

# Kincarrathie Trust

Scotland · Charity number SC016809

## Details

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|            |                                                                                 |
|------------|---------------------------------------------------------------------------------|
| Status     | Active                                                                          |
| Legal form | Trust (founding document is a deed of trust) (other than educational endowment) |
| Registered | 1961-05-04                                                                      |
| Register   | <a href="#">View on the OSCR register</a>                                       |

## Contact

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|         |                                                                          |
|---------|--------------------------------------------------------------------------|
| Address | Kincarrathie House<br>Pitcullen Crescent<br>Perth<br>PH2 7HX             |
| Website | <a href="http://www.kincarrathiehouse.org">www.kincarrathiehouse.org</a> |

## Activities

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**Activities:** 'It carries out activities or services itself'

**Purposes:** 'the relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage'

**What the charity does:** To institute and support all manner of work which would in any way be incidental or conducive to the welfare of older people of limited means in and around Perth by maintaining Kincarrathie House as a Care Home for older people to the highest standard possible.

**Beneficiaries:** 'Older People'

**Objectives:** Towards bettering the shortage of suitable living accommodation and welfare facilities for old people of limited means particularly within the City and County of Perth and having resolved to make provision to those ends as hereinafter stated therefore we hereby appoint ourselves and the survivors and survivor of us as Trustees and Trustee for the purposes aforementioned.

## Geography

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- **Main operating location:** Perth And Kinross
- **Geographical spread:** Scotland and other parts of the UK

## Finances

| Period end | Income     | Expenditure | Assets | Employees |
|------------|------------|-------------|--------|-----------|
| 2025-03-31 | £2,340,148 | £2,445,321  | -      | 64        |
| 2024-03-31 | £2,271,201 | £2,180,948  | -      | 59        |
| 2023-03-31 | £2,119,368 | £2,269,676  | -      | 56        |
| 2022-03-31 | £1,986,994 | £1,898,949  | -      | 55        |
| 2021-03-31 | £2,125,761 | £1,804,680  | -      | 55        |

**Kincarrathie Trust**

Scotland - Charity number SC016809

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# Accounts

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Charity registration number: SC016809

# The Kincarrathie Trust

Annual Report and Financial Statements

for the Year Ended 31 March 2025

# **The Kincarrathie Trust**

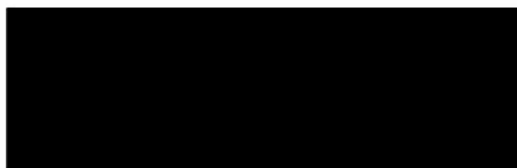
## **Contents**

|                                         |          |
|-----------------------------------------|----------|
| Reference and Administrative Details    | 1        |
| Trustees' Report                        | 2 to 10  |
| Statement of Trustees' Responsibilities | 11       |
| Independent Auditors' Report            | 12 to 15 |
| Statement of Financial Activities       | 16 to 17 |
| Balance Sheet                           | 18       |
| Cash Flow Statement                     | 19       |
| Notes to the Financial Statements       | 20 to 39 |

## **The Kincarrathie Trust**

### **Reference and Administrative Details**

**Trustees**



**Senior Management Team**



**Principal Office**

Kincarrathie House  
Pitcullen Crescent  
PERTH  
PH2 7HX

**Charity Registration Number** SC016809

**Investment Advisors**

RBC Brewin Dolphin  
Sixth Floor  
Atria One  
144 Morrison Street  
EDINBURGH  
EH3 8BR

**Auditors**

Morris & Young, Statutory Auditor  
Chartered Accountants  
6 Atholl Crescent  
PERTH  
PH1 5JN

**Solicitors**

Messrs McCash & Hunter  
PO Box 17  
25 South Methven Street  
PERTH  
PH1 5ES

# **The Kincarrathie Trust**

## **Trustees' Report**

The trustees present the annual report together with the financial statements of the charity for the year ended 31 March 2025.

### **Summary**

The Care Sector continues to face the ever-present challenges of sustainability due to continual underfunding of the Sector. This past year has seen a number of Care Home closures across the sector due to increased running expenses, higher staffing costs and the impact of high inflation.

This gap between true cost of care and recoverable cost for Local Authority funded residents continues to present a significant long term organisational risk and presents a dilemma for the Trustees when comparing the gap between income from Private residents and those funded by the Local Authority.

As has been the case with the rest of the Care Home sector, these increasing financial pressures have had a significant impact on every aspect of the running of Kincarrathie House. With this in mind the Trustees have monitored closely the income and expenditure budgets as part of our ongoing governance of the organisation.

The challenges that The Trust has had to navigate have included: -

- Attempting to limit above inflationary cost increases on private room rate fees wherever possible.
- The Scottish Government has further legislated on minimum wage rates for workers in the care sector and at the same time, it has failed to provide adequate inflationary rises to the room rates paid by the Local Authority for funded residents governed by the Scottish National Care Home Contract, despite a higher than normal increase in fee rates.

Fee rates have increased by a further 6.9% for the year ahead by the Scottish Government for our Council funded residents which will help to cushion the increase in room rates for the forthcoming year.

The Trustees would like to record their thanks and appreciation to the staff, and management team, who strive every day to make Kincarrathie a home from home for all the residents we care for.

# **The Kincarrathie Trust**

## **Trustees' Report**

### **Objectives and activities**

#### ***Objects and aims***

The Trust's objects are, very generally, instituting or supporting, or both, all manner of work which would in any way be incidental or conducive to the welfare of older people of limited means in and around Perth. To date, the Trustees have decided to concentrate solely on maintaining Kincarrathie House as a Care Home for older people to the highest standard possible.

