

Annual Report and Financial Statements

Year ending 30 September 2025

Erskine Veterans Charity (Company Registered Number SC174103)





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BOARD OF TRUSTEES' REPORT

OBJECTIVES AND ACTIVITIES

Our vision is a Scotland where Veterans and their families thrive.
And our mission is to offer Veterans their best possible future
- through the best possible care & community support.

We deliver care, accommodation and community services to Veterans
and their families.





Erskine Veterans Charity ("the Charity") has four strategic objectives:

- **Care:** Veterans and their spouses receive good quality, person-centred care from when they leave the armed forces through to the end of their lives.
- **Accommodation:** Veterans have a place to live when they leave the Armed Forces, for the longer term, and during their retirement.
- **Community:** Veterans suffering from loneliness or isolation have a place to go, where they can learn new skills, have new experiences, and enjoy a sense of camaraderie.
- **An effective and efficient organisation:** the Charity is recognised by supporters, beneficiaries, employees and other key stakeholders as an efficient and effective organisation, worthy of their trust and support.

Our services at the end of the period included:

- **Care**
"I am cared for and about"
 - Two residential care homes: The Erskine Edinburgh home in Gilmerton (40 rooms) and The Erskine Home within our Erskine Veterans Village (180 rooms). These homes provide nursing, dementia and end-of-life care to Veterans and their spouses and ensure that Veterans and their spouses are provided with the best possible care during later life.
- **Accommodation**
"I have a safe place to call home"
 - Transitional Supported Accommodation for Veterans who leave the military at relatively short notice and need more assistance to reintegrate productively back into civilian life, within 24 apartments located within our Erskine Veterans Village.
 - 44 family cottages and five Supported Living Accommodation apartments for Veterans and their families to live independent lives within our Erskine Veterans Village.
 - Accommodation and support services for the Army Personnel Recovery Centre ("PRC"), who operate their services for recovering service men and women from within our Erskine Edinburgh Veterans Hub.
- **Community**
"There is somewhere I belong"
 - Two Erskine Veterans Activity Centres (EVACs), EVAC West within the Erskine Veterans Village and EVAC North in Forres. The EVAC model aims to enhance the quality of life and well-being of Veterans in the community, providing the opportunity to engage with people who have shared experiences and history, learn new skills, explore a number of interests and access support services.
 - A Home Support service, which launched during September 2024, and as of September 2025 was reaching 49 Veterans living in the West of Scotland.

The Charity's values are:

- **Communication:** We communicate internally and externally, in a transparent, open manner that supports understanding and dialogue.
- **Accountability:** We take appropriate accountability for our individual and collective actions and decisions. We aim to reduce unwarranted variation in care and support provided. We aim for beneficiaries to experience the same compassionate, person-centred care irrespective of which members of the team are on duty.
- **Respect:** We respect our beneficiaries and those who visit our homes and services, we respect each other as colleagues. We respect our beneficiaries' right to choice and will support them with making choices.
- **Empowerment:** Those who receive our care and support will feel empowered to make choices. We will provide accessible, transparent information to our beneficiaries about their rights and what they mean for their day to day lives. We will value, support, act upon and learn from what our beneficiaries say. We will ensure that our beneficiaries have their voices heard. We will support colleagues to feel empowered to use their knowledge and expertise in the delivery of person-centred care and support.

These values apply to all of us – staff, Trustees, volunteers, people we support, families and carers and others that we work with – and are an integral part of our induction, training, communications and working policies.

BOARD OF TRUSTEES' REPORT

PERFORMANCE AND ACHIEVEMENTS

This has been a year of growth, impact and renewed confidence. We are supporting more Veterans than at any time in recent history, delivering consistently high-quality care and support, and building the foundations that will allow us to extend our reach even further in the years ahead.

Our strategic objectives, approved by the Board of Trustees in December 2021 and running to September 2026, continue to guide every aspect of our work. They were developed in response to growing economic pressures, major shifts in national social care policy, and the changing needs and demographics of Scotland's Veteran community. These objectives remain central to ensuring that Erskine Veterans Charity remains relevant, sustainable and able to deliver the greatest possible social impact.

Both the Board and Senior Management regularly monitor progress through a strengthened performance framework, including an organisational dashboard that tracks income, expenditure, service outputs and outcomes. This provides Trustees with clearer oversight of key projects and supports timely decision-making across our Care, Accommodation and Community services.

National policy continues to emphasise supporting older people to live well for longer in their own communities, surrounded by familiar people and places. At the same time, the number of older Veterans in Scotland is projected to decline by 40% between 2020 and 2030. To respond proactively, and before financial pressures forced reactive decisions, the Charity undertook a major review of its services and adjusted its care home capacity and operating model. This difficult but necessary work concluded during 23/24 and has strengthened our financial sustainability, protected sector-leading staffing levels and terms and conditions, and allowed us to invest in the development of modern community-based services across Scotland.

This year marks the first full year of impact following these changes, and the results have been transformative. Through the expansion of our Erskine Veterans Activity Centres (EVACs) and Home Support services, we have nearly doubled the number of people directly supported, growing from 690 last year to 1,252 this year. The opening of EVAC North and our Home Support service, which both experienced immediate and significant demand, demonstrates the strength of our community model. Plans are now underway to replicate this approach in other Veteran-dense regions, building a network of community hubs that enhance our reach and strengthen our profile across Scotland.

Alongside service expansion, we have continued to modernise our leadership structures, strengthen decision-support systems, and invest in technology to ensure we are ready for future multi-site and remote operations. Our collaborative work through Veterans Scotland, Scottish Care and the Coalition of Care Providers in Scotland ("CCPS") continues to provide vital insight into the Veterans' landscape, social care policy and funding developments. Regular reviews reassure the Board that progress towards our strategic objectives is strong.

Development of our strategy to 2031 is well underway, and we remain committed to becoming the most recognised and highest-impact Veterans charity in Scotland.



Care

As of the end of September 2025 there were 212 residents living within our care homes (23/24: 209), with 305 unique individuals receiving Erskine care during the year (23/24: 336). Occupancy against our capacity of 220 rooms remained stable at 97%, and we continued to care for Veterans from across the Armed forces, with 62% Army, 26% Royal Air Forces and 12% Navy and other Veterans and spouses. During the year we were able to welcome 93 new residents into our Homes (23/24: 118).

During the year we had unannounced regulatory inspections from the Care Inspectorate, in both homes. During November 2024 The Erskine Home was assessed as Very Good against five inspected areas - "How well do we support people's well-being?", "How good is our leadership?", "How good is our staff team?", "How good is our setting?" and "How well is our care and support planned?". During August 2025, Erskine Edinburgh Home was assessed as 'Good' in the key question of "How well do we support people's well-being?", and they were assessed as Very Good against key questions "How good is our staff team?" and "How good is our setting?".

This year was a special year for the country as we marked 80 years since Victory in Europe (VE) Day. In addition to the key celebrations and remembrance in both our homes and across the organisation, two of our residents were delighted to attend the service in Westminster Abbey, where they also got to speak to members of the Royal Family. Continuing the theme of royalty, this year three of our staff were delighted to join the King and Queen at the garden party at Holyrood House, and the following day four of our staff joined the Queen who was hosting a Queen's Nursing Institute Scotland gathering, again in Holyrood House.

Our annual visit from the Pipes and Drums (4th Battalion, The Royal Regiment of Scotland) to both homes was reciprocated by residents, again from both homes, thoroughly enjoying their visit to the Royal Edinburgh Military Tattoo, the 75th year of the Tattoo itself.

During the year, we completed the restructure of our nursing team and introduced a new Lead Senior Care Assistant role to strengthen day-to-day leadership within our care houses while maintaining high levels of hands-on care. This has created a more effective and consistent leadership structure, with clearer lines of responsibility and improved leadership for our front-line teams. Nineteen Lead Senior Care Assistants were appointed in the first cohort and have begun to embed into their roles. Recruitment of additional Care Assistants continues, which will allow us to fully realise the benefits of the new structure, including enhanced continuity of care for residents and greater opportunities for career progression within our care services.

The heart of our work is simple: we exist to embrace Veterans and their families at every stage of life, enabling them to flourish. The gratitude we receive from families reminds us why this mission matters so deeply.

"We can't even begin to thank you all enough for all of the care, love and support that you gave and shared with our dad. Erskine House is where he wanted to be so that he could be around his military brothers and sisters, and I'm so glad that is where he was able to pass peacefully. We as a family will always remember you all and hold a special place in our hearts. Thank you."

Family of a resident in our Erskine Home

Accommodation

The Transitional Supported Accommodation programme within our Erskine Veterans Village has continued to progress well and since inception during 2021 we have now supported 66 Veterans in avoiding homelessness and in many cases finding employment (23/24: 49 Veterans). This service is there for working age Veterans whose transition to civilian life has been disrupted "through bad luck or bad timing". Through this "spring board" service we continue to collaborate with other Veterans' charities, third sector and public sector organisations to support the Veterans onto a stable footing, forwards into sustainable employment and ultimately into appropriate long-term accommodation in the area of their choosing.

Our Family cottages and Assisted Living Accommodation within the Erskine Veterans Village maintained near 100% occupancy levels (23/24 100%).

As of the year end we had 109 Veterans and their family members living independent lives within the Erskine Veterans Village (Sep-24: 98).

BOARD OF TRUSTEES' REPORT

PERFORMANCE AND ACHIEVEMENTS (CONTINUED)

Community

We progressed the growth of our community services during the period. We hit many key milestones including the opening of EVAC North in Forres, reaching over 1,000 EVAC members across our two centres, and the decision to make permanent and expand the capacity of our Home Support service. This exciting growth is in line with our strategy which will allow us to reach more Veterans with life changing and life saving support.

EVACs

We believe our EVAC service model is a truly unique, flagship service for community support in Scotland. The service has four key objectives;

- To be accessible to Veterans living in the community with the choice of how often to visit, supporting an increased social network.
- To offer a range of purposeful activities and opportunities supported by a skilled team of staff and volunteers.
- To provide relevant guidance and advice in partnership with specialist organisations.
- To engage Veterans in the design and delivery of services, encouraging skill sharing and development.

Our "EVAC North" in Forres opened during December 2024 and engagement with the service from the local community has exceeded our expectations and aims, with 540 people joining the centre as members compared to our target of 200 in its first year of operation.

Since inception our two activities centres have now provided meaningful support for 1,028 (23/24: 439) members including Veterans, spouses and carers. 579 new members joined during the year and the centres had an active membership of 781 beneficiaries (23/24: 224) during the year. Average daily attendance reached 73 beneficiaries per day (23/24: 39).

Eighty nine organised activity sessions (23/24: 50) were available each week - run by our employees, sessional workers, Veterans and volunteers. EVAC staff teams take guidance and support from members of the Veterans Committee, which meets every 8 - 10 weeks to discuss future plans, community suggestions and lessons learned.

We know that our EVACs make a difference to those who use the service because we complete regular monitoring and evaluation exercises. Our last evaluation was completed during April 2024 receiving input from 84 members of our EVAC West service (formerly named ERMAC). Questions were designed to measure the benefits of becoming a member at an EVAC as well as loneliness both before and after becoming a member at an EVAC. The report found that our EVAC is making a strong impact in the Veteran community, with 60% of service users stating that they feel less lonely since joining EVAC West, 89% of members getting out of the house more, and 76% saying they have started socialising more, 74% saying their mental health has improved, and 74% saying they have taken part in a hobby or interest. Our next formal evaluation is planned for March 2026.

Members told us:

"Due to my disability (registered blind) EVAC West are understanding to my needs. I.e. In the gym the instructor stands at the side of any equipment (I use the running machine) to ensure my safety. In the IT room there is a computer that suits my needs too."

"Erskine has given me my life back after several black months. I've found friendship and a route back to normal life. Great staff - always willing to help. It's a fantastic place to relax (also gives wife a break). Had brilliant days out, I would have never done on my own."

