assets was £15.1m (2023: £13.0m).

Reconciliation of defined benefit obligation:

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
Opening defined benefit obligation	(291.2)	(424.5)
Administrative costs	(1.0)	-
Interest cost	(13.8)	(11.6)
Actuarial gains	13.0	125.6
Benefits paid	15.7	19.3
Closing defined benefit obligation	(277.3)	(291.2)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

52. Retirement benefits *(continued)*

Defined benefit schemes *(continued)*

Movement in surplus during the year:

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
Opening surplus in scheme	24.1	47.9
Administrative costs	(1.0)	-
Contributions	5.9	7.5
Net interest income	1.3	1.4
Actuarial losses	(23.2)	(32.7)
Benefits paid	-	-
Closing surplus in scheme	7.1	24.1

	2024 £'m	2023 £'m	2022 £'m	2021 £'m	2020 £'m
Five-year history:					
Total market value of assets	284.4	315.3	472.4	383.7	393.9
Present value of scheme liabilities	(277.3)	(291.2)	(424.5)	(370.3)	(341.0)
Surplus in pension scheme	7.1	24.1	47.9	13.4	52.9
History of experience gains and losses:					
Difference between expected and actual return on schemes' assets (£'m)	(36.2)	(158.3)	(25.6)	(11.1)	(16.2)
Percentage of schemes' assets	12.7%	50.2%	5.4%	2.9%	4.1%
Experience adjustments on schemes' liabilities (£'m)	0.7	(7.5)	(10.2)	(0.4)	(5.4)
Percentage of schemes' liabilities	(0.2%)	2.6%	2.4%	0.1%	1.6%
Total amount recognised in the other recognised gains/(losses) account (£'m)	(23.2)	(32.7)	12.7	(46.2)	31.4
Percentage of schemes' liabilities	8.4%	11.2%	3.0%	12.5%	9.2%

Sensitivity analysis

The sensitivity of the present value of scheme liabilities to changes in the principal assumptions used at 31 March 2024 is set out below:

Assumption	Sensitivity	Financial impact	Financial impact
The Edrington Group Schemes		Year to 31 March 2024	Year to 31 March 2023
Discount rate	+/- 0.5%	Decrease/increase by £15.4m	Decrease/increase by £16.1m
Mortality – increase in life	+/- 1 year	Increase/decrease by £6.6m	Increase/decrease by £8.8m
Increase in inflation	+/- 0.5%	Decrease/increase by £5.8m	Decrease/increase by £5.1m
Edrington UK Scheme			
Discount rate	+/- 0.25%	Decrease/increase by £2.3m	Decrease/increase by £2.6m
Mortality – increase in life	+/- 1 year	Decrease/increase by £1.9m	Decrease/increase by £1.8m
Increase in inflation	+/- 0.25%	Increase/decrease by £1.5m	Increase/decrease by £1.5m

Methods and assumptions used in preparing the sensitivity analysis:

During the year, there were no changes in the methods and assumptions used in preparing the sensitivity analysis from prior years.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

52. Retirement benefits *(continued)*

Defined benefit schemes *(continued)*

The Group paid deficit reduction payments to all three schemes during 2023.

	Deficit Reduction Payments		Deficit Actuarial Valuation	
	2024 £'m	2023 £'m	2024 £'m	2023 £'m
Edrington Group Scheme	-	2.3	13.5	14.0
Highland Distillers Limited Scheme	2.7	2.2	3.7	10.5
Edrington UK Distribution Limited Scheme	3.2	3.0	1.0	2.8

Defined contribution schemes

The Group operates a number of defined contribution schemes for employees in the UK and overseas. The pension cost for the year in respect of the Group's defined contribution schemes amounted to £13.4m (2023: £11.2m). As at 31 March 2024, contributions of £1.6m (2023: £1.1m) due in respect of the current reporting period had not been paid over to the scheme.

Other post-retirement benefits

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
Liability for discretionary post-retirement benefits	(2.2)	(1.8)

53. Other contractual obligations

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
Contracted but not provided for:		
Material purchase commitment	115.9	109.4
Capital commitments	132.8	111.8
	248.7	221.2

Other contractual obligations comprise commitments for expenditure that has not been provided for in the financial statements.

Material purchase obligations include various long term purchase contracts entered into for the supply of certain materials, principally malt and barley. The contracts are used to guarantee supply of these materials over the long term and to enable more accurate management of future costs.

Capital commitments represent contracts entered into for the provision of buildings, plant and machinery and casks.

The Trust has also entered into a 100 year occupational lease with Stirling Council for The Barracks expiring in June 2118. The annual rental charge for the lease is £1.