The Management and Staff of Kincarrathie House are committed to ensuring that all residents of Kincarrathie House are treated with dignity and respect, whose rights as citizens are in no way diminished (except where the law so prescribes), and who are entitled to live as full and active lives as they desire. The aim of Kincarrathie House is to enable residents to achieve their potential in all aspects of daily life within a congenial and comfortable environment.

It is the aim of the Trustees that residents should regard Kincarrathie House as home in every sense of the word.

# **The Kincarrathie Trust**

## **Trustees' Report**

### ***Objectives, strategies and activities***

As an indication of performance, the Care Inspectorate system of grading provides a measure of performance. The most recent unannounced visit from the Care Inspectorate took place on the 12th February 2025 and was a following up inspection.

The report highlights that both relatives and residents were highly complementary about the management and staff.

The inspection covered one of the quality indicators: -

1) "How well do we support people's wellbeing"

We have received a grade of 4 (good). The Trustees recognise the progress reflected in this improvement and commend the dedication and teamwork demonstrated by all staff that makes Kincarrathie unique. While acknowledging that further progress is possible the Management team will be working towards this goal over the next 12 months.

To that end the Trustees will continue to strengthen our strategic planning/risk management process to take account of the following:-

- a) the changing population needs
- b) staffing levels and training requirements
- c) increased use of information technology
- d) increasing financial pressures
- e) any other identifiable business risks

Staffing levels are assessed on a regular basis and we have increased the number of staff during the year to meet the higher dependency levels of our residents, this is to ensure safe staffing at all times.

A great deal of importance is attached to staff training, and staff have the opportunity to achieve their SVQ qualifications following the completion of a successful probationary period.

We have introduced a trainee position to encourage those new to care as a chosen career. The performance of staff is regularly reviewed through a formal appraisal process, and we have made significant improvements to recruitment and retention by increasing care workers pay at Kincarrathie House to a rate generously above market average.

## **The Kincarrathie Trust**

### **Trustees' Report**

Throughout the year there was significant investment in the ongoing programme of maintenance and improvements which included the redecoration of the West Wing hallway, lower corridor off reception, the Home Manager and Care Offices, along with ten resident rooms décor and flooring upgrades.

Legislative changes to water compliance spend this year was £6.3k with the same expected next year to complete these upgrade works. Our three yearly Electric Inspection was completed along with the renewal of our Energy Performance Certification and associated Action Plan.

Great care is taken to ensure the food is not only nutritious but appetizing. A varied diet is provided with fresh vegetables and soft fruit given a high priority with some of it grown in our own walled garden. Menus are varied with appropriate meals provided for special occasions. Due regard is paid to the likes and dislikes of residents, and to the specific dietary requirements of individuals.

For the year to the end of March 2025 a wide variety of activities and entertainment was available for residents to maintain a healthy interest in the social aspects of life. Residents have enjoyed a number of activities including music, dance, theatre, guest speakers, talks, in-house exercise sessions, animal visits, and intergenerational events with the local nursery & school children. Participation in our popular Cheese & Wine and Beer & a Pint evenings have reached record levels and is a welcome sight.

One of the highlights of the year is our annual garden party which was held in September. This provides an opportunity for residents/family and friends to join the Trustees and staff for an afternoon of relaxation and entertainment.

Open communication with residents and families of residents is something we value highly, and this is encouraged in a variety of ways both formal and informal.

We are very fortunate to have a strong Senior Management Team and Staff, who are totally dedicated and committed to putting their skills and time into the running of the Home.

# **The Kincarrathie Trust**

## **Trustees' Report**

### **Financial review**

The Trust's total unrestricted expenditure exceeded income this year resulting in an unrestricted fund deficit of £103,742 (2024 - £95,744 surplus). This figure reflects the increase in value of investments (see below) and the depreciation policy adopted in respect of the lease of the property from The Gannochy Trust. Setting aside the increase in the value of investments (£18,502) and the depreciation on lease value & discounted rent value (£47,610) income generated was exceeded by all routine expenditure by just over £74,000 this year. This reflects a more difficult trading year where occupancy rates fell to 91.79% compared to 99.73% last year.

Included in income from donations and legacies are funds received from the Farquharson Bequest. This bequest, the main purpose of which is to provide funds for The Kincarrathie Trust, was established by [REDACTED] and requires to be administered by The Gannochy Trust. Funds are invested by Isio Investment Services Limited and income is generated from dividends and interest from the investments. The objective of the investment portfolio is to maintain the real spending power of the capital whilst also generating a reasonable level of income for the Trust. It is predominantly invested in pooled funds and the target return for the portfolio is UK CPI inflation +2%.

Also included in income is "investment income". This is income generated from the investments managed on behalf of the Trust by RBC Brewin Dolphin. The capital with RBC Brewin Dolphin is primarily the funds received from The Gannochy Trust as part of the sale & leaseback agreement (£1.6m) with the balance coming from excess cash held. As at 31st March 2025 the market value of the investment funds had increased by £7,001 (2024 - an increase of £138,478) which demonstrated a continuing small recovery of global financial markets following a reduction in the continuing effects of the war in Ukraine, and a stabilising of energy costs, albeit the cost of living crisis still carries on.

### ***Policy on reserves***

It is the policy of the Trust that unrestricted funds, which have not been designated for a specific use, should be maintained at a level to provide sufficient income to allow the Trust to pursue its objectives. Unrestricted funds at the year-end were £3,702,815 (2024 - £3,806,557). Despite the higher adjusted deficit suffered at the year end, the Trust has been able to continue to maintain its overall provision of care and has maintained its ability to meet future maintenance expenditure.

### ***Principal funding sources***

The main funding source of the Trust is that of Residents' Board income. This income enables the Trust to fulfil its objects and aims to operate a Care Home for older people to a high standard. Secondary sources of funds are two separate investment incomes from portfolios managed by RBC Brewin Dolphin and Isio Investment Services (see Financial review above).