"Great stress-free environment, kind helpful and empathetic staff. Lots of identification with service users. There's camaraderie and banter. I always leave EVAC West feeling included and welcomed."

These outcomes for our membership mean that we have continued with our plans to expand these services across Scotland. During the period we have begun the search for a suitable building to host an EVAC in the East of Scotland, as we continue the planned growth of this life saving and life changing service across Scotland.

Home Support

Following a six month pilot and evaluation, our Board of Trustees approved the permanent expansion of our Home Support Service which serves Veterans living in West Central Scotland.

This decision follows our primary market research which found that there were 914 Veterans living in the Renfrewshire and Inverclyde areas who were interested in receiving emotional support at a time of difficulty, help with escorted trips to a social activity, help with preparing meals, general housekeeping and running errands. Extrapolating this result indicates a total addressable need for such a "Home Support" service amongst some 50,000 Veterans across Scotland.

Following the decision during March 2025 to expand the capacity of the service up to 100 Veterans, we have seen good demand for the service and at end of September had 49 Veterans engaged with the service and 15 in our application process. During the financial year we have directly supported a total of 57 Veterans in this way (23/24: nil). As part of our evaluation of the service this year one Veteran told us:

"This service has been a life line and I do not know what I would do without it. This service makes me feel safe and secure and has had such a positive impact on my life and overall health. This is the one thing that is going to help me to adjust to my life now and help with the acceptance of my situation. Without this I would be worse off as I have no one outside of Erskine. It has been a gift to get this service."

We continue to closely monitor the social impact of the pilot, to understand the difference it is making on the lives of service users. During the coming year we are aiming to achieve the planned expansion to 100 service users, whilst researching and developing our plans for launching this service in more locations across Scotland.

An effective and efficient organisation

Our front-line services can thrive when they are effectively supported by our core mission support functions, and when our fundraising function is delivering the resources necessary to achieve our charitable aims.

During the period we achieved critical milestones towards strengthening our efficiency and effectiveness as a Charity. This year we successfully implemented a program of activities to modernise our IT infrastructure, which will help ensure the resilience of our operations going forward.

Whilst recruitment of social care workers remains a key organisational risk, our health and well-being initiatives continued to show results with our employee vacancy rates falling to 10% (23/24: 11%), our employee attrition rate falling to 12% (23/24: 21%), and our sickness absence rate remaining stable.

Our fundraising team exceeded the planned net fundraising income target by £0.7m (or 10%) within a challenging and competitive environment.

BOARD OF TRUSTEES' REPORT

FINANCIAL REVIEW

Despite ongoing pressures in the funding of care and the rising cost of delivering it, the Charity is well-positioned to meet this challenge, grow its impact and continue supporting Veterans in Scotland with high-quality, sustainable services.

The past two financial years have marked a significant improvement in the Charity's underlying financial sustainability. Following several years of substantial reliance on reserves (including a £4.6m reliance upon reserves in 22/23) both 23/24 and 24/25 have demonstrated a much more stable financial performance, supported by disciplined cost management, strengthened strategic and operational planning, and a more resilient income base.

This year's financial result (prior to gains and losses on investments) is broadly consistent with 23/24, demonstrating that the changes implemented in recent years are now embedded and sustainable.

Although financial pressure does continue to play a role in respect of our care home services, the reliance upon reserves during the year primarily reflects strategic and planned investment. In line with our long-term objectives, designated funds were purposefully utilised to expand our social impact, specifically the establishment and operation of EVAC North, the expansion of our Home Support service, and investment in new donor acquisition to grow future net fundraising income. This marks a deliberate and mission-aligned transition towards using reserves to create long-term value, expand community services and strengthen future sustainability.

Overall funds increased by £0.6m (23/24: £2.2m). This movement reflects a £10.3m deficit on charitable activities (23/24: £11.2m), offset by £7.2m in net fundraising income (23/24: £7.9m), a £3.7m total return on investments (23/24: £5.3m) and other income of £0.1m (23/24: £0.2m).

To address the difference between the deficit on our charitable activities and our net fundraising income the Charity relied upon £2.4m from reserves to support our activities (23/24: £2.6m, see table 1 below). The majority of this reliance related to planned use of designated funds for service development and fundraising income growth initiatives.

The net surplus for the year of £0.6m was £0.5m favourable to budget (prior year: £5.5m favourable). This was driven by strong fundraising performance and higher-than-planned investment returns. These were offset by challenges in revenue and cost management within Care services.

Looking ahead, the Charity expects to continue making planned, strategic use of reserves to support the expansion of our community services and to invest in fundraising capacity to grow net income. This approach is central to extending our social impact, but will be balanced with pragmatism and disciplined financial oversight to ensure that all future commitments remain affordable.

Table 1: Reliance upon reserves to fund activities

| | Note | 24/25 £m | 23/24 £m |
|---|------|-------------|-------------|
| Net cash used in operating activities | 21 | (1.4) | (1.6) |
| Purchase of tangible fixed assets | 13 | (1.0) | (1.0) |
| Reliance upon reserves to fund activities | | (2.4) | (2.6) |

Income

The principal sources of revenue are those earned under the National Care Home Contract, fees from self-funding care home residents, investments, legacies and fundraising activities. Our total income for the year was £27.4m (23/24: £27.4m). The stable revenue arose from increased revenue from care home fees, offset with reduced fundraising revenue and lower investment revenues.

Legacy income this year was £5.2m (23/24: £5.8m – see note five) with six individuals leaving gifts of more than £200k (23/24: four individuals). Non-legacy fundraising activities contributed £6m (23/24: £5.7m) of gross revenue, with 39,868 unique donors giving during the period (23/24: 39,346). We achieved growth in regular giving income driven by our programme of investment in individual donor acquisition. Income from committed givers continued to perform well, generating £3.7m (23/24 : £3.6m), with 31,818 committed givers donating during the year (23/24: 30,611).

Our care and accommodation services generated revenue of £14.7m (23/24: £13.4m), which principally related to our care home services. The revenue has increased owing to increasing rates from the National Care Home Contract and self-funding residents. Occupancy within our care homes against our equipped capacity averaged 97% (23/24: 96.4%) which was marginally below our target level of 97.5%.

The net effect of realised and unrealised movements on the Charity's investments was a gain of £2.4m (23/24: gain of £3.4m), with the result for the year aligned to our risk weighted target return. The Charity continued to rely upon reserves to fund our operations and drew down £1.2m of cash from our investment portfolio to fund the planned operating deficit and working capital movements (23/24: £2.4m).

Expenditure

Total expenditure was £29.2m (23/24: £28.5m), including £25m (23/24: £24.6m) on charitable activities supporting the key objectives of the Charity, and £3.9m (23/24: £3.7m), on raising funds.

We continue to operate a subsidy model across our services which required £8.9m (23/24: £9.1m) of donations during the period to fund the difference between our charitable expenditure (£23.6m (excluding impairment charge and depreciation), 23/24: £22.5m) and the charitable income we generated from local authorities and service users (£14.7m, 23/24: £13.4m). In respect of our care home services, we spent an average of £1,892 (23/24: £1,869) per resident per week, whilst bringing in earned revenue from the National Care Home Contract and self-funders of £1,186 (23/24: £1,093) per resident per week. The shortfall of £706 (23/24: £776) per resident per week, is funded by our donors and reserves.

Expenditure on raising funds was £3.9m (23/24: £3.7m). This stabilised as we continued the investment in our donor acquisition programme aimed at growing the number of committed givers. For every £1 spent on raising funds we generated £1.82 of funds for our charitable mission during the year (23/24: £2.16).

BOARD OF TRUSTEES' REPORT

FINANCIAL REVIEW (CONTINUED)

Plans for future periods

Our strategy to reach more Veterans and grow our community services means that we are planning for a controlled and responsible use of our reserves in the medium term. During 25/26 we are planning for a net deficit of £0.7m during the year ending 25/26, which will be funded from our reserves (24/25 budgeted net surplus was £0.1m).

Balance sheet

The balance sheet shows total funds of £77.2m (23/24: £76.6m). Included in total funds is an amount of £0.7m (23/24: £0.6m) which is restricted. These monies have either been raised for, and their use restricted to, specific purposes, or they comprise donations subject to donor-imposed conditions. Full details of these restricted funds are in note 20 to the financial statements, together with an analysis of movements in the year. Unrestricted funds of the Charity at 30 September 2025 were £76.5m (23/24: £76.1m) of which £28.8m (23/24: £23.6m) have been designated for particular purposes as per our reserves policy and £28.7m (23/24: £29.1m) relate to tangible fixed assets.

Going concern

Given Erskine's liquid reserves and future financial plans, the Trustees are of the view that Erskine is a going concern as there are adequate resources available to fund the charity's activities for the foreseeable future.

Investment policy

The Charity has a portfolio of listed investments with a market value at 30 September 2025 of £46.2m (30 September 2024: £44m).

The long-term investment objective of the Charity is to achieve protection against inflation whilst generating returns for our charitable purposes. We achieve this through holding a diversified portfolio of assets, while maintaining a prudent and balanced investment strategy. During the year our investment portfolio performed favourably against both benchmark returns and our longer term inflation linked aims.

There are no restrictions on the Charity's power to invest. However, we have made a policy decision not to invest in tobacco-related stocks and to require that our investment manager operates environmental, social and governance screening practices as an integral part of investment selection and management.

The investment strategy is set by the Trustees and takes into account income requirements and the investment managers' view of market prospects. The Finance and Performance Committee and the Investment sub-group meet regularly with the investment advisors to review the performance of the portfolio and the investment strategy.

Reserves policy

The Charity is dependent upon donor funding to fund the difference between earned income and charitable expenditure. Donor income is subject to fluctuations from year to year. As a result, the Trustees believe that the Charity should hold reserves to provide protection against such fluctuations and enable us to protect beneficiaries in all foreseeable circumstances.

The Charity adopts a risk-based approach to determining our reserves and holds reserves to cover:

- **Fixed asset reserves**
 - In respect of the net book value of tangible fixed assets which we utilise in the delivery of our charitable services.
- **Restricted funds**
 - which are restricted for a particular charitable purpose determined by a donor and not otherwise available.
- **Designated funds to support the future development of the Charity and the furtherance of our charitable objects, including:**
 - Capital projects and lifecycle fund
 - Funding for the coming financial year and five years' anticipated property lifecycle costs.
 - Service growth fund - Funds required to support the growth of the Charity's community services including investment to support the creation of new services of relevance to Veterans and their families.
 - Fundraising sustainability fund - A fund to grow net income from voluntary sources.
 - Care home access fund - This fund ensures we can offer extra National Care Home Contract places in our care homes over and above what our annual operating income can sustainably support.
- **Other charitable funds to cover working capital needs and the realisation of material business risks including:**
 - A fund to cover cash requirements whilst the Charity awaits payment of accounts receivable balances.
 - A fund to guarantee provision of care home services for existing residents in the event that the Charity is unable to fundraise to subsidise their care.
 - A fund to cover the realisation of material business risks.

As of 30 September 2025 we had an excess of £0.3m reserves against our minimum reserve policy (at 30 September 2024: excess of £4.6m) (see table 2 below). the excess has reduced as we have set aside more funds to support access to our Care homes, alongside increased capital expenditure plans to support our services.

See note 20 for detail of our funds.

