

STICHTING WEST COAST FOUNDATION
THE HAGUE

ANNUAL REPORT 2023

1. General.....3

2. Balance sheet.....5

3. Statement of income and expenditure6

4. Explanatory notes.....7

5. Notes to the balance sheet.....8

6. Notes to the Statement of income and expenditure11

Independent Auditor’s report.....15

1. General

Incorporation

On October 16th, 2013, by notarial deed, the Stichting West Coast Foundation was incorporated. The foundation, founded by John C. Crichton-Stuart, 7th Marquess of Bute, has its official seat at Kranenburgweg 135A, The Hague 2583 ER, The Netherlands.

Stichting West Coast Foundation is registered with the Chamber of Commerce, number 59004274 (RSIN: 853275828) and is a charitable foundation under Dutch Law ("ANBI").

Objectives

The objectives of the Foundation are furtherance of welfare in specific regions, in particular but not limited to, the Isle of Bute, Western Scotland and Glasgow, as well as the inhabitants thereof, as well as all that is directly or indirectly connected therewith or may be conducive thereto, all to be interpreted in the broadest sense, if in the general interest.

The foundation seeks to realize its objectives by, *inter alia*, providing financial and other support, both directly and through donations to public welfare institutions (*algemeen nut beogende instellingen*) or foreign institutions which exclusively or almost exclusively serve the public interest, in the following areas:

- a. preservation of nature and environment, including stimulating sustainability;
- b. renewable energy schemes, including partnerships with the local community;
- c. community support;
- d. rural education and training schemes, including partnerships with the local community;
- e. conservation and restoration of listed historical buildings;
- f. conservation and restoration of ancient monuments;
- g. property development;
- h. education and training in art, architecture, literature, history, archives, conservation and trades;
- i. children's charities;
- j. medical research;
- k. disaster relief appeals

Capital

The funds of the Foundation consist of grants, donations, bequests, assets obtained from testamentary dispositions and other benefits.

The funds pledged to the Foundation consist of restricted capital and unrestricted capital. The donation of restricted capital was made under the subsequent condition that the foundation shall preserve the donation in whole, and shall merely employ, the income derived from said restricted capital. Income does not include realized & unrealized capital gains, unless the board of the foundation unanimously decides that certain circumstances force it to be employed.

Continuity assumption

The Foundation has decided in 2023 to end its activities in the Netherlands and continue in the United Kingdom. This will happen as soon as possible after following the formal procedures.

Board of Trustees

At December 31, 2023, the members of the board are:

Name:	Function:	Appointed until	
L.A. Crichton-Stuart	Chairperson	2024	eligible for reappointment
S.S. Bute	Treasurer	2024	eligible for reappointment
C.G.M. Harding	Secretary	June 2023	

The board members do not receive any compensation.

2. Balance sheet

Assets	December 31, 2023		December 31, 2022	
		£	£	£
Fixed Assets				
Portfolio investments	5.1	28.102.623		26.147.415
Current assets				
Receivables and accrued income	5.2	174.398		130.730
Cash	5.3	208.811		749.554
		<u>28.485.832</u>		<u>27.027.699</u>

Capital and liabilities	December 31, 2023		December 31, 2022	
		£	£	£
Capital				
<i>Contributed Capital</i>		39.247.296		39.247.296
<i>Retained earning (deficit) start of period</i>		-13.425.323		-12.888.105
<i>Surplus (deficit)</i>		<u>1.459.582</u>		<u>-537.218</u>
<i>Retained earnings (deficit) end of period</i>		<u>-11.965.741</u>		<u>-13.425.323</u>
Total Capital	5.4	27.281.555		25.821.973
Current liabilities and accruals	5.5	1.204.277		1.205.726
		<u>28.485.832</u>		<u>27.027.699</u>

3. Statement of income and expenditure

		<u>2023</u>		<u>2022</u>	
		£	£	£	£
Income					
Investments returns	6.1		2,284,114		147,873
Expenditures					
Project activities	6.2	739,601		581,727	
Other costs	6.3	<u>84,931</u>		<u>103,364</u>	
			824,532		685,091
			<hr/>		<hr/>
Surplus / (Deficit)			<u>1,459,582</u>		<u>-537,218</u>

4. Explanatory notes

Financial year

The financial year is the complete year of 2023, from January 1 until December 31.

Reference currency

The reference currency of the Foundation is GBP, as most of the income, expenses, donations and commitments are in GBP and the Foundation's assets are managed with this in mind.

General accounting principles for the preparation of the financial statements

The financial statements have been prepared in accordance with the general accepted guidance for financial reporting in the Netherlands.

The Foundation has decided in 2023 to end its activities in the Netherlands and continue in the United Kingdom. This will happen as soon as possible after following the formal procedures. As it is expected that the assets outweigh the liabilities (surplus in capital) at liquidation date the annual accounts have been drawn up in the assumption of going concern.

Unless presented otherwise, assets and liabilities are presented at face value. Income and expenses are accounted for on accrual basis.

The financial fixed assets are valued at fair value. Realized and unrealized exchange differences are taken into account in the Statement of income and expenditure.

Fixed assets, receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing at balance sheet date. Transactions in foreign currency during the financial year are recognized in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as of balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.

Grants made by the foundation are reported on an accrual basis. Grants made in foreign currencies are converted to GBPs on the date of the commitment made.

Due to the variable nature of the capital proceeds, as well as the low level of costs associated with overhead expenses, the board does not compose a formal, annual, budget.

5. Notes to the balance sheet

5.1 Financial fixed assets

Financial fixed assets consist of investments in equities, bonds and short term deposits. Bank Lombard Odier & Co. Ltd. acts as the custodian to the foundation.