# **The Kincarrathie Trust**

## **Trustees' Report**

### ***Investment policy and objectives***

The general investment powers of the Trust are governed by the Trust's founding document.

The Trust engaged RBC Brewin Dolphin as investment managers, on a discretionary management basis. The benchmark policy is to adopt a Risk Category 5 investment strategy based on obtaining a balanced return from income and capital.

The market value of securities has improved this year as world-wide stock markets recovered to some extent as described above in the Financial Review.

The overall gains on investment assets this year of £18,502 (2024 - £149,231 gains) comprise a realised gain on securities sold of £13,418 and an unrealised gain on securities of £5,084 (2024 - £4,142 realised loss and £153,373 unrealised gain).

### **Plans for future periods**

#### ***Aims and key objectives for future periods***

The Trustees' strategy for achieving the aims of the Trust is to continue to be sensitive to and to recognise the potential in each resident and in particular by understanding that their needs may change over a period of time. A key element linked to this is a continual programme of staff training. This is reinforced by monthly assessments of the needs and potential of each resident by the Manager in conjunction with the resident's Key Worker.

#### ***Activities planned to achieve aims***

A continuing programme of maintenance of the building and grounds is in force to ensure that the property, both internal and external, is maintained to a high standard.

# **The Kincarrathie Trust**

## **Trustees' Report**

### **Structure, governance and management**

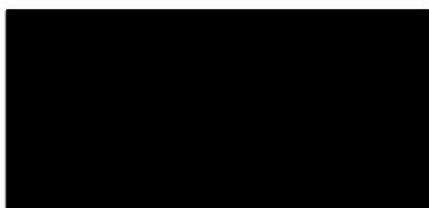
#### ***Nature of governing document***

The Trust was established by a Deed of Trust in 1961 by parties who, at that time, were Trustees of The Gannochy Trust, Perth which was set up in 1937 by Arthur Kinmond Bell, whisky distiller, Perth who lived at Kincarrathie House, Perth.

#### ***Organisational structure***

The organisational structure of the Trust comprises three Trustees (one of whom is appointed Chairperson for an indefinite period), all of whom are unpaid.

The Trustees who served during the year and who were appointed by their predecessors were:



#### ***Recruitment and appointment of trustees***

Trustees serve until resignation, death or removal. New Trustees are assumed by the remaining Trustee or Trustees, ensuring that not more than three Trustees act at any given time.

#### ***Induction and training of trustees***

An information pack is provided to new Trustees which includes copies of the founding 1961 Deed of Trust, Minutes of Meetings of the Trustees for the previous year and the latest brochure for the Home containing a Statement of Purpose, copies of recent Care Inspectorate Inspection Reports, current charges and services and other relevant information. In addition, copies of the Trust's last three years' annual reports and accounts are made available, together with a copy of the Office of the Scottish Charity Regulator's (OSCR) publication "Guidance and Good Practice for Charity Trustees".

Trustee "away days" and training sessions on specific subjects are arranged on a regular basis.

#### ***Arrangements for setting key management personnel remuneration***

██████████ is the Home Manager and ██████████ is the Finance and Business Manager.

██████████ have responsibility for the day-to-day administration of the operation of the Home in accordance with instructions provided by the Trustees, who have formal meetings with them, on a quarterly basis.

The salaries of the Care Home Manager and Finance & Business Manager are reviewed on an annual basis by the Trustees.

# **The Kincarrathie Trust**

## **Trustees' Report**

### **Financial instruments**

#### ***Objectives and policies***

The Charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

The Trustees have assessed the major risks to which the Trust is exposed and are satisfied that systems are in place to mitigate its exposure to major risks including arrangements to review the risks on a regular basis. In this connection, the Board consider and, where, necessary amend, the Trust's Risk Matrix at every formal meeting of Trustees.

#### ***Cash flow risk***

The Trustees have retained adequate cash resources to meet the immediate requirements of the Trust.

#### ***Credit risk***

The Charity's principal financial assets are bank balances, residents' board income, and cash and other regulated investments on which, and as explained elsewhere in this Report, the Trustees receive appropriate professional advice.

The Charity's credit risk is primarily attributable to its residents' board income. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Charity has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

#### ***Liquidity risk***

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Trust's liquid funds are kept in a combination of a non-interest-bearing and interest-bearing bank/building society accounts for servicing the Trust's everyday financial needs.

#### **Disclosure of information to auditor**

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

## **The Kincarrathie Trust**

### **Trustees' Report**

The annual report was approved by the trustees of the charity on 12 August 2025 and signed on its behalf by:



## **The Kincarrathie Trust**

### **Statement of Trustees' Responsibilities**

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

## **The Kincarrathie Trust**

### **Independent Auditor's Report to the Members of The Kincarrathie Trust**

#### **Opinion**

We have audited the financial statements of The Kincarrathie Trust (the 'charity') for the year ended 31 March 2025, which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, comprising Charities SORP (FRS 102) and 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2025 and of its results 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 Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

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

## **The Kincarrathie Trust**

### **Independent Auditor's Report to the Members of The Kincarrathie Trust**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate 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 Statement of Trustees' Responsibilities (set out on page 11), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

## **The Kincarrathie Trust**

### **Independent Auditor's Report to the Members of The Kincarrathie Trust**

#### **Identifying and assessing potential risks related to irregularities**

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

- the nature of the regulated sector, control environment and understanding of the entity including, but not restricted to, the understanding that the trustees are not remunerated, and the prevalence of fraud in the sector especially in the current uncertain economic environment;
- results of our enquiries of trustees about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Charity's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities that may exist within the organisation for fraud and identified the greatest potential for fraud in relation to revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the charity's own Deed of Trust, and various charity-specific legislation, including The Charities and Trustee Investment (Scotland) Act 2005.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of Trustees and legal advisors concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- proof in total of Resident's Board and investment income was conducted, and consideration given to revenue recognition accounting policies. Also reviewed the minutes of meetings for completeness of income;