Table 2: Free reserves

| | 30-Sep-25 £m | 30-Sep-24 £m |
|--|-----------------|-----------------|
| Total Charity funds | 77.2 | 76.6 |
| Less Restricted funds | (0.7) | (0.6) |
| Less Designated funds | (28.8) | (23.6) |
| Less Tangible fixed asset fund | (28.7) | (29.1) |
| Other charitable funds | 19.0 | 23.3 |
| Working capital | (2.1) | (2.1) |
| Risks | (16.6) | (16.6) |
| Other charitable funds required | (18.7) | (18.7) |
| Free reserves | 0.3 | 4.6 |

BOARD OF TRUSTEES' REPORT

FINANCIAL REVIEW (CONTINUED)

Defined benefit pension scheme

The defined benefit pension scheme was closed to future accrual on 1 August 2010. As at 30 September 2025 there is a scheme surplus of £3m (30 September 2024: £3.2m scheme surplus). Details of the assumptions used in reaching this valuation are set out in note 19. Under FRS102, the Scheme surplus is only recognisable on the balance sheet to the extent that the Charity can recover the surplus through reduced contributions in future or through refunds from the Scheme. Under FRS102 it is not possible to recognise this surplus as the Scheme is closed to future accrual and a refund has not been agreed by the Trustees of the Scheme at the balance sheet date. As such, a surplus is not recorded within these financial statements.

The liabilities in respect of the Scheme at 30 September 2025 have been calculated using the “projected unit method” and by rolling forward the results of the 5 April 2024 triennial valuation. The stability in the Scheme's surplus since last year is principally due to lower than expected asset returns partially offset with a decrease in corporate bond yields resulting in reduced Scheme liabilities.

Guaranteed minimum pension equalisation: Following the High

Court ruling on 26 October 2018 in the landmark Lloyds Banking Group case on Guaranteed Minimum Pensions (GMPs), the Scheme is required to adjust benefits for the effect of unequal GMP benefits accrued by males and females between 17 May 1990 and 5 April 1997. The Charity included an allowance for the impact of GMP equalisation within its accounting figures as at 30 September 2019. The Scheme has not yet implemented GMP equalisation and therefore the allowance made as at 30 September 2019 has been maintained.

On 20 November 2020 the High Court issued a supplementary ruling in the Lloyds Bank GMP equalisation case in respect of members that transferred out of the Scheme prior to the ruling. This supplementary ruling confirms that historical transfers out of the Scheme are also subject to GMP equalisation and so this triggered a further Plan Amendment.

The Charity included an estimated cost of the impact of this ruling within its accounting figures as at 30 September 2021 and this continues to be included in the figures as at 30 September 2025.

Principal risks and uncertainties

Our Trustees identify, assess and understand the risks facing the Charity and are satisfied that an appropriate risk framework is in place to manage these. We take a balanced approach to considering risk, taking steps to minimise the likelihood and impact of risk wherever possible, while acknowledging that exposure to risk is inevitable and does not prevent the Charity from pursuing its mission.

The Audit Committee retains oversight of the Charity's risk management process and policy.

Risk Registers are regularly reviewed by the Executive Management Team, relevant Board Committees and the Board of Trustees. Risks are ranked on a score allocated by assessing the level of impact and likelihood.

The key risks at 30 September 2025 were:

- **Failure to respond to long term changes in Veteran demographics –** Owing to the end of National Service in 1960, it is forecast that the number of Veterans requiring Erskine's residential care home services will decline significantly over the period to 2030. The Charity must continue to evolve its services in response to the changing needs of the Veteran population. Mitigation is provided through engagement with our beneficiaries, peer organisations, the Scottish Government, Veteran bodies and Health and Social Care bodies, to understand Veteran needs.

- **Financial failure resulting from prolonged expenditure exceeding income –** Mitigation comes from effective financial management processes, and the completion of long-term financial planning, together with effective design and operation of financial oversight controls.
- **Failure to recruit and retain suitably qualified and skilled staff –** Retaining and attracting talented staff is key to our success. We have a range of measures in place to do this, including employee engagement activities, health and well-being initiatives and benchmarking pay and remuneration to peers in the social care sector.
- **Reputational failure –** We have a variety of processes in place to mitigate the likelihood and impact of an event that could negatively impact the Charity's reputation. These include a whistleblowing policy, recruitment processes and checks, registers of interest for key staff and Trustees, robust financial and operational procedures and audit to identify financial malpractice.

GOVERNANCE

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trustees' report has been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102. The Trustees' report also meets the requirements for a Directors' report set out in the Companies Act 2006. Sections on 'Financial review for the year' and 'Principal risks and uncertainties' included within the 'Trustees' report', meet the requirements for a strategic report as outlined in the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. The financial statements have been prepared in accordance with the accounting policies set out on pages 31 – 34 of the attached financial statements.

Status

Erskine Veterans Charity ("the Charity" or "Erskine") is a charitable company limited by guarantee, and not having share capital, incorporated on 4 April 1997 and registered in Scotland (SC174103). Erskine Veterans Charity is registered with the Office of the Scottish Charity Regulator (OSCR) as a Charity in Scotland (SC006609). In the event of the winding up of the charitable company a member is liable to contribute a sum not exceeding £1.

Governing document

The Charity is governed in accordance with its Articles of Association.

Objects of the Charity

The principal objects of the Charity are for the provision of nursing and residential care, accommodation and support. The Charity provides support to men and women with a current or former record of armed service or service in support of, or alongside the armed services together with dependants or surviving dependants of such personnel.

Environmental, social and governance responsibilities

Our core aim is to deliver social value for our beneficiaries and doing this in a robust way means we must respond effectively to the Environmental, Social and Governance ("ESG") issues which arise in the pursuit of this aim.

A summary of our activities relating to each of the ESG themes is provided below, which complements the examples elsewhere in this report.

Environmental

We are committed to understanding our impact on the environment and our energy and carbon reporting is included on pages 21-23 of this report, which includes specific initiatives which we are undertaking to understand and reduce our environmental impact.

Social

How do we know our programmes work?

Our core aim is delivering social value for Veterans and we know that we achieve this through measuring the outcomes and impact of our programmes. Under the Care Inspectorate evaluation framework our care homes maintained average grades across all inspections of 4.8 (with 4 being "Good" and 5 being "Very good") with none of our care homes having a grade of lower than "Good". That means that all of our care home services demonstrated major strengths in supporting positive outcomes for people at their last Care Inspectorate evaluation.

We also complete regular monitoring and evaluation of all of our Community and Accommodation services, ensuring that we have the evidence to demonstrate that we know our programmes work.

What do we do to look after our employees?

The well-being of our employees is central to the achievement of our mission. This is recognised and embedded in our Health and Well-being strategy which considers all aspects of employee well-being including mental and physical health, good work, personal growth, social connections, environmental and financial well-being.

How do we pursue equitable and consistent treatment for all employees?

Our Equality, Diversity and Inclusion ("EDI") at Work policy sets out how we comply with and go beyond the law to ensure our working environment is a safe space for all. It also sets out support which is available to all of our employees including counselling, occupational health service and crisis support.

Our gender pay gap reporting for the period ending April 2025 shows that women's mean hourly pay is 3.6% lower than men's (Apr-24: 3% lower), there is no difference in median pay and women occupy 78.1% (Apr-24 : 76.4%) of the highest paid jobs. Through our EDI policy we continue to strive to break down obstacles to equitable and consistent treatment of all employees.

For our full gender pay gap report please visit: <https://gender-pay-gap.service.gov.uk/Employer/ErAD6nqm>

Governance

Holding ourselves accountable and being accountable to our beneficiaries, donors and wider stakeholders underpins the achievement of our mission. Through a dedicated aim, a commitment to good governance is embedded within our organisational strategy. Periodically we evaluate our governance mechanisms, with reference to best practice, including the Charity Governance code, whilst our fundraising teams operate in compliance with the Institute of Fundraising code of practice.



The following Trustees were in office at 30 September 2025 and served throughout the year, and up to the date of approval of the financial statements except where stated.

| Trustee | Trustee office | Date appointed/resigned/ retired during the period and up to date of signing | Committee membership |
|---|--------------------------------|--|-------------------------|
| Mr Stuart Aitkenhead BSc CEng FIMechE | Chair | | RC (Chair) |
| Mr Kenneth Baldwin BAcc CA | AC Chair | | AC, RC |
| Air Commodore Kevin Cowieson MBA MSc MA BSc RA | | | AC |
| Mr David Glancy OBE TD | | | AC |
| Mr Jordan Taylor BAcc (Hons) CA | | | AC |
| Mrs Lyndsay Jane Lauder MA(Hons) Cert Ed FCIPD | CPGC Chair/Independent Trustee | | CPGC, RC |
| Mrs Maria Clare Docherty | | Retired 20 January 2025 | CPGC |
| Dr Jane Elizabeth Douglas | | | CPGC |
| Captain Andrew Cowan LLB | | Appointed 11 December 2024 | CPGC |
| Mrs Katherine Ross BA(Hons) MCIPD | | Appointed 11 December 2024 | CPGC |
| Mr Douglas (David) Griffin MA (Hons) DIP ACC CA | FPC Chair | | FPC, RC |
| Colonel Michael Andrew Edwards OBE BA DL VR | | | FPC |
| Dr Craig Fleming | | | FPC |
| Mr Mark Johnston | | Retired 15 December 2025 | FPC |
| Mrs Jennifer Doran FFA | | | RC |

Committee membership key

- AC** Audit Committee
- CPGC** Care and People Governance Committee
- FPC** Finance and Performance Committee
- RC** Remuneration Committee

For more information about our Trustees visit:

<https://www.erskine.org.uk/about-us/our-board-and-team/board-of-Trustees/>

Non-Trustee independent advisors

The Board of Trustees appoints non-Trustee independent advisors with specialist knowledge in fields of relevance to the Charity. The following non-Trustee independent advisors were in office at 30 September 2025 and served throughout the year, except where stated.

| Non-Trustee independent advisor | Date appointed/resigned/ retired during the period and up to date of signing | Committee membership at the year end |
|------------------------------------|--|---|
| Mr Richard Hyder | | FPC |
| Mrs Maureen Ross BA | | CPGC |

GOVERNANCE

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Trustees

The Trustees govern our Charity.

They are responsible for:

- Setting and monitoring progress against strategic objectives.
- Setting the highest standards and delivering good governance and leadership.
- Ensuring that the Charity's resources are only used for its charitable objectives, in the best interests of its beneficiaries, and in compliance with all relevant statutory and regulatory obligations.

Our Trustees are also company directors for the purposes of company law. Collectively our Trustees constitute the Board of the Charity. The Board meets at least four times a year and delegates certain matters to committees. The Board of Trustees is comprised of not less than 12 Trustees.

Our committees comprise the following:

- **Finance & Performance Committee** who, on behalf of the Board of Trustees, oversee the long term strategic planning of the Charity's finances along with the performance of the organisation against a series of agreed key performance indicators;
- **Audit Committee** who undertake, on behalf of the Board of Trustees, a regular scrutiny of the operational effectiveness of the internal financial controls and procedures, risk management process, internal and external audit and all statutory audit material including the Annual Report;
- **Care & People Governance Committee** whose primary aim is overseeing clinical, care and staff governance, assuring the Board that effective structures and systems are in place surrounding our services and people and that these are operating effectively;

- **Remuneration Committee** whose primary responsibility is for approval of all strategic remuneration issues within the Charity including setting key management personnel compensation.

Each of the Sub-Committees' minutes are circulated to all members of the Board of Trustees and regular reports are brought to the Board together with any particular issues which require the overall decision of the Board.

The Board has delegated the authority to manage day-to-day business to the Chief Executive (CEO), assisted by the Executive Management Team (EMT). The Board approves the strategy of the Charity, at the proposal of the Chief Executive and EMT. The Chief Executive is responsible for implementing the agreed strategy and policies.

Trustee recruitment and appointment

Appointment to the Charity's Board of Trustees is carried out in accordance with the requirements of:

- the Charities and Trustee Investment (Scotland) Act 2005; and
- the policies and procedures as set by the Charity, having the necessary regard to the provisions of the Articles of Association.

Before recruiting new members of the Board of Trustees, the Charity identifies and prioritises those skills which would benefit the Board of Trustees. In undertaking this task the Board has regard to its Governance role in setting and achieving the charitable company's strategic objectives, as well as ensuring that our Board and Committees have a strong and diverse mix of people, skills and expertise.