54. Transactions with related parties

Transactions between wholly owned members of the Group, which are related parties, have been eliminated on consolidated and are not disclosed in this note. Transactions between members of the Group and its joint ventures and associated are disclosed in the next page. The Clappers Trust and the Robertson Trust are related parties as they are under the common control of the Corporate Trustee, Kintail Trustees Limited. In the current and prior year, there were no transactions between parties during the year and no outstanding balances at year end.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

54. Transactions with related parties *(continued)*

The Group made purchases of £115.7m (2023: £12.3m) and received services to the value of £4.5m (2023: £4.0m) from Lothian Distillers Limited a joint venture of the Group. The Group made sales to other joint ventures amounting to £11.4m (2023: £10.6m), made purchases of £1.0m (2023: £nil) and received services to the value of £2.5m (2023: £2.6m). The balances due to/from joint ventures in respect of these transactions are as disclosed in the next page.

The Group made sales amounting to £28.6m (2023: £34.4m) to and made no purchases from Suntory Spirits Limited, a related party, in the current or prior year.

The Group has an interest-free loan from Lothian Distillers Limited for £6.0m (2023: £6.0m) included in note 46.

The Group has a loan from William Grants & Sons Limited repayable April 2024 for £10.0m (2023: £10.0m) included in note 46. The interest charged on the loan is 1.6%.

During the year £0.8m (2023: £0.2m) Giving More donations were paid on behalf of Edrington and repaid to the Trust.

The Trustee transactions are disclosed in the Charity's accounts in Note 4.

The financial position with associates and joint ventures are set out in the table below:

	Year ended 31 March 2024 £'m	Year ended 31 March 2023 £'m
Balance Sheet Items:		
Group payables (Note 44)	(6.0)	(6.3)
Amounts payable to Clappers Trust	-	-
Group receivables (Note 42)	0.9	0.9
	<u>(5.1)</u>	<u>(5.4)</u>

55. Acquisition of subsidiary

On 5 September 2023 the Group acquired 100% of Vasyma SL obtaining controlling interest of the company and its subsidiaries, Vasyma SL is involved in the supply of oak casks primarily to the Macallan.

The amount recognised in respect of the identifiable assets acquired and liabilities assumed are set out in the table below:

	2024 £'m
Tangible assets	4.1
Stocks	6.3
Fair value adjustment for stocks	0.7
Cash and cash equivalents	0.2
Trade and other creditors	(7.4)
Total identifiable assets	3.9
Add goodwill on acquisition	3.8
Total consideration	7.7
Satisfied by:	
Cash	7.0
Deferred consideration	0.7
Total consideration transferred	7.7
Net cash inflow arising on acquisition	
Cash acquired	0.2
Less cash consideration	(7.0)
	<u>(6.8)</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

55. Acquisition of subsidiary *(continued)*

On 30 March 2023, Edrington exercised its option to purchase 30% of the issued share capital of Wyoming Whiskey, Inc. bringing the total shareholding of the entity by the group to 80%, obtaining control of the company. Wyoming Whiskey, Inc. is involved in distilling, bottling, sales and marketing of American craft whiskey. The amount recognised in respect of the identifiable assets acquired and liabilities assumed are set out in the table below:

	2023
	£'m
Tangible assets	3.8
Stocks	15.8
Fair value adjustment for stocks	12.0
Trade and other debtors	0.2
Cash and cash equivalents	0.3
Trade and other creditors	(4.7)
Total identifiable assets	27.4
Add goodwill on acquisition	2.6
Add brand intangible on acquisition	1.8
Less amounts already owned	(11.1)
Less related party gain	(5.7)
Total consideration	15.0
Satisfied by:	
Cash	12.6
Deferred consideration	2.4
Total consideration transferred	15.0
Net cash inflow arising on acquisition	
Cash acquired	0.3
Less cash consideration	(12.6)
	(12.3)

56. Disposal of investment

In the prior year, the Group entered into an agreement, alongside its joint venture partner Beam Suntory, to sell its 50% investment in Maxxium Cyprus Limited inclusive of its investment in Russia to the local management team for consideration of 1 Euro. As the investment had previously been fully impaired in the year to March 2022, no gain or loss on disposal was recognised in the current year.

57. Post Balance Sheet Events

The Edrington Group acquired a 50% stake in the Tevasa Forestal Group on 13 November 2024, a key part of the supply chain for European Oak casks for The Macallan through their cooperage in Jerez and sawmills in the north of Spain.

On 23 September 2024 The Edrington Group announced an agreement to sell The Famous Grouse and Naked Malt brands to Willian Grant & Sons. The agreement is subject to regulatory approvals and until the sale is concluded the brands remain part of the Edrington portfolio. It is not practicable at this time to provide a financial estimate of the impact on the Group.

58. Parent company

The Group is ultimately owned and controlled by Kintail Trustees Limited, which is a company limited by guarantee and is the Corporate Trustee of the Robertson Trust. It is registered in Scotland under the company number SC428674. The address of its registered office is Robertson House, 152 Bath Street, Glasgow G2 4TB. Copies of the Parent and consolidated financial statements may be obtained from its registered office.

The principal purpose and activity of Kintail Trustees Limited is to improve quality of life and realise the potential of people and communities in Scotland.