## **The Kincarrathie Trust**

### **Independent Auditor's Report to the Members of The Kincarrathie Trust**

- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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

#### **Use of our report**

This report is made solely to the charity trustees, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our work has been undertaken so that we might state to the trustees those matters we are required to state to trustees in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

  
.....  
Morris & Young, Statutory Auditor

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

Chartered Accountants  
6 Atholl Crescent  
PERTH  
PH1 5JN

26 September 2025

## The Kincarrathie Trust

### Statement of Financial Activities for the Year Ended 31 March 2025

|                                     | Note | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2025<br>£ | Total<br>2024<br>£ |
|-------------------------------------|------|----------------------------|--------------------------|--------------------|--------------------|
| <b>Income and Endowments from:</b>  |      |                            |                          |                    |                    |
| Donations and legacies              | 2    | 36,925                     | -                        | 36,925             | 35,568             |
| Charitable activities               | 3    | 2,197,245                  | -                        | 2,197,245          | 2,133,132          |
| Investment income                   | 4    | 60,706                     | -                        | 60,706             | 59,217             |
| Other income                        | 5    | <u>45,272</u>              | <u>-</u>                 | <u>45,272</u>      | <u>43,284</u>      |
| Total Income                        |      | <u>2,340,148</u>           | <u>-</u>                 | <u>2,340,148</u>   | <u>2,271,201</u>   |
| <b>Expenditure on:</b>              |      |                            |                          |                    |                    |
| Raising funds                       | 6    | (11,620)                   | -                        | (11,620)           | (10,846)           |
| Charitable activities               | 7, 8 | <u>(2,450,772)</u>         | <u>(1,431)</u>           | <u>(2,452,203)</u> | <u>(2,319,333)</u> |
| Total Expenditure                   |      | <u>(2,462,392)</u>         | <u>(1,431)</u>           | <u>(2,463,823)</u> | <u>(2,330,179)</u> |
| Gains/(losses) on investment assets |      | <u>18,502</u>              | <u>-</u>                 | <u>18,502</u>      | <u>149,231</u>     |
| Net (expenditure)/income            |      | <u>(103,742)</u>           | <u>(1,431)</u>           | <u>(105,173)</u>   | <u>90,253</u>      |
| Net movement in funds               |      | <u>(103,742)</u>           | <u>(1,431)</u>           | <u>(105,173)</u>   | <u>90,253</u>      |
| <b>Reconciliation of funds</b>      |      |                            |                          |                    |                    |
| Total funds brought forward         |      | <u>3,806,557</u>           | <u>11,451</u>            | <u>3,818,008</u>   | <u>3,727,755</u>   |
| Total funds carried forward         | 20   | <u>3,702,815</u>           | <u>10,020</u>            | <u>3,712,835</u>   | <u>3,818,008</u>   |

## The Kincarrathie Trust

### Statement of Financial Activities for the Year Ended 31 March 2025

|                                    | Note | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2024<br>£ |
|------------------------------------|------|----------------------------|--------------------------|--------------------|
| <b>Income and Endowments from:</b> |      |                            |                          |                    |
| Donations and legacies             |      | 35,568                     | -                        | 35,568             |
| Charitable activities              |      | 2,133,132                  | -                        | 2,133,132          |
| Investment income                  | 4    | 59,217                     | -                        | 59,217             |
| Other income                       |      | 43,284                     | -                        | 43,284             |
| Total income                       |      | <u>2,271,201</u>           | <u>-</u>                 | <u>2,271,201</u>   |
| <b>Expenditure on:</b>             |      |                            |                          |                    |
| Raising funds                      |      | (10,846)                   | -                        | (10,846)           |
| Charitable activities              |      | (2,313,842)                | (5,491)                  | (2,319,333)        |
| Total expenditure                  |      | (2,324,688)                | (5,491)                  | (2,330,179)        |
| Gains/losses on investment assets  |      | 149,231                    | -                        | 149,231            |
| Net income/(expenditure)           |      | <u>95,744</u>              | <u>(5,491)</u>           | <u>90,253</u>      |
| Net movement in funds              |      | 95,744                     | (5,491)                  | 90,253             |
| <b>Reconciliation of funds</b>     |      |                            |                          |                    |
| Total funds brought forward        |      | <u>3,710,813</u>           | <u>16,942</u>            | <u>3,727,755</u>   |
| Total funds carried forward        | 20   | <u>3,806,557</u>           | <u>11,451</u>            | <u>3,818,008</u>   |

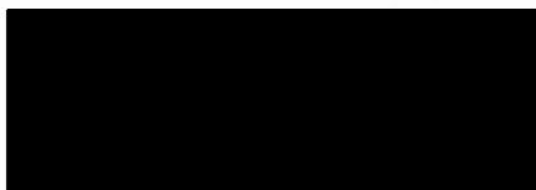
All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2024 is shown in note 20.

**The Kincarrathie Trust**  
**(Registration number: SC016809)**  
**Balance Sheet as at 31 March 2025**

|                                                       | Note | 2025<br>£        | 2024<br>£        |
|-------------------------------------------------------|------|------------------|------------------|
| <b>Fixed assets</b>                                   |      |                  |                  |
| Tangible assets                                       | 13   | 1,616,009        | 1,703,728        |
| Investments                                           | 14   | <u>1,920,259</u> | <u>1,913,258</u> |
|                                                       |      | <u>3,536,268</u> | <u>3,616,986</u> |
| <b>Current assets</b>                                 |      |                  |                  |
| Debtors                                               | 15   | 34,226           | 48,733           |
| Cash at bank and in hand                              | 16   | <u>352,598</u>   | <u>295,532</u>   |
|                                                       |      | 386,824          | 344,265          |
| <b>Creditors: Amounts falling due within one year</b> | 17   | <u>(210,257)</u> | <u>(143,243)</u> |
| <b>Net current assets</b>                             |      | <u>176,567</u>   | <u>201,022</u>   |
| <b>Net assets</b>                                     |      | <u>3,712,835</u> | <u>3,818,008</u> |
| <b>Funds of the charity:</b>                          |      |                  |                  |
| <b>Restricted</b>                                     |      | 10,020           | 11,451           |
| <b>Unrestricted income funds</b>                      |      |                  |                  |
| Unrestricted funds                                    |      | <u>3,702,815</u> | <u>3,806,557</u> |
| <b>Total funds</b>                                    | 20   | <u>3,712,835</u> | <u>3,818,008</u> |