Trustee induction and development

Potential members of the Board of Trustees receive information (recruitment) packs with the details they need to determine whether they wish to pursue their interest and are able to offer the required level of commitment. The recruitment pack aims to allow the potential member a full understanding of the charitable company and what the Charity expects of its Board members.

Following selection as a member of the Board of Trustees, a full induction process is followed. Information is supplied on how to interpret the financial information together with details of how the Board measures and reflects on the performance of the charitable company. New members are invited to meet the Executive Management Team and, where practical, to visit the charitable company's operating premises.

Statement of responsibilities of the Trustees

The Trustees are responsible for preparing the Board of Trustees' Report (incorporating the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Charity and Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with 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). Under Company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement Of Recommended Practice;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Related parties

The Charity has one related party other than its Trustees; Erskine Hospital Limited (formerly "Erskine Developments Limited"), which is a wholly owned dormant subsidiary of the Charity.

GOVERNANCE

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Executive Management team

The following members of the Executive Management Team were employed as of 30 September 2025:

| Name | Role |
|---|--|
| Wing Commander Ian Cumming <small>MBE MA FCMI</small> | Chief Executive Officer |
| Mr Derek Barron <small>RMN MSc FQNIS</small> | Director of Care |
| Mrs Sarah Bickerstaff <small>MCIPD</small> | Director of Human Resources and Organisational Development |
| Mr Gregor McKellar <small>BAcc(Hons) CA MST</small> | Director of Strategic (Finance and Business) Planning |
| Mr Dougie Beattie <small>IEng CIWFM</small> | Head of Estates, Facilities and Accommodation Services |
| Mrs Sara Bannerman <small>MinstF (Cert)</small> | Head of Fundraising and Communications |

For more information about our Management team visit:

<https://www.erskine.org.uk/about-us/our-board-and-team/senior-management-team/>

Remuneration of personnel

The Charity is committed to ensuring that we pay our staff in a way that ensures we attract and retain the right skills to have the greatest impact in delivering our vision and charitable purpose.

The Charity's Remuneration Committee meets at least annually, is Chaired by the Chairperson of the Board. The Chief Executive Officer is in attendance at the meeting (leaving for the discussion regarding the CEO remuneration), and no employees are members of the Committee.

The main responsibilities of the Remuneration Committee are to determine the remuneration of the CEO and Executive Management Team, and determine the parameters of pay for all staff. The Charity utilises a wide array of information, including the results of performance reviews and relevant benchmarks to determine appropriate pay for the CEO and Executive Management Team.

Our people

The Charity's staff are at the core of delivering our vision. Through our Partnership Forum, and attendance at the Care and People Governance Committee and Board meetings, employees and their representatives are directly involved in developing internal policies and procedures which affect them.

Disabled employees

The Charity is a disability confident employer, gives full consideration to employment applications from disabled persons, where the requirements of the job can be adequately filled by a disabled person, and will offer an interview to all disabled people who meet the minimum criteria for a role. If existing employees become disabled it is the Charity's policy, wherever practicable, to provide continuing employment under normal terms and conditions and to provide training and career development opportunities wherever appropriate.

Volunteers

The Charity recognises the immeasurable benefits that volunteers contribute to our services. Volunteers bring added value by enhancing the quality and variety of services we provide, giving their time, enthusiasm, additional skills, independence of outlook and a fresh perspective to design and delivery. Within the Charity's service delivery model there have been many activities undertaken by registered volunteers across our care homes and our community services including support roles within speech and language, physiotherapy, lunch clubs, activities, support services, befriending and fundraising and events. During the year ending 30 September 2025 443 (23/24: 166) volunteers delivered approximately 8,400 hours across our operations (23/24: approximately 9,000 hours).

Energy and Carbon Reporting

UK energy use and greenhouse gas emissions

The Charity recognises its responsibility to minimise its impact on the natural environment and continues its commitment to reduce its energy consumption and carbon emissions. We report our current UK based energy usage and associated annual Greenhouse Gas (GHG) emissions pursuant to the Companies (Director's Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (the 2018 Regulations) that came into force on 1 April 2019.

Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those within the UK only that come under the operational control boundary. Therefore, energy use and emissions are aligned with financial reporting for the Charity. There are no non-UK based subsidiaries that would not qualify under the 2018 Regulations in their own right.

Reporting period

The annual reporting period is 1 October through 30 September each year.

Base year

For the purposes of our reporting to the Environmental Agency under the Energy Savings Opportunity Scheme (ESOS) the baseline year used is the year ending 30 September 2022. In the event of significant changes to the company including structural changes or improvements in data accuracy, the baseline year will be recalculated to the greatest practical extent. The ESOS baseline year is not included in the annual report and financial statements, which present current-year and prior-year information in accordance with FRS 102.

Quantification and reporting method

This report was compiled using existing reporting mechanisms which provide a near continuous record of natural gas, electricity and transport data for company owned vehicles and business use by employee owned vehicles.

The 2019 Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed to ensure the Streamlined Carbon and Energy Reporting (SECR) requirements were met.

The data was converted using conversion factors provided by the Department of Business, Energy and Industrial Strategy at the start of the reporting period. Associated emissions comprised three parts: Scope 1 (operation of facilities), Scope 2 (purchased energy UK) and Scope 3 (indirect emissions produced as a consequence of company activities).

Some estimations of energy usage have been made when data has not been available from suppliers or prorated for shared use buildings.

GOVERNANCE

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)**Total gross energy consumed**

Breakdown of energy consumption used to calculate emissions:

| Type | kWh for year ending 30 Sep 2025 | kWh for year ending 30 Sep 2024 |
|--|------------------------------------|------------------------------------|
| Electricity consumed across owned/leased buildings | 2,222,829 | 2,446,124 |
| Gas consumed across owned/leased buildings | 5,626,809 | 5,909,299 |
| Total gross energy consumed | 7,849,638 | 8,355,423 |

Total gross emissions

Breakdown of emissions associated with the reported energy use:

| Type | tCO ₂ e for year ending 30 Sep 2025 | tCO ₂ e for year ending 30 Sep 2024 |
|------------------------------|---|---|
| Gas | 1,029 | 1,081 |
| Company owned vehicles | 40 | 29 |
| Scope 1 | 1,069 | 1,110 |
| Electricity | 427 | 506 |
| Scope 2 | 427 | 506 |
| Other indirect emissions | 519 | 584 |
| Scope 3 | 519 | 584 |
| Total gross emissions | 2,015 | 2,200 |

Intensity ratio

We have chosen to use gross tonnes of carbon dioxide equivalent emissions per care home resident. These metrics are chosen as they are the most readily available and complete data over the period and because this metric represents the most substantial part of the Charity's activities.

Total Tonnes of CO₂e generated decreased by 185 or 8% compared to the prior year (23/24 decrease of 174 or 7%, compared to the prior year). Tonnes of CO₂e per care home resident have decreased driven by a decrease in Scope 1, Scope 2 and Scope 3 emissions per care home resident.

| | year ending 30 Sep 2025 | year ending 30 Sep 2024 |
|---|-------------------------|-------------------------|
| Average number of care home residents | 212 | 210 |
| Tonnes of CO₂e per care home resident | 9.50 | 10.48 |

UK production of waste

The Charity's operations produced the following tonnes of waste during the period:

| Type | Tonnes for year ending 30 Sep 2025 | Tonnes for year ending 30 Sep 2024 (restated) |
|-----------------------------------|---------------------------------------|--|
| Waste to landfill | 362 | 322 |
| Waste recycled | 52 | 49 |
| Total gross waste produced | 414 | 371 |

Energy efficiency measures during current financial year

The Charity is compliant with all Energy Savings Opportunity Scheme (ESOS) regulations and is committed to reducing energy usage across the estate. We carry out regular energy audits which identify savings opportunities and also;

- continued to implement our ESOS action plan as submitted to the Environment Agency during December 2024
- ensure all potential suppliers comply with environmental and ethical procurement standards prior to contract award

We will continue to review how we work and endeavour to identify energy saving opportunities across our operations, leading to financial savings, waste reduction and lower greenhouse gas emissions.

Fundraising

The Charity could not fulfil its charity mission without the support of generous, thoughtful and committed donors, whom we value highly. We employ a range of approaches to raise money for Erskine's mission, whilst always respecting and protecting the interests of our supporters.

Fundraising on our behalf

As part of our Individual Giving activities professional fundraising representatives may be used for donor recruitment or telephone fundraising. As members of the Chartered Institute of Fundraising, all Charity fundraisers, whether employed by us, volunteers, or acting on behalf of the Charity adopt the Standards and Policy issued by the Fundraising Regulators and are bound by Erskine's "Protecting Vulnerability" policy.

Reference and Administrative Details

| | |
|---------------------------------------|---|
| Patron | His Royal Highness King Charles III |
| President | The Right Hon The Lord Provost of Glasgow |
| Chair | Mr Stuart Aitkenhead <small>BSc CEng FIMechE</small> |
| Trustees | As listed on page 17 |
| Chief Executive | Wing Commander Ian Cumming <small>MBE MA FCMJ</small> |
| Members of the Management team | As listed on page 20 |
| Company Secretary | Mr Gregor McKellar <small>BAcc(Hons) CA MST</small> |

| | |
|---------------------------|---|
| Registered office | The Erskine Home Erskine Veterans Village Bishopton Renfrewshire PA7 5PU Telephone: 0141 812 1100 Website: www.erskine.org.uk Email: enquiries@erskine.org.uk |
| External auditor | Azets Audit Services Titanium 1 King's Inch Place Renfrew PA4 8WF |
| Internal auditor | Henderson Loggie 100 West George Street Glasgow G2 1PP |
| Banker | Royal Bank of Scotland 1 Moncrieff Street Paisley PA3 2AW |
| Investment advisor | Mercer Limited 1 Tower Place West, Tower Place, London, EC3R 5BC |
| Solicitor | T C Young 7 West George Street Glasgow G2 1BA |

GOVERNANCE

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Our supporter promise

We communicate with our supporters in many ways, including appeal letters, telephone calls, raffles, TV advertising and online via our website and social media. We have a ‘Supporter promise’ to make sure that everyone we interact with feels respected and valued.

You can find out more information about our commitment to our donors at: www.erskine.org.uk/give-support/advice-for-donors/

We take safeguarding potentially vulnerable supporters seriously, and our “Protecting vulnerability” policy is informed by the Chartered Institute of Fundraising’s ‘Treating Donors Fairly Guidance’.

Fundraising regulation

We are committed to best practice fundraising and are registered with the Scottish Fundraising Adjudication Panel. We comply with the law as it applies to charities and fundraising and adhere to best practice as outlined in the Fundraising Code of Practice. The Charity is registered with the Office of the Scottish Charity Regulator (OSCR) and adheres to the legal requirements of Scottish Charity law in relation to fundraising.

We strive for best practice in fundraising and comply with all relevant statutory regulations, including the Charities and Trustee Investment Scotland Act 2005, the Charities (Protection and Social Investment) Act 2016, the Data Protection Act 2018 (incorporating “UK GDPR”) and the Privacy and Electronic Communications Regulations 2003.

Safeguarding and whistleblowing

Our safeguarding and whistleblowing procedures aim to:

- Protect our service users from abuse or health concerns from others or themselves.
- Address internal issues whereby a concern directly relates to our employees and/or volunteers.

In accordance with our whistleblowing policy the Charity has appointed a ‘freedom to speak up’ champion Trustee, who can be contacted confidentially via email at lyndsey.lauder@erskine.org.uk.

Our stakeholders are also able to raise concerns about our services via the Care Inspectorate. During the year ended 30 September 2025, we had no whistleblowing reports (23/24: none).

Safeguarding of residents and beneficiaries is a priority for us, and we operate monitoring and reporting procedures in accordance with the Adults with Incapacity (Scotland) Act 2000, the Adult Support and Protection (Scotland) Act 2007, and the Mental Health (Care and treatment) (Scotland) Act 2003. All issues which fall under any of these Acts are reported to and overseen by our Care and People Governance Committee.