The investments can be specified as follows:

	<u>31-12-2023</u>	<u>31-12-2022</u>
Equities	18.766.117	19.464.374
Bonds	7.736.506	6.683.041
Short-term deposits	<u>1.600.000</u>	<u>-</u>
Value period end	<u><u>28.102.623</u></u>	<u><u>26.147.415</u></u>

Exchange rates used at December 31, 2023:

GBP	1,00	=	1,07	CHF
GBP	1,00	=	1,15	EUR
GBP	1,00	=	1,27	USD

5.2 Receivables and accrued income

The receivables can be specified as follows:

	<u>31-12-2023</u>	<u>31-12-2022</u>
Accrued interest on bonds	117.056	92.641
Accrued income on short term deposits and dividends	40.270	38.089
Bank balances still to be received	<u>17.072</u>	<u>-</u>
	<u><u>174.398</u></u>	<u><u>130.730</u></u>

The bank balances are currently in a dormant account, the foundation is in the process of reclaiming the funds.

5.3 Cash

The cash consists of bank deposits in different currencies (Euro, USD, CHF, SEK and GBP) with Bank Lombard Odier & Co. Ltd. and Royal Bank of Scotland. The total cash position is free at the disposal of the company.

5.4 Contributed capital

The capital can be specified as follows:

	<u>Restricted Capital</u>	<u>Unrestricted Capital</u>	<u>Total</u>
Value at December 31, 2022	<u>26.229.719</u>	<u>-407.746</u>	<u>25.821.973</u>
Result financial year	<u>1.334.658</u>	<u>124.924</u>	<u>1.459.582</u>
Value at December 31, 2023	<u><u>27.564.377</u></u>	<u><u>-282.822</u></u>	<u><u>27.281.555</u></u>

5.5 Current liabilities and accruals

The current liabilities and accruals can be specified as follows:

	<u>31-12-2023</u>	<u>31-12-2022</u>
Commitments	1.199.277	1.200.726
Accruals	5.000	5.000
Annulled donations *	<u>-</u>	<u>-</u>
	<u><u>1.204.277</u></u>	<u><u>1.205.726</u></u>

The commitments can be specified as follows

	<u>31-12-2023</u>	<u>31-12-2022</u>
MST Laundry Brae	370.000	420.000
The Haematology Unit at the University College London Hospitals	99.992	149.992
Conservatory	-	60.000
Calvary Pond	-	27.985
Waterworks	30.000	30.000
MST Fire System	200.000	-
Into University	200.000	300.000
Restoration of Shore Chapel Phase I	207.405	212.749
Rothesay and District Pipe Band	<u>91.880</u>	<u>-</u>
	<u><u>1.199.277</u></u>	<u><u>1.200.726</u></u>

* see note 5.4

6. Notes to the Statement of income and expenditure

6.1 Income

The income out of investments can be specified as follows:

	<u>2023</u>	<u>2022</u>
Realized and unrealised gains / losses	1.287.635	-872.056
Income	<u>996.479</u>	<u>1.019.929</u>
	<u><u>2.284.114</u></u>	<u><u>147.873</u></u>

6.2 Grants

The following projects were supported (commitments made) by the foundation:

	<u>2023</u>	<u>2022</u>
SOFA Venice	-	4.863
MST Laundry Brae	-	420.000
BEAT	-	10.000
Medecins Sans Frontieres - Libanon	-	40.000
Word Central Kitchen	-	10.000
Eternity	-	50.000
Isle of Bute Resilience Team	4.500	5.400
La Maison des Amis	7.500	21.464
War Child	10.000	20.000
The Outward Bound Trust	58.400	-
MST Visal Arts	50.000	-
MST Calvary Pond	20.015	-
Butefest	15.000	-
Rothesay and District Pipe Band	137.820	-
MST CMS Keepthinking	5.366	-
MST Fire System	300.000	-
Fire Safety Replacement	66.000	-
MST Maintenance Plan	20.000	-
Gaza Donation	25.000	-
Sarabande Foudnation	20.000	-
	<u>739.601</u>	<u>581.727</u>

6.3 Other costs

The other costs can be specified as follows:

	<u>2023</u>	<u>2022</u>
Investment costs (including stamp duties)	65.180	65.103
Administration fees	13.176	11.721
Audit and legal fees	4.800	24.447
Costs of domiciliation	1.659	1.495
Other costs	<u>116</u>	<u>598</u>
	<u><u>84.931</u></u>	<u><u>103.364</u></u>

Signing of the Annual Report

Amsterdam, 28th of August, 2024

L.A. Crichton-Stuart

S.S. Bute

Chairperson

Treasurer

INDEPENDENT AUDITOR'S REPORT

To: The Board of Trustees of Stichting West Coast Foundation

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2023 INCLUDED IN THE ANNUAL REPORT

OUR OPINION

We have audited the financial statements 2023 of Stichting West Coast Foundation based in Amsterdam.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting West Coast Foundation as at 2023 and of its result for 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the balance sheet as at 31 December 2023;
2. the statement of income and expenditure for 2023; and
3. the notes comprising of a summary of the accounting policies and other explanatory information.

BASIS FOR OUR OPINION

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting West Coast Foundation in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

REPORT ON THE OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The annual report contains other information, in addition to the financial statements and our auditor's report thereon. The other information consists of:

- the management report (general);
- other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements, does not contain material misstatements and contains all the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the foundation or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the foundation's ability to continue as a going concern in the financial statements.

OUR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.

Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the foundation's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Utrecht, 28 August 2024

WGS Accountants B.V.

G.J. Smit RA