The financial statements on pages 16 to 39 were approved by the trustees, and authorised for issue on 12 August 2025 and signed on their behalf by:



## The Kincarrathie Trust

### Cash Flow Statement for the Year Ended 31 March 2025

|                                                      | Note | 2025<br>£             | 2024<br>£             |
|------------------------------------------------------|------|-----------------------|-----------------------|
| <b>Cash flows from operating activities</b>          |      |                       |                       |
| Net cash (expenditure)/income                        |      | (105,173)             | 90,253                |
| <b>Adjustments to cash flows from non-cash items</b> |      |                       |                       |
| Depreciation                                         | 13   | 109,849               | 110,523               |
| Investment income                                    | 4    | (60,706)              | (59,217)              |
| Loss on disposal of tangible fixed assets            |      | 967                   | 19,453                |
| Profit on revaluation of investments                 |      | <u>(5,084)</u>        | <u>(153,373)</u>      |
|                                                      |      | (60,147)              | 7,639                 |
| <b>Working capital adjustments</b>                   |      |                       |                       |
| Decrease/(increase) in debtors                       | 15   | 14,507                | (2,664)               |
| Increase in creditors                                | 17   | <u>67,014</u>         | <u>11,849</u>         |
| Net cash flows from operating activities             |      | <u>21,374</u>         | <u>16,824</u>         |
| <b>Cash flows from investing activities</b>          |      |                       |                       |
| Interest receivable and similar income               | 4    | 6,001                 | 5,687                 |
| Purchase of tangible fixed assets                    | 13   | (23,097)              | (72,910)              |
| Purchase of investments                              | 14   | (401,664)             | (577,458)             |
| Sale of investments                                  |      | 399,747               | 592,353               |
| Income from dividends                                | 4    | <u>54,705</u>         | <u>53,530</u>         |
| Net cash flows from investing activities             |      | <u>35,692</u>         | <u>1,202</u>          |
| Net increase in cash and cash equivalents            |      | 57,066                | 18,026                |
| Cash and cash equivalents at 1 April                 |      | <u>295,532</u>        | <u>277,506</u>        |
| Cash and cash equivalents at 31 March                |      | <u><u>352,598</u></u> | <u><u>295,532</u></u> |

All of the cash flows are derived from continuing operations during the above two periods.

# **The Kincarrathie Trust**

## **Notes to the Financial Statements for the Year Ended 31 March 2025**

### **1 Accounting policies**

#### **Basis of preparation**

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

The Kincarrathie Trust 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 notes.

The financial statements are presented in sterling (£).

#### **Going concern**

Given the level of funds available the trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

#### **Key sources of estimation uncertainty**

Valuation of interest in leasehold property (Note 13) - In the application of the Trust's accounting policies, the trustees are required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily available from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. One such estimation uncertainty is that of the value of interest in leasehold property and is more fully detailed in Note 13. The carrying amount is £1,142,633 (2024 - £1,190,242).

#### **Income and endowments**

Voluntary income including donations, gifts, legacies and grants is recognised when the Trust has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

#### ***Donations and legacies***

Donations, legacies and bequests are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

#### ***Investment income***

Investment income is recognised on a receivable basis.

#### ***Charitable activities***

Income from charitable activities comprises Residents' Board income and is credited to the Statement of Financial Activities (SOFA) in the year in which it is receivable.

## **The Kincarrathie Trust**

### **Notes to the Financial Statements for the Year Ended 31 March 2025**

#### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### ***Raising funds***

Costs of generating funds are those costs incurred in managing investments.

#### ***Charitable activities***

Charitable activities expenditure comprises those costs incurred by the Trust in the delivery of its activities and services for its beneficiaries, namely Residential Care costs incurred in operating a Residential Care Home. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### **Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

#### **Governance costs**

These include the costs attributable to the Charity's compliance with constitutional and statutory requirements, including audit, strategic management and Trustee's meetings and reimbursed expenses.

#### **Irrecoverable VAT**

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

#### **Taxation**

The Trust has been accepted as a charity for tax purposes and is not liable to Corporation Tax. See Note 12 below.

#### **Tangible fixed assets**

Individual fixed assets costing £100 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

## **The Kincarrathie Trust**

### **Notes to the Financial Statements for the Year Ended 31 March 2025**

No cost figures are available for some of the fixtures, fittings & equipment owned by the Trust. At 31 March 1993, values were placed on these by the Trustees and these values were incorporated in the Balance Sheet with the related credit shown as a Revaluation Reserve. Improvement expenditure since then has been capitalised at cost price.

The Trustees have adopted a policy of valuing leasehold interest in property. The leasehold interest in Kincarrathie House, The Walled Garden and Gardener's Cottage was professionally valued by Graham & Sibbald in May 2019 - see Note 13 below. The Trustees consider this valuation to be appropriate to be used at 31 March 2025.

Fixtures, fittings and equipment are stated at cost or valuation less depreciation.

#### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

##### **Asset class**

Leasehold land and buildings

Leasehold improvements

Fixtures, fittings and equipment

##### **Depreciation method and rate**

3.33% straight line (over period of lease)

10% straight line

10% reducing balance

#### **Fixed asset investments**

Fixed asset investments are included at market value at the balance sheet date. Such a policy gives rise to unrealised gains or losses which are disclosed in the Statement of Financial Activities.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

#### **Trade debtors**

Trade debtors are amounts due from residents for the provision of accommodation at prevailing room rates.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

## **The Kincarrathie Trust**

### **Notes to the Financial Statements for the Year Ended 31 March 2025**

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are recognised at their settlement amount after allowing for any trade discounts due.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the Trust. Unrestricted funds include a Revaluation Reserve as detailed in notes 13 & 20.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purpose and use of the restricted funds are set out in the notes to the accounts.

Further details of each fund are disclosed in notes 20 & 21.

#### **Hire purchase and finance leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

#### **Pensions and other post retirement obligations**

The Charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the Charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment - see Note 19.

## The Kincarrathie Trust

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### 2 Income from donations and legacies

|                            | Unrestricted<br>funds<br>General<br>£ | Total<br>2025<br>£ | Total<br>2024<br>£ |
|----------------------------|---------------------------------------|--------------------|--------------------|
| Donations and legacies;    |                                       |                    |                    |
| Donations from individuals | 1,231                                 | 1,231              | -                  |
| W G Farquharson bequest    | 35,694                                | 35,694             | 35,568             |
|                            | <u>36,925</u>                         | <u>36,925</u>      | <u>35,568</u>      |

#### 3 Income from charitable activities

|                  | Unrestricted<br>funds<br>General<br>£ | Total<br>2025<br>£ | Total<br>2024<br>£ |
|------------------|---------------------------------------|--------------------|--------------------|
| Residential care | 2,197,245                             | 2,197,245          | 2,133,132          |

Residential care income comprises Residents' Board income.

#### 4 Investment income

|                                                    | Unrestricted<br>funds<br>General<br>£ | Total<br>2025<br>£ | Total<br>2024<br>£ |
|----------------------------------------------------|---------------------------------------|--------------------|--------------------|
| Income from dividends;                             |                                       |                    |                    |
| Dividends receivable from other listed investments | 54,705                                | 54,705             | 53,530             |
| Interest receivable and similar income;            |                                       |                    |                    |
| Interest receivable on bank deposits               | 6,001                                 | 6,001              | 5,687              |
|                                                    | <u>60,706</u>                         | <u>60,706</u>      | <u>59,217</u>      |

## The Kincarrathie Trust

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### 5 Other income

|              | Unrestricted  |               |               |
|--------------|---------------|---------------|---------------|
|              | General       | Total         | Total         |
|              | £             | 2025          | 2024          |
|              | £             | £             | £             |
| Other income | <u>45,272</u> | <u>45,272</u> | <u>43,284</u> |

Other income comprises grounds maintenance income of £8,872 (2024 - £8,284) and Housing Support Service income of £36,400 (2024 - £35,000).

#### 6 Expenditure on raising funds

##### a) Investment management costs

|                                       | Note | Unrestricted<br>funds<br>General<br>£ | Total<br>2025<br>£ | Total<br>2024<br>£ |
|---------------------------------------|------|---------------------------------------|--------------------|--------------------|
| Other investment management costs;    |      |                                       |                    |                    |
| Investment portfolio management costs |      | <u>11,620</u>                         | <u>11,620</u>      | <u>10,846</u>      |
|                                       |      | <u>11,620</u>                         | <u>11,620</u>      | <u>10,846</u>      |

#### 7 Expenditure on charitable activities

|                  | Unrestricted<br>funds<br>General<br>£ | Restricted<br>funds<br>£ | Total<br>2025<br>£ | Total<br>2024<br>£ |
|------------------|---------------------------------------|--------------------------|--------------------|--------------------|
| Residential care | <u>2,435,007</u>                      | <u>1,431</u>             | <u>2,436,438</u>   | <u>2,301,307</u>   |

## The Kincarrathie Trust

### Notes to the Financial Statements for the Year Ended 31 March 2025

|                                                                              | Residential<br>care<br>£ | Total<br>2025<br>£ | Total<br>2024<br>£ |
|------------------------------------------------------------------------------|--------------------------|--------------------|--------------------|
| <b>Direct Costs</b>                                                          |                          |                    |                    |
| Employment costs                                                             | 1,780,642                | 1,780,642          | 1,664,085          |
| Rent                                                                         | 55,915                   | 55,915             | 55,080             |
| Water rates                                                                  | 5,934                    | 5,934              | 5,250              |
| Light, heat and power                                                        | 110,548                  | 110,548            | 92,525             |
| Insurance                                                                    | 24,445                   | 24,445             | 25,002             |
| Provisions                                                                   | 109,833                  | 109,833            | 100,025            |
| IT costs                                                                     | 4,330                    | 4,330              | -                  |
| Repairs and renewals                                                         | 119,121                  | 119,121            | 114,893            |
| Gardening costs                                                              | 13,740                   | 13,740             | 15,363             |
| Cleaning & laundry                                                           | 53,799                   | 53,799             | 55,989             |
| Entertainment & outings                                                      | 11,991                   | 11,991             | 10,139             |
| Care Inspectorate registration fee                                           | 7,584                    | 7,584              | 7,415              |
| Depreciation of long leasehold interest in property                          | 46,420                   | 46,420             | 46,420             |
| Depreciation of tenant's improvements                                        | 35,142                   | 35,142             | 32,918             |
| Depreciation of fixtures, fittings and equipment                             | 25,024                   | 25,024             | 27,850             |
| (Profit)/loss on sale of tangible fixed assets held for<br>charity's own use | 943                      | 943                | 18,967             |
|                                                                              | 2,405,411                | 2,405,411          | 2,271,921          |
| <b>Support Costs</b> - per Note 8                                            | 30,787                   | 30,787             | 24,511             |
| <b>Governance Support Costs</b> - per Note 8                                 | (1,191)                  | (1,191)            | (616)              |
| <b>Governance Costs</b> - per Note 8                                         | 15,765                   | 15,765             | 18,026             |
|                                                                              | <u>2,450,772</u>         | <u>2,450,772</u>   | <u>2,313,842</u>   |