Complaints, duty of candour and feedback

We are keen to hear from our beneficiaries and stakeholders if they believe there is something we did not get right, so we can learn and improve. Our fundraising, activities centre and care and wider complaints policies are available on our website.

During the year, we received three complaints related to our fundraising activities (23/24: one). Two of the complaints related to the receipt of unwanted fundraising communications, whilst the other related to a miscommunication regarding a regular gift. We took necessary steps to resolve and learn from these complaints.

In relation to our care, accommodation and community services, we received two complaints (23/24: nine), but we also received 70 written compliments (23/24: 54). One of the complaints related to medication provision, and was investigated but not upheld. The second concerned the Charity’s choice of flag displayed outside an EVAC centre. This was reviewed through our standard process, and while we acknowledged the individual’s perspective, the complaint was not upheld. We continue to have processes in place to identify service improvements and learning needs arising from all complaints received.

Our care home services comply with the Duty of Candour Procedure (Scotland) Regulations 2018. This legislation sets out how organisations should tell those affected that an unintended or unexpected incident appears to have caused harm or death. There was one (23/24: two) Duty of Candour reportable incidents across our two homes during the period. Following thorough investigation, learning from this was shared across both Homes. The appropriate reporting to the Care Inspectorate was carried out and information published on our public noticeboards.

Disclosure of Information to the Auditor

To the knowledge and belief of each of the persons who are Trustees at the time the report is approved:

- So far as the Trustee is aware, there is no relevant audit information of which the charitable company’s auditor is unaware; and
- They have taken all steps that they ought to have taken as Trustee in order to make themselves aware of any relevant information, and to establish that the charitable company’s auditor is aware of the information.

The Board of Trustees’ Report (incorporating the Strategic Report) was approved by the Board of Trustees on 19 March 2026 and signed on its behalf by:



Mr Stuart Aitkenhead BSc CEng FIMechE
Chairman of the Board of Trustees
Approved on 19 March 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES

Opinion

We have audited the financial statements of Erskine Veterans Charity (the 'charitable company') for the year ended 30 September 2025 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2025 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

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, except to the extent otherwise explicitly stated in our report, 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.

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Board of Trustees' Report, which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Board of Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Board of Trustees' Report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 19, the trustees (who are also directors of the charitable company for the purpose of company law and trustees for the purpose of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts 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 is available on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 and on the FRC's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the charitable company, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the charitable company is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the charitable company that were contrary to applicable laws and regulations, including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge and experience of the sector;

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and taxation, data protection, anti-bribery, environmental, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, regulators and the charitable company's legal advisors.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in these financial statements were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. 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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the charitable company's members, as a body, and the charitable company's trustees, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members, as a body, and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

23 March 2026

Allison Gibson

Senior Statutory Auditor

**For and on behalf of Azets Audit Services, Statutory Auditor
Chartered Accountants**

Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Titanium 1
King's Inch Place
Renfrew
PA4 8WF

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating Income
& Expenditure Account)
for the year ended
30 September 2025

| | Note | All other activities Unrestricted funds 24/25 £'000 | Discontinued Erskine Park Home Unrestricted funds 24/25 £'000 | Restricted funds 24/25 £'000 | Total 24/25 £'000 | Total 23/24 £'000 |
|---|-----------|--|---|---------------------------------------|-------------------------|-------------------------|
| Donations and legacies | 5 | 10,450 | - | 682 | 11,132 | 11,558 |
| Charitable activities | 6 | 14,673 | - | - | 14,673 | 13,429 |
| Investment income | 7 | 1,573 | - | - | 1,573 | 2,191 |
| Other income | | 61 | - | - | 61 | 186 |
| Income and endowments | | 26,757 | - | 682 | 27,439 | 27,364 |
| Raising funds | 8 | (3,947) | - | - | (3,947) | (3,655) |
| Charitable activities | 9 | (24,426) | - | (555) | (24,981) | (23,845) |
| Charitable activities – impairment loss | 9 | - | - | - | - | (743) |
| Investment management costs | | (282) | - | - | (282) | (281) |
| Expenditure | | (28,655) | - | (555) | (29,210) | (28,524) |
| Net (expenditure)/income prior to gains on investments | | (1,898) | - | 127 | (1,771) | (1,160) |
| Realised investment gain | | 1,185 | - | - | 1,185 | 2,324 |
| Unrealised investment gains | | 1,190 | - | - | 1,190 | 1,034 |
| Gains on investments | 14 | 2,375 | - | - | 2,375 | 3,358 |
| Net income for the year | | 477 | - | 127 | 604 | 2,198 |
| Transfers between funds | 20 | 12 | - | (12) | - | - |
| Net movement in funds | 12 | 489 | - | 115 | 604 | 2,198 |
| Total funds brought forward | 20 | 76,055 | - | 569 | 76,624 | 74,426 |
| Total funds carried forward | 20 | 76,544 | - | 684 | 77,228 | 76,624 |

Note: The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 31 to 52 form part of these financial statements

FINANCIAL STATEMENTS

BALANCE SHEET

as at 30 September 2025

| | Note | 2025 £'000 | 2024 £'000 |
|---|-----------|----------------|----------------|
| Tangible assets | 13 | 26,814 | 27,210 |
| Investments | 14 | 48,089 | 45,813 |
| Fixed assets | | 74,903 | 73,023 |
| Debtors | 15 | 3,180 | 3,547 |
| Cash and cash equivalents | | 1,521 | 2,378 |
| Current assets | | 4,701 | 5,925 |
| Creditors: amounts falling due within one year | 16 | (1,150) | (1,098) |
| Current liabilities | | (1,150) | (1,098) |
| Net current assets | | 3,551 | 4,827 |
| Provision for liabilities | 18 | (1,226) | (1,226) |
| Non current liabilities | | (1,226) | (1,226) |
| Net assets | | 77,228 | 76,624 |
| Funds | | | |
| Donations | 20 | 684 | 569 |
| Restricted funds | | 684 | 569 |
| Designated funds | 20 | 28,827 | 23,615 |
| Fixed asset fund | 20 | 28,664 | 29,060 |
| Other charitable funds | 20 | 19,053 | 23,380 |
| Unrestricted funds | | 76,544 | 76,055 |
| Total funds carried forward | 20 | 77,228 | 76,624 |

The financial statements have been authorised for issue by the Board of Trustees on 19 March 2026 and are signed on their behalf by:



Mr Stuart Aitkenhead BSc CEng FIMechE
Chairman of the Board of Trustees

Scottish Charity No: SC006609
Company No: SC174103

The notes on pages 31 to 52 form part of these financial statements

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS

for the year to 30 September 2025

| | Note | 24/25 £'000 | 23/24 £'000 |
|--|------|----------------|----------------|
| Cash flows from operating activities | | | |
| Net cash used in operating activities | 21 | (1,385) | (1,559) |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (954) | (972) |
| Proceeds from disposal of tangible fixed assets | | - | 17 |
| Purchase of investments | | (29,303) | (24,841) |
| Proceeds from disposal of investments | | 29,402 | 25,521 |
| Dividends received | | 1,383 | 2,000 |
| Net cash provided by investing activities | | 528 | 1,725 |
| (Decrease) / increase in cash and cash equivalents in the year | | (857) | 166 |
| Cash and cash equivalents at 1 October | | 2,378 | 2,212 |
| Cash and cash equivalents at 30 September | | 1,521 | 2,378 |

The notes on pages 31 to 52 form part of these financial statements



FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS

for the year ended 30 September 2025

1 General information

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charitable company's transactions are denominated. They comprise the financial statements of the charitable company.

The principal activities and legal status of the Charity are set out in the trustees' report.

2 Principal accounting policies

The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to all the years presented in dealing with items which are considered material in relation to the charitable company's financial statements unless otherwise stated.

Basis of accounting

The financial statements are prepared under the historical cost convention, modified to include investment properties and fixed asset investments at fair value in accordance with United Kingdom Accounting Standards, including the Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102") (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice (SORP)

'Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)', the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Ersuline Veterans Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires trustees to exercise their judgement in the process of applying the accounting policies (see note 3).

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS (CONTINUED)

2 Principal accounting policies (continued)

Going concern

The trustees of the charity have assessed whether the use of the going concern assumption is appropriate in preparing these accounts and have made this assessment in respect to a period of one year from the date of their approval.

The trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed within note 3 to the financial statements. With regard to the next accounting period, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the 'Investment policy' and the risk management sections of the 'trustees' report' for more information) and the ability of the Charity to address the shortfall in fundraised income against the current service scale and design.

The trustees have considered several factors in concluding that the adoption of the going concern basis in the preparation of these financial statements is appropriate. These have included:

- Existing reserves
- Future fundraising plans
- Ongoing long term financial planning activities
- Cash management and working capital controls in place to manage the potential risks of late payments by funders and ensure restricted and unrestricted assets and reserves are appropriately managed.

After making this assessment, the trustees are confident the organisation has adequate resources to operate for the foreseeable future and can adopt the going concern basis in preparing its financial statements.

Consolidation

These financial statements are for the charitable company only. The result and Balance Sheet of the subsidiary undertaking, Erskine Hospital Limited (formerly "Erskine Developments Limited"), has not been consolidated on the basis that it is a dormant entity. Erskine Veterans Charity presents information about it as an individual undertaking and not in respect of the group.

Income recognition

All income is included in the Statement of Financial Activities when the charitable company is entitled to the income, it is probable that the income will be received and the amount can be measured reliably. The following specific policies are applied to particular categories of income:

Donation income is received by way of grants and donations and is included in full in the Statement of Financial Activities when the charitable company becomes entitled to the funds, it is probable that the income will be received and the amount can be measured reliably.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Entitlement to a legacy is taken as the earlier of the date on which either: the charity is aware that confirmation has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of confirmation, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Earned service income and trading income is recognised to the extent that it is probable that the economic benefits will flow to the charity and the revenue can be measured reliably. It is measured at fair value, being the amount invoiced and considered receivable, excluding any discounts or rebates.

Dividend income is recognised when dividends are declared and the stock becomes ex-dividend.

Other income is recognised when the charitable company is entitled to the income and the amount can be measured reliably.

Capital grants

Capital expenditure has been and will be incurred on fixed assets and may be eligible for grant assistance. Where this is the case, grants are credited to restricted funds. Once the restriction has been satisfied, the balance is reallocated to the fixed asset fund. The relevant depreciation charge is debited to this fund.

Capital grants are recognised when the charitable company is entitled to the grant, it is probable that the income will be received and the amount can be measured reliably.

2 Principal accounting policies (continued)

Expenditure recognition

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes irrecoverable VAT.

- raising funds costs comprise the costs associated with generating voluntary income.
- charitable expenditure comprises those costs incurred by the charitable company in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- other expenditure comprises those costs incurred by the charitable company that are not related to its activities.
- governance costs comprise those costs associated with meeting the constitutional and statutory requirements of the charitable company and include the audit fees and costs linked to the strategic management of the charitable company.
- support costs are allocated between Charitable activities and raising funds in accordance with the basis set out in note 9f.

Pensions

Erskine Veterans Charity is the sole sponsoring employer of a defined benefit pension scheme which was closed to new entrants on 15 August 2001. Movements in the overall position of the defined benefit pension scheme are included in the Statement of Financial Activities. The defined benefit pension scheme was closed to future accrual on 1 August 2010.

Contributions in respect of Erskine's defined contribution scheme are charged in the Statement of Financial Activities as they become payable in accordance with the Scheme Rules.

The assets of both of the pension Schemes are held separately from those of the charity in independently administered funds.

Any scheme surpluses are only recognisable on the Balance Sheet to the extent that the Charity can recover the surplus through reduced contributions in the future or through refunds from the Scheme.