## The Kincarrathie Trust

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### 8 Analysis of governance and support costs

##### Charitable activities expenditure

|                                | Unrestricted<br>funds |               |               |
|--------------------------------|-----------------------|---------------|---------------|
|                                | General               | Total         | Total         |
|                                | £                     | 2025<br>£     | 2024<br>£     |
| <b>Support Costs</b>           |                       |               |               |
| Telephone & fax                | 8,347                 | 8,347         | 4,115         |
| Printing, postage & stationery | 2,289                 | 2,289         | 1,863         |
| Subscriptions                  | 601                   | 601           | 568           |
| Donations & sponsorship        | 860                   | 860           | 64            |
| Equipment hire                 | 4,022                 | 4,022         | 3,863         |
| Residents' gifts               | 1,140                 | 1,140         | 1,260         |
| Sundry expenses                | 1,689                 | 1,689         | 2,004         |
| Costs of Trustees' meetings    | 339                   | 339           | 317           |
| Travel & subsistence           | 206                   | 206           | 224           |
| Advertising                    | 2,257                 | 2,257         | 4,355         |
| Licensing & reports            | 110                   | 110           | 110           |
| Legal & professional fees      | 8,509                 | 8,509         | 5,043         |
| Bank charges                   | 418                   | 418           | 725           |
|                                | <u>30,787</u>         | <u>30,787</u> | <u>24,511</u> |

## The Kincarrathie Trust

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### Basis of allocation

| Reference                      | Method of allocation |
|--------------------------------|----------------------|
| Telephone & fax                | usage                |
| Printing, postage & stationery | usage                |
| Subscriptions                  | usage                |
| Donations & sponsorship        | usage                |
| Equipment hire                 | usage                |
| Residents' gifts               | usage                |
| Sundry expenses                | usage                |
| Cost of Trustees' meetings     | usage                |
| Travel & subsistence           | usage                |
| Advertising                    | usage                |
| Licensing & reports            | usage                |
| Legal & professional fees      | usage                |
| Bank charges                   | usage                |

#### Governance costs

|                                                    | Unrestricted<br>funds<br>General<br>£ | Total<br>2025<br>£ | Total<br>2024<br>£ |
|----------------------------------------------------|---------------------------------------|--------------------|--------------------|
| Staff costs                                        |                                       |                    |                    |
| Wages and salaries                                 | 3,569                                 | 3,569              | 3,623              |
| Social security costs                              | 398                                   | 398                | 405                |
| Pension costs                                      | 501                                   | 501                | 732                |
| Audit fees                                         |                                       |                    |                    |
| Audit of the financial statements                  | 3,960                                 | 3,960              | 6,174              |
| Other fees paid to auditors                        | 4,290                                 | 4,290              | 4,086              |
| Depreciation, amortisation and other similar costs | 1,856                                 | 1,856              | 2,390              |
| Allocated support costs                            | 1,191                                 | 1,191              | 616                |
|                                                    | <u>15,765</u>                         | <u>15,765</u>      | <u>18,026</u>      |

## The Kincarrathie Trust

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### 9 Net incoming/outgoing resources

Net (incoming)/outgoing resources for the year include:

|                                                                 | 2025<br>£      | 2024<br>£      |
|-----------------------------------------------------------------|----------------|----------------|
| Operating leases - plant and machinery                          | 4,021          | 3,863          |
| Operating leases - other assets                                 | 55,915         | 55,080         |
| Audit fees                                                      | 3,960          | 6,174          |
| Other non-audit services                                        | 4,290          | 4,086          |
| Loss on disposal of fixed assets held for the charity's own use | 967            | 19,453         |
| Depreciation of fixed assets                                    | <u>109,849</u> | <u>110,523</u> |

#### 10 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

During the year £2,211 was paid for Trustees' Indemnity insurance cover (2024 - £1,769).

#### 11 Staff costs

The aggregate payroll costs were as follows:

|                                          | 2025<br>£        | 2024<br>£        |
|------------------------------------------|------------------|------------------|
| <b>Staff costs during the year were:</b> |                  |                  |
| Wages and salaries                       | 1,518,071        | 1,414,067        |
| Social security costs                    | 122,504          | 109,528          |
| Pension and other schemes                | 136,310          | 130,712          |
| Other staff costs                        | <u>8,225</u>     | <u>18,598</u>    |
|                                          | <u>1,785,110</u> | <u>1,672,905</u> |

Wages and salaries includes Agency costs of £24,992 (2024 - £37,033).

## The Kincarrathie Trust

### Notes to the Financial Statements for the Year Ended 31 March 2025

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

|                | 2025<br>No | 2024<br>No |
|----------------|------------|------------|
| Administration | 1          | 1          |
| Carers         | 43         | 38         |
| Domestics      | 12         | 12         |
| Kitchen        | 4          | 4          |
| Property       | 4          | 4          |
|                | <hr/> 64   | <hr/> 59   |

54 (2024 - 53) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £136,310 (2024 - £130,712).

See also Note 19.

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the charity were £125,063 (2024 - £133,506).

#### 12 Taxation

No tax was charged in the year (2024 - £nil).

The Trust has been accepted as a charity for tax purposes. Relief from tax is therefore due under Section 505 of the Income and Corporation Taxes Act 1988 under Scottish Charity Number SC016809, Tax File Reference ST02835.