Redundancy costs

Redundancy costs are amounts payable to end an individual's employment and are charged on an accruals basis to the Statement of Financial Activities when the charity is demonstrably committed to this course of action.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to expenditure on a straight line basis over the period of the lease.

Operating lease income is recognised in income on a straight line basis over the period of the lease.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fixed assets

The premises and equipment transferred to the charitable company on its incorporation were not capitalised in the Balance Sheet and any proceeds from the sale of land or buildings will be shown as a gain on disposal. No value is included in the financial statements in respect of the land owned by the charitable company. On the initial construction of a new building all items are capitalised and then any subsequent repairs and replacements are written off to expenditure except for major alterations. The purchase of motor vehicles is treated as a capital item.

Other assets are included at cost and are being depreciated over the following periods in the table below.

Impairment of fixed assets

Fixed assets are subject to review for impairment when there is an indication of a reduction in their carrying value. Any impairment is recognised in the year in which it occurs.

Fixed assets

| | |
|---|-------------|
| Buildings | 33-60 years |
| Equipment, Furnishings, Machinery & Plant | 2-12 years |
| Motor Vehicles | 4 years |

Depreciation charges commence in the month in which assets are brought into use.

In respect of assets in the course of construction no depreciation is charged until the assets are brought into use.

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS (CONTINUED)

2 Principal accounting policies (continued)

Investments and investment property

Listed investments and investment properties are included in the Balance Sheet at mid-market value and fair value respectively. The fair value of investment property is determined annually using a RICS valuation. Gains and losses are recognised in the Statement of Financial Activities in the year in which they arise.

Investments in subsidiary undertakings are included at cost less accumulated impairment.

Financial instruments

The charitable company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors. Debt instruments that are payable or receivable within one year are measured, initially and subsequently, at the undiscounted amount of the cash expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

Investments are measured at fair value with the changes being recognised in the Statement of Financial Activities.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Cash and cash equivalents

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

Creditors

Short term trade creditors are measured at the transaction price.

Provision for liabilities

A provision is created when there is uncertainty surrounding the timing and amount of settlement of a liability. The provision will become binding when the uncertainty is removed.

Funds

Unrestricted funds are expendable at the discretion of the Trustees in the furtherance of the charitable company's objectives. Within unrestricted funds, the Trustees have earmarked funds for certain projects as designated funds, and the fixed asset fund represents the net book value of fixed assets and has been set aside to demonstrate that these assets are illiquid and are not available as free reserves.

Restricted funds have specific terms or conditions which have to be satisfied and these funds remain restricted until all the related conditions have been satisfied.

3 Judgements in applying policies and key sources of estimation uncertainty

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates that affect the reported values of assets, liabilities, income and expenses.

Significant areas of estimation and judgement include:

- The timing of legacy revenue recognition
- The timing of restricted income recognition
- The selection of discount rates for the defined benefit pension scheme
- The provision for the repayment of restricted grant income
- The valuation of investment and vacant properties
- The useful economic life of tangible fixed assets
- The allocation of Marketing and communication support costs between Charitable activities and Raising funds

4 Comparative Statement of Financial Activities (Incorporating Income & Expenditure Account)

| | Unrestricted funds 23/24 £'000 | Discontinued Erskine Park Home Unrestricted funds 23/24 £'000 | Restricted funds 23/24 £'000 | Total 23/24 £'000 |
|--|--------------------------------------|---|------------------------------------|-------------------------|
| Income and Endowments | | | | |
| Donations and legacies | 11,025 | - | 533 | 11,558 |
| Charitable activities | 12,742 | 687 | - | 13,429 |
| Investment income | 2,191 | - | - | 2,191 |
| Other income | 186 | - | - | 186 |
| Total income and endowments | 26,144 | 687 | 533 | 27,364 |
| Expenditure | | | | |
| Raising funds | (3,655) | - | - | (3,655) |
| Charitable activities | (21,658) | (1,945) | (242) | (23,845) |
| Charitable activities - impairment loss | - | (743) | - | (743) |
| Investment management costs | (281) | - | - | (281) |
| Total expenditure | (25,594) | (2,688) | (242) | (28,524) |
| Net (expenditure)/income prior to gains/(losses) on investments | 550 | (2,001) | 291 | (1,160) |
| Gains/(losses) on investments | | | | |
| Realised investment gains/(loss) | 2,324 | - | - | 2,324 |
| Unrealised investment gains/(loss) | 1,034 | - | - | 1,034 |
| Total gains/(losses) on investments | 3,358 | - | - | 3,358 |
| Net (expenditure)/income for the year | 3,908 | (2,001) | 291 | 2,198 |
| Transfers between funds | (1,748) | 2,001 | (253) | - |
| Net movement in funds | 2,160 | - | 38 | 2,198 |

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS (CONTINUED)

5 Donations and Legacies

| | Unrestricted funds 24/25 £'000 | Restricted funds 24/25 £'000 | Total 24/25 £'000 | Unrestricted funds 23/24 £'000 | Restricted funds 23/24 £'000 | Total 23/24 £'000 |
|-----------|--------------------------------------|------------------------------------|-------------------------|--------------------------------------|------------------------------------|-------------------------|
| Legacies | 5,154 | - | 5,154 | 5,834 | - | 5,834 |
| Donations | 5,296 | 682 | 5,978 | 5,191 | 533 | 5,724 |
| | 10,450 | 682 | 11,132 | 11,025 | 533 | 11,558 |

6 Charitable Activities Income

| | Total 24/25 £'000 | Total 23/24 £'000 |
|---|-------------------------|-------------------------|
| Care home fees and miscellaneous income | 14,673 | 13,429 |
| | 14,673 | 13,429 |

All charitable activities income received in 24/25 and 23/24 was unrestricted.

7 Investment Income

| | Total 24/25 £'000 | Total 23/24 £'000 |
|---------------|-------------------------|-------------------------|
| Dividends | 1,383 | 2,000 |
| Rental income | 190 | 191 |
| | 1,573 | 2,191 |

All investment income received in 24/25 and 23/24 was unrestricted.

At 30 September the charitable company had minimum lease receipts due under non-cancellable operating leases as follows:

| | Total 24/25 £'000 | Total 23/24 £'000 |
|---|-------------------------|-------------------------|
| Not later than one year | 190 | 231 |
| Later than one year and not later than five years | 545 | 545 |
| Later than five years | 1,239 | 1,376 |
| | 1,974 | 2,152 |

8 Raising funds expenditure

| | Total 24/25 £'000 | Total 23/24 £'000 |
|-------------------------|-------------------------|-------------------------|
| Direct personnel costs | (1,085) | (954) |
| Other direct costs | (672) | (646) |
| Donor development costs | (1,515) | (1,413) |
| Support costs | (675) | (642) |
| | (3,947) | (3,655) |

All raising funds expenditure incurred in 24/25 and 23/24 is unrestricted.

9 Charitable activities expenditure

9a Total charitable activities expenditure

| | Unrestricted funds 24/25 £'000 | Restricted funds 24/25 £'000 | Total 24/25 £'000 | Unrestricted funds 23/24 £'000 | Restricted funds 23/24 £'000 | Total 23/24 £'000 |
|---------------------------------|---|---------------------------------------|-------------------------|---|---------------------------------------|-------------------------|
| Direct personnel costs | (14,723) | (495) | (15,218) | (14,376) | (99) | (14,475) |
| Other direct costs | (6,837) | (60) | (6,897) | (6,477) | (143) | (6,620) |
| Other direct costs – Impairment | - | - | - | (743) | - | (743) |
| Support costs | (2,866) | - | (2,866) | (2,750) | - | (2,750) |
| | (24,426) | (555) | (24,981) | (24,346) | (242) | (24,588) |

9b Care charitable activities expenditure

| | Unrestricted funds 24/25 £'000 | Restricted funds 24/25 £'000 | Total 24/25 £'000 | Unrestricted funds 23/24 £'000 | Restricted funds 23/24 £'000 | Total 23/24 £'000 |
|---------------------------------|---|---------------------------------------|-------------------------|---|---------------------------------------|-------------------------|
| Direct personnel costs | (13,687) | (240) | (13,927) | (13,520) | (20) | (13,540) |
| Other direct costs | (5,887) | (60) | (5,947) | (5,454) | (70) | (5,524) |
| Other direct costs – Impairment | - | - | - | (743) | - | (743) |
| Support costs | (2,521) | - | (2,521) | (2,429) | - | (2,429) |
| | (22,095) | (300) | (22,395) | (22,146) | (90) | (22,236) |

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS (CONTINUED)

9c Accommodation
charitable activities
expenditure

| | Unrestricted funds 24/25 £'000 | Restricted funds 24/25 £'000 | Total 24/25 £'000 | Unrestricted funds 23/24 £'000 | Restricted funds 23/24 £'000 | Total 23/24 £'000 |
|------------------------|---|---------------------------------------|-------------------------|---|---------------------------------------|-------------------------|
| Direct personnel costs | (600) | (7) | (607) | (568) | (1) | (569) |
| Other direct costs | (437) | - | (437) | (709) | (4) | (713) |
| Support costs | (141) | - | (141) | (130) | - | (130) |
| | (1,178) | (7) | (1,185) | (1,407) | (5) | (1,412) |

9d Community
charitable activities
expenditure

| | Unrestricted funds 24/25 £'000 | Restricted funds 24/25 £'000 | Total 24/25 £'000 | Unrestricted funds 23/24 £'000 | Restricted funds 23/24 £'000 | Total 23/24 £'000 |
|------------------------|---|---------------------------------------|-------------------------|---|---------------------------------------|-------------------------|
| Direct personnel costs | (436) | (248) | (684) | (288) | (78) | (366) |
| Other direct costs | (513) | - | (513) | (314) | (69) | (383) |
| Support costs | (204) | - | (204) | (191) | - | (191) |
| | (1,153) | (248) | (1,401) | (793) | (147) | (940) |

9e Allocation of support
costs 24/25

| | Care 24/25 £'000 | Accommodation 24/25 £'000 | Community 24/25 £'000 | Charitable activities expenditure (subtotal) 24/25 £'000 | Raising funds 24/25 £'000 | Total 24/25 £'000 |
|------------------------------|------------------------|---------------------------------|-----------------------------|---|------------------------------------|-------------------------|
| Finance | (427) | (27) | (28) | (495) | (111) | (593) |
| Human resources | (867) | (44) | (40) | (951) | (62) | (1,013) |
| Information technology | (536) | (7) | (69) | (612) | (119) | (731) |
| Executive | (415) | (21) | (19) | (455) | (30) | (485) |
| Marketing and communications | (197) | (38) | (41) | (276) | (338) | (614) |
| Governance costs | (79) | (4) | (7) | (77) | (15) | (105) |
| | (2,521) | (141) | (204) | (2,866) | (675) | (3,541) |

9e Allocation of support costs 23/24

| | Care 23/24 £'000 | Accommodation 23/24 £'000 | Community 23/24 £'000 | Charitable activities expenditure (subtotal) 23/24 £'000 | Raising funds 23/24 £'000 | Total 23/24 £'000 |
|------------------------------|------------------------|---------------------------------|-----------------------------|---|------------------------------------|-------------------------|
| Finance | (354) | (24) | (35) | (413) | (76) | (489) |
| Human resources | (779) | (38) | (25) | (842) | (55) | (897) |
| Information technology | (632) | (7) | (71) | (710) | (125) | (835) |
| Executive | (395) | (19) | (13) | (427) | (29) | (456) |
| Marketing and communications | (200) | (38) | (41) | (279) | (344) | (623) |
| Governance costs | (69) | (4) | (6) | (79) | (13) | (92) |
| Support costs | (2,429) | (130) | (191) | (2,750) | (642) | (3,392) |

9f Basis of allocation of support costs

| Indirect function | Basis of allocation |
|------------------------------|--|
| Finance | Revenue plus expenses |
| Human resources | Whole time equivalents |
| Information technology | Number of information technology devices |
| Executive | Whole time equivalents |
| Marketing and communications | Proportion relating to Charitable activities |
| Governance costs | Revenue plus expenses |

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS (CONTINUED)

10 Governance costs

| | Total 24/25 £'000 | Total 23/24 £'000 |
|--|-------------------------|-------------------------|
| Company secretary costs | - | (22) |
| External auditor – audit of Charity accounts | (43) | (41) |
| External auditor - other services | (40) | (11) |
| Internal audit | (22) | (18) |
| | (105) | (92) |

Company secretary costs disclosed above reduced to nil during 24/25 (23/24: £22k) as this function was brought in house, instead of being provided by a third party.

11 Staff costs

| | Total 24/25 £'000 | Total 23/24 £'000 |
|---|-------------------------|-------------------------|
| Wages and salaries | (14,387) | (13,987) |
| Social security costs | (1,388) | (1,137) |
| Pension scheme costs - defined contribution | (1,865) | (1,771) |
| | (17,640) | (16,895) |

Included within wages and salaries above are:

- Agency costs of £743k (23/24 - £818k)
- Nil redundancy costs (23/24 - Nil)

These costs and the analysis below include full-time, part-time and agency staff.

The number of employees who earned between the amounts stated below (including taxable benefits but excluding employer pension and national insurance contributions) during the year were:

| | 24/25 No. | 23/24 No. |
|---------------------|--------------|--------------|
| £60,000 - £69,999 | 3 | 1 |
| £70,000 - £79,999 | - | - |
| £80,000 - £89,999 | 3 | 4 |
| £90,000 - £99,999 | 2 | 1 |
| £100,000 - £109,999 | - | 1 |
| £110,000 - £119,999 | 1 | - |

| | Total 24/25 £'000 | Total 23/24 £'000 |
|---|-------------------------|-------------------------|
| The pension contributions for the above employees were: | (140) | (111) |

Nine employees (23/24 - seven employees) with salary and taxable benefits over £60,000 were members of the defined contribution pension scheme.

11 Staff costs (continued)

The average number of employees analysed by function was:

| | 24/25 No. | 23/24 No. |
|--|--------------|--------------|
| Care | 350 | 354 |
| Accommodation | 8 | 7 |
| Community | 17 | 7 |
| Facilities management and support services | 144 | 147 |
| Fundraising, marketing and communications | 26 | 26 |
| Support (Executive, Human Resources, Finance and Information technology) | 30 | 29 |
| | 575 | 570 |

Key management personnel

Key management personnel comprises the Board of Trustees and the Executive Management Team including the Chief Executive Officer (23/24 - Board of Trustees and the Executive Management Team including the Chief Executive Officer).

No Trustees received remuneration in respect of duties performed (23/24 - £nil). Travel expenses of £200 in total were paid to two Trustees in the year (23/24 - one Trustee, £213).

Key management personnel received remuneration of £555,476 (23/24- £542,824), social security costs were £73,046 (23/24 - £67,337) and pension contributions were £102,833 (23/24 - £100,839).

12 Net movement in funds

Net movement in funds is stated after (charging)/crediting:

| | 24/25 £'000 | 23/24 £'000 |
|--|----------------|----------------|
| Depreciation | (1,350) | (1,448) |
| Impairment | - | (743) |
| (Loss) / gain on disposal of tangible fixed assets | - | (64) |
| Operating lease rentals | (33) | (20) |

The impairment charge for the year ending 30 September 2024 related to the Erskine Park Home building. The building was independently valued as of the 2024 and 2025 year ends by Alastair J. Buchanan, MRICS, of J & E Shepherd Chartered Surveyors and recorded at its fair value as of the year end. The building was vacant as of the 2024 and 2025 year end.

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS (CONTINUED)**13 Tangible fixed assets**

| | Freehold buildings £'000 | Assets under construction £'000 | Motor vehicles £'000 | Equipment furnishings, machinery & plant £'000 | Total £'000 |
|------------------------------------|--------------------------------|---------------------------------------|----------------------------|--|----------------|
| Cost | | | | | |
| At 1 October 2024 | 50,826 | 698 | 583 | 4,596 | 56,703 |
| Additions | - | 571 | 170 | 213 | 954 |
| Transfers | 1,254 | (1,254) | - | - | - |
| At 30 September 2025 | 52,080 | 15 | 753 | 4,809 | 57,657 |
| Depreciation and impairment | | | | | |
| At 1 October 2024 | (25,615) | (6) | (445) | (3,427) | (29,493) |
| Depreciation | (989) | - | (69) | (292) | (1,350) |
| Transfers | (6) | 6 | - | - | - |
| At 30 September 2025 | (26,610) | - | (514) | (3,719) | (30,843) |
| Net book value | | | | | |
| 30 September 2025 | 25,470 | 15 | 239 | 1,090 | 26,814 |
| 30 September 2024 | 25,211 | 692 | 138 | 1,169 | 27,210 |

14 Fixed asset investments

| | Subsidiary undertakings £'000 | Listed investments £'000 | Investment property £'000 | Total £'000 |
|--|----------------------------------|-----------------------------|------------------------------|----------------|
| Market value at 1 October 2024 | 1 | 43,962 | 1,850 | 45,813 |
| Additions | - | 29,303 | - | 29,303 |
| Disposals | - | (28,217) | - | (28,217) |
| Movement in market value | - | 1,190 | - | 1,190 |
| Market value at 30 September 2025 | 1 | 46,238 | 1,850 | 48,089 |

Investment in subsidiary undertaking

The result and Balance Sheet of the subsidiary undertaking is listed below. Erskine Hospital Limited (formerly Erskine Developments Limited) is wholly owned by the Charity and has not been consolidated on the basis that it is a dormant entity. Erskine Hospital Limited's registered office is The Erskine Home, Erskine Veterans Village, Bishopton, Renfrewshire, PA7 5PU.

The share capital and reserves of the subsidiary undertaking not consolidated, taken from the latest set of accounts, are as follows.

| | Share capital & reserves £'000 | Country of incorporation | Result for the year £'000 | Principal activity |
|---|-----------------------------------|--------------------------|------------------------------|--------------------|
| Erskine Hospital Limited * (as at 30 September 2025) | 1 | Scotland | - | Development |

* 100% of voting rights and ordinary shares held by the company.

Listed investments

All listed investments were dealt in recognised stock exchanges and comprised the following:

| | 30 Sep 25 | 30 Sep 24 |
|--------------|---------------|---------------|
| Equities | 13,817 | 16,038 |
| Fixed income | 24,141 | 22,489 |
| Diversifiers | 8,280 | 5,435 |
| | 46,238 | 43,962 |

Investment property

The Garden Centre and Factory, both located within the Erskine Veterans Village and let to Caulders and Scotland's Bravest Manufacturing Company respectively, were independently valued as at 30 September 2025 by Alastair J. Buchanan, MRICS, of J & E Shepherd Chartered Surveyors.

The fair value of the Investment properties is based on active market prices, adjusted, if necessary, for differences in the nature, location or condition of the specific asset. The Fair value of investment properties reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions.

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS (CONTINUED)

15 Debtors

| | 2025 £'000 | 2024 £'000 |
|--------------------------------|---------------|---------------|
| Trade debtors | 624 | 484 |
| Other debtors | 72 | 62 |
| Prepayments and accrued income | 2,484 | 3,001 |
| | 3,180 | 3,547 |

Trade debtors are shown net of the bad debt provision of £204,144 (2024 - £151,404). Movements in the bad debt provision are included within support costs.

16 Creditors: amounts falling due within one year

| | 2025 £'000 | 2024 £'000 |
|-------------------------------------|---------------|---------------|
| Trade creditors | (822) | (668) |
| Other taxes & social security costs | (13) | (13) |
| Other creditors | (315) | (417) |
| | (1,150) | (1,098) |

Included within other creditors is pension contributions of £149,360 (2024 - £148,843) outstanding at the year end.

17 Financial instruments

| | 2025 £'000 | 2024 £'000 |
|--|---------------|---------------|
| Financial assets | | |
| Financial assets measured at fair value | 46,238 | 43,962 |

Financial assets measured at fair value comprise other investments.

18 Provision for liabilities

| | 2025 £'000 | 2024 £'000 |
|----------------------|---------------|---------------|
| Repayment of funding | (1,226) | (1,226) |

Prior to 2012, funding was received to set up social firm operations. Some of these activities were discontinued in 2012 and accordingly, a provision was created for the potential repayment of this funding. The provision for liabilities is secured over the buildings for which the grant income was received. One building related to this funding, was sold and the Charity repaid £192k of the original funding during 2018. There is uncertainty surrounding the liability, timing and amount of any remaining settlement.

19 Pension commitments

The Charity is the sole sponsoring employer of a pension scheme providing benefits based on revalued average pensionable salary. The scheme is funded by the payment of contributions to a separately administered pension fund. The scheme was closed to new entrants on 15 August 2001, and closed to future accrual on 1 August 2010. The contributions to the scheme are determined with the advice of an independent qualified actuary on the basis of a triennial valuation using the defined accrued benefit method. The liabilities in respect of the Scheme at 30 September 2025 have been calculated using the "projected unit method" and by rolling forward the results of the 5 April 2024 triennial valuation. In May 2014, the defined benefit pension scheme purchased a group annuity policy to match the liabilities within the scheme. The Charity is not currently required to make any payments to the scheme.

The major financial assumptions used by the actuary were:

| | At 30 September 2025 | At 30 September 2024 |
|---|---|---|
| Rate of future salary increases | 3.75% | 3.90% |
| Rate of increase of pensions in payment | 1.95% | 1.95% |
| Rate of increase of deferred pensions | 2.90% | 3.00% |
| Discount rate | 5.70% | 5.00% |
| Inflation assumption | 3.25% | 3.40% |
| Mortality tables | SAPS tables, year of birth, CMI 2024 long term improvements of 1% with a smoothing parameter of 7.0 | SAPS tables +1 year age rating, year of birth, CMI 2023 long term improvements of 1.00% with a smoothing parameter of 7.0 |

The mortality assumptions adopted imply the following life expectancies from age 65:

| | 24/25 | 23/24 |
|--------------------------|------------|------------|
| Male currently aged 45 | 22.2 years | 21.0 years |
| Male currently aged 65 | 21.3 years | 20.1 years |
| Female currently aged 45 | 24.7 years | 23.8 years |
| Female currently aged 65 | 23.5 years | 22.6 years |

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS (CONTINUED)**19 Pension commitments** (continued)

The following amounts are recognised in the Balance Sheet:

The assets in the Scheme were:

| | Value at 30 Sep 25 £'000 | % of Scheme assets | Value at 30 Sep 24 £'000 | % of Scheme assets |
|--|--------------------------------|--------------------------|--------------------------------|--------------------------|
| Absolute return bonds | 6,387 | 35.20% | 6,307 | 32.28% |
| Corporate bonds | 1,000 | 5.51% | 1,009 | 5.17% |
| Annuity policy | 6,910 | 38.08% | 7,455 | 38.17% |
| Cash | 152 | 0.84% | 175 | 0.90% |
| Liability Driven Investments | 3,695 | 20.37% | 4,587 | 23.48% |
| Fair value of scheme assets | 18,144 | | 19,533 | |
| Present value of funded liabilities | (15,120) | | (16,288) | |
| Unrecognised surplus | (3,024) | | (3,245) | |
| Deficit in scheme | - | | - | |

Movements in the fair value of scheme assets are as follows:

| | 24/25 £'000 | 23/24 £'000 |
|--|----------------|----------------|
| Opening fair value of scheme assets | 19,533 | 19,113 |
| Finance income | 947 | 1,012 |
| Actuarial (losses)/gains | (1,127) | 487 |
| Benefits paid | (982) | (952) |
| Expenses paid | (227) | (127) |
| Closing fair value of scheme assets | 18,144 | 19,533 |

Movements in the present value of the scheme liabilities are as follows:

| | 24/25 £'000 | 23/24 £'000 |
|--|-----------------|-----------------|
| Opening defined benefit liability | (16,288) | (15,893) |
| Past service costs | - | - |
| Interest cost | (790) | (841) |
| Actuarial gains/(losses) | 976 | (506) |
| Benefits paid | 982 | 952 |
| Closing defined benefit liability | (15,120) | (16,288) |

19 Pension commitments (continued)

| History of experience gains/(losses) | 24/25 £'000 | 23/24 £'000 | 22/23 £'000 | 21/22 £'000 | 20/21 £'000 |
|--|----------------|----------------|----------------|----------------|----------------|
| Scheme assets | 18,144 | 19,533 | 19,113 | 21,848 | 30,051 |
| Defined benefit liability | (15,120) | (16,288) | (15,893) | (17,535) | (28,025) |
| Surplus in Scheme | 3,024 | 3,245 | 3,220 | 4,313 | 2,026 |
| Experience adjustments on scheme assets | (1,127) | 487 | (2,520) | (7,101) | 778 |
| Experience adjustments on scheme liabilities | - | - | - | - | - |

The following are recognised in the Statement of Financial Activities

| | 24/25 £'000 | 23/24 £'000 |
|---|----------------|----------------|
| Analysis of net return on pension scheme: | | |
| Finance income | 947 | 1,012 |
| Interest cost | (790) | (841) |
| Adjustment in respect of irrecoverable surplus | (157) | (171) |
| Net income | - | - |
| Analysis of employer costs: | | |
| Past service costs | - | - |
| Administrative expenses | (227) | (127) |
| Adjustment in respect of irrecoverable surplus | 227 | 127 |
| Past service costs to be recognised | - | - |
| Analysis of actuarial gain: | | |
| Actual return less expected return on pension scheme assets | (1,127) | 487 |
| Changes in assumptions | 976 | (506) |
| Adjustment in respect of irrecoverable surplus | 151 | 19 |
| Actuarial gain to be recognised | - | - |

The cumulative amount of actuarial losses taken to the statement of financial activities since the deficit was incorporated into the financial statements is £10,383k (23/24 £10,383k).

Movement in deficit during the year

| | 24/25 £'000 | 23/24 £'000 |
|---|----------------|----------------|
| Deficit in scheme at the beginning of the year | - | - |
| Movement in the year: | | |
| Net return on pension scheme | - | - |
| Past service costs | - | - |
| Actuarial gain | - | - |
| Deficit in scheme at the end of the year | - | - |

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS (CONTINUED)

20 Funds
2025

| | As at 1 October 2024 £'000 | Income and endowments £'000 | Expenditure £'000 | Investment Gains/ (Losses) £'000 | Transfers/ reallocations £'000 | As at 30 September 2025 £'000 |
|------------------------------------|-------------------------------------|-----------------------------------|----------------------|---|--------------------------------------|--|
| Restricted funds: | | | | | | |
| Donations | 569 | 682 | (555) | - | (12) | 684 |
| Total restricted funds | 569 | 682 | (555) | - | (12) | 684 |
| Unrestricted funds: | | | | | | |
| Service growth | 12,408 | - | (1,198) | - | 1,297 | 12,507 |
| Care home access | - | - | - | - | 1,500 | 1,500 |
| Capital expenditure and lifecycle | 5,318 | - | (833) | - | 5,063 | 9,548 |
| Fundraising sustainability | 5,889 | - | (1,515) | - | 898 | 5,272 |
| Designated funds | 23,615 | - | (3,546) | - | 8,758 | 28,827 |
| Tangible fixed assets | 27,210 | - | (1,350) | - | 954 | 26,814 |
| Investment property | 1,850 | - | - | - | - | 1,850 |
| Fixed asset fund | 29,060 | - | (1,350) | - | 954 | 28,664 |
| Other charitable funds | 23,380 | 26,757 | (23,759) | 2,375 | (9,700) | 19,053 |
| Other charitable funds | 23,380 | 26,757 | (23,759) | 2,375 | (9,700) | 19,053 |
| Total unrestricted funds | 76,055 | 26,757 | (28,655) | 2,375 | 12 | 76,544 |
| Total funds carried forward | 76,624 | 27,439 | (29,210) | 2,375 | - | 77,228 |

20 Funds (continued) 2024

| | As at 1 October 2023 £'000 | Income and endowments £'000 | Expenditure £'000 | Investment Gains/ (Losses) £'000 | Transfers/ reallocations £'000 | As at 30 September 2024 £'000 |
|------------------------------------|-------------------------------------|-----------------------------------|----------------------|---|--------------------------------------|--|
| Restricted funds: | | | | | | |
| Donations | 531 | 533 | (242) | - | (253) | 569 |
| Total restricted funds | 531 | 533 | (242) | - | (253) | 569 |
| Unrestricted funds: | | | | | | |
| Service evolution | 12,825 | - | (2,842) | - | 2,425 | 12,408 |
| Lifecycle costs | 820 | - | (184) | - | 2,346 | 2,982 |
| Capital expenditure | 2,265 | - | (277) | - | 348 | 2,336 |
| Fundraising sustainability fund | 3,745 | - | (1,413) | - | 3,557 | 5,889 |
| Designated funds | 19,655 | - | (4,716) | - | 8,676 | 23,615 |
| Tangible fixed assets | 28,510 | 17 | (2,191) | - | 874 | 27,210 |
| Investment property | 1,850 | - | - | - | - | 1,850 |
| Fixed asset fund | 30,360 | 17 | (2,191) | - | 874 | 29,060 |
| Other charitable funds | 23,880 | 26,814 | (21,375) | 3,358 | (9,297) | 23,380 |
| Other charitable funds | 23,880 | 26,814 | (21,375) | 3,358 | (9,297) | 23,380 |
| Total unrestricted funds | 73,895 | 26,831 | (28,282) | 3,358 | 253 | 76,055 |
| Total funds carried forward | 74,426 | 27,364 | (28,524) | 3,358 | - | 76,624 |

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS (CONTINUED)

20 Funds (continued)

Restricted funds as of year end consists of unspent restricted donations.

The Charity recognised revenue in respect of many restricted donations in the year, in particular:

| Name of donor | £'000 | Purpose |
|-------------------------------------|-------|--|
| Army Benevolent Fund | 150 | Restricted towards the cost of Caring for Army Veterans living within the Erskine Home |
| The National Lottery Community Fund | 61 | Restricted towards EVAC West salary costs |
| Veterans Foundation | 24 | Restricted towards EVAC North salary costs |
| The National Lottery Community Fund | 20 | Restricted towards EVAC North class materials and equipment |
| Armed Forces Covenant Fund Trust | 18 | Restricted towards EVAC West One Stop Shop financial inclusion project |
| Scottish Veterans Fund | 12 | Restricted towards EVAC North One-stop-shop Financial inclusion project |
| Veterans Foundation | 11 | Restricted towards EVAC West Ears 2 Hear project |
| Officer's Association Scotland | 10 | Restricted towards EVAC West Deputy Manager's salary costs |

Fixed assets fund

The Charity received restricted funds for the tangible fixed assets and investment property. As the restrictions to acquire the assets have been met and there are no on-going restrictions, these funds, have been included in designated funds having been invested in fixed assets and therefore not available for other purposes. Transfers are made annually to ensure the closing balance agrees to the year end tangible assets and investment property values. The tangible fixed asset fund represents the net book value of fixed assets that have been set aside. The fixed asset fund demonstrates that these assets are illiquid and are not available as free reserves.

Designated funds

Designated funds consist of:

– Service growth

The Trustees have set aside funds to support the evolution of the Charity's services including investment to support the creation of new services of relevance to Veterans and their families. This fund has increased during the year to cover service expansion in line with the Charity's strategy.

– Lifecycle costs and Capital expenditure

The Trustees have set aside funds to cover our planned programme of Lifecycle costs and capital expenditure for the next five financial years. This fund has increased given a planned increase capex for new services compared to the prior year.

– Fundraising sustainability fund

This fund has been set aside to grow net income from voluntary sources, in line with our plans to grow our voluntary income. This fund has decreased during the year as following a period of growth we plan to reduce our donor acquisition activities funded from this source in future years.

– Care home access fund

This fund ensures we can offer extra National Care Home Contract places in our care homes over and above what our annual operating income can sustainably support.

20 Funds (continued)

| Analysis of net assets among funds: | Fixed assets £'000 | Other net assets £'000 | Total 2025 £'000 | Fixed assets £'000 | Other net assets £'000 | Total 2024 £'000 |
|-------------------------------------|-----------------------|---------------------------|------------------------|-----------------------|---------------------------|------------------------|
| Donations | - | 684 | 684 | - | 569 | 569 |
| Restricted funds | - | 684 | 684 | - | 569 | 569 |
| Designated funds | 28,827 | - | 28,827 | 23,615 | - | 23,615 |
| Fixed asset fund | 28,664 | - | 28,664 | 29,060 | - | 29,060 |
| Other charitable funds | 17,412 | 1,641 | 19,053 | 20,348 | 3,032 | 23,380 |
| Unrestricted funds | 74,903 | 1,641 | 76,544 | 73,023 | 3,032 | 76,055 |
| Total funds carried forward | 74,903 | 2,325 | 77,228 | 73,023 | 3,601 | 76,624 |

21 Reconciliation of net expenditure to net cash used in operating activities

| | 24/25 £'000 | 23/24 £'000 |
|---|----------------|----------------|
| Net expenditure for the year prior to reported gains/(losses) | (1,771) | (1,160) |
| Depreciation and impairment | 1,350 | 2,191 |
| Loss on sale of tangible fixed assets | - | 64 |
| Decrease / (increase) in debtors | 367 | (557) |
| Increase / (decrease) in creditors and provisions | 52 | (97) |
| Dividends received | (1,383) | (2,000) |
| Net cash used in operating activities | (1,385) | (1,559) |

22 Analysis of net debt

| | At 1 October 2024 £'000 | Cash flows £'000 | At 30 September 2025 £'000 |
|---------------------------|----------------------------|---------------------|-------------------------------|
| Cash and cash equivalents | 2,378 | (857) | 1,521 |

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS (CONTINUED)

23 Related party transactions

During the year the Charity entered into the following transactions in the ordinary course of its activities, with related parties.

| | Transactions with related party £ | Amounts owed to related party £ | Amounts due from related party £ |
|---|--------------------------------------|------------------------------------|-------------------------------------|
| Related party | | | |
| Erskine Hospital Limited (previously Erskine Developments Limited) | | | |
| 24/25 | - | - | - |
| 23/24 | - | - | - |
| Trustees | | | |
| 24/25 | 8,127 | - | - |
| 23/24 | 213 | - | - |

Transactions with Trustees above were travel expenses of £200 which were paid to two Trustees in the year (23/24 – one Trustee, £213). In addition, legal fees of £7,927 were paid during 24/25 to TC Young LLP, a legal firm in which a partner is also a Trustee of the Board of Directors. These services were provided on an arm's-length basis under normal commercial terms.

24 Operating leases

At 30 September 2025 the charitable company had commitments under non-cancellable operating leases as set out below:

| | 2025 Other £'000 | 2024 Other £'000 |
|---|------------------------|------------------------|
| Not later than one year | (33) | (33) |
| Later than one year and not later than five years | (86) | (119) |
| | (119) | (152) |

The amount charged to the statement of financial activities in respect of operating leases during the period is disclosed in note 12.

25 Capital commitments

There were capital commitments of £15k as of 30 September 2025 (as of 30 September 2024: £488k).

26 Members' rights in respect of a winding up of the company

Under the Articles of Association, the company is limited by guarantee and has no share capital. In the event of a winding up of the company each member's liability is restricted to £1.

27 Post Balance Sheet Events

There have been no post balance sheet events requiring disclosure in the Charity's financial statements.





Erskine Veterans Charity

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