## The Kincarrathie Trust

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### 13 Tangible fixed assets

|                         | Land and<br>buildings<br>£ | Fixtures,<br>fittings and<br>equipment<br>£ | Total<br>£       |
|-------------------------|----------------------------|---------------------------------------------|------------------|
| <b>Cost</b>             |                            |                                             |                  |
| At 1 April 2024         | 1,771,791                  | 742,928                                     | 2,514,719        |
| Additions               | 7,367                      | 15,730                                      | 23,097           |
| Disposals               | -                          | (7,682)                                     | (7,682)          |
| Transfers               | 14,878                     | (14,878)                                    | -                |
| At 31 March 2025        | <u>1,794,036</u>           | <u>736,098</u>                              | <u>2,530,134</u> |
| <b>Depreciation</b>     |                            |                                             |                  |
| At 1 April 2024         | 325,127                    | 485,864                                     | 810,991          |
| Charge for the year     | 84,183                     | 25,666                                      | 109,849          |
| Eliminated on disposals | -                          | (6,715)                                     | (6,715)          |
| At 31 March 2025        | <u>409,310</u>             | <u>504,815</u>                              | <u>914,125</u>   |
| <b>Net book value</b>   |                            |                                             |                  |
| At 31 March 2025        | <u>1,384,726</u>           | <u>231,283</u>                              | <u>1,616,009</u> |
| At 31 March 2024        | <u>1,446,664</u>           | <u>257,064</u>                              | <u>1,703,728</u> |

Included within the net book value of land and buildings above is £Nil (2024 - £Nil) in respect of freehold land and buildings and £1,384,726 (2024 - £1,446,664) in respect of short leaseholds.

The above assets are used for direct charitable purposes.

## The Kincarrathie Trust

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### Revaluation

No cost figures are available for some of the fixtures, fittings and equipment owned by the Trust. At 31 March 1993, values were placed on these by the Trustees and these values were incorporated in the Balance Sheet with the related credit shown as a Revaluation Reserve. Improvement expenditure since then has been capitalised at cost price.

The land & buildings were sold to The Gannochy Trust in December 2019 and Kincarrathie House, The Walled Garden and Gardener's Cottage were then leased back from The Gannochy Trust.

The fair value of the Trust's land and buildings was valued on 13 May 2019 by Graham & Sibbald, Chartered Surveyors & Property Consultants, an independent valuer.

The valuation of the leaseholder interest was carried out in accordance with the Royal Institution of Chartered Surveyors Valuation - Global Standards 2017 on the basis of Market Value at £468,750. Rent payable under the lease is discounted and the net present value of this discounted rent is calculated to be £959,542. Both of these values were incorporated in the Balance Sheet with the related credit shown as an increase in the Revaluation Reserve as at 31 March 2020. The combined value of £1,428,292 is being depreciated on a straight line basis over the 30 year duration of the lease.

Lease-holder improvements to the property since the commencement of the lease have been included at cost less depreciation. These are also included within Land and buildings, but are depreciated on a 10 year straight line basis.

#### Assets held under operating leases

The net carrying amount of tangible assets includes the following amounts in respect of assets held under operating leases:

|                                       | <b>2025</b>      | <b>2024</b>      |
|---------------------------------------|------------------|------------------|
|                                       | <b>£</b>         | <b>£</b>         |
| Land & buildings - leasehold interest | 375,000          | 390,625          |
| Land & buildings - discounted rent    | 767,633          | 799,617          |
| Leasehold improvements                | 273,288          | 256,422          |
|                                       | <u>1,415,921</u> | <u>1,446,664</u> |

## The Kincarrathie Trust

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### 14 Fixed asset investments

|                   | 2025<br>£        | 2024<br>£        |
|-------------------|------------------|------------------|
| Other investments | <u>1,920,259</u> | <u>1,913,258</u> |

#### Other investments

|                          | Listed<br>investments<br>£ | Cash<br>deposits<br>£ | Total<br>£       |
|--------------------------|----------------------------|-----------------------|------------------|
| <b>Cost or Valuation</b> |                            |                       |                  |
| At 1 April 2024          | 1,890,515                  | 22,743                | 1,913,258        |
| Revaluation              | 5,084                      | -                     | 5,084            |
| Additions                | 401,664                    | -                     | 401,664          |
| Disposals                | <u>(385,268)</u>           | <u>(14,479)</u>       | <u>(399,747)</u> |
| At 31 March 2025         | <u>1,911,995</u>           | <u>8,264</u>          | <u>1,920,259</u> |
| <b>Net book value</b>    |                            |                       |                  |
| At 31 March 2025         | <u>1,911,995</u>           | <u>8,264</u>          | <u>1,920,259</u> |
| At 31 March 2024         | <u>1,890,515</u>           | <u>22,743</u>         | <u>1,913,258</u> |

#### 15 Debtors

|               | 2025<br>£     | 2024<br>£     |
|---------------|---------------|---------------|
| Trade debtors | 4,206         | 16,998        |
| Prepayments   | 18,852        | 17,397        |
| Other debtors | <u>11,168</u> | <u>14,338</u> |
|               | <u>34,226</u> | <u>48,733</u> |

## The Kincarrathie Trust

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### 16 Cash and cash equivalents

|                     | 2025<br>£      | 2024<br>£      |
|---------------------|----------------|----------------|
| Cash on hand        | 527            | 291            |
| Cash at bank        | 112,031        | 29,499         |
| Short-term deposits | <u>240,040</u> | <u>265,742</u> |
|                     | <u>352,598</u> | <u>295,532</u> |

#### 17 Creditors: amounts falling due within one year

|                                    | 2025<br>£      | 2024<br>£      |
|------------------------------------|----------------|----------------|
| Trade creditors                    | 48,575         | 61,525         |
| Other taxation and social security | 28,101         | 29,422         |
| Other creditors                    | 121,601        | 41,995         |
| Accruals                           | <u>11,980</u>  | <u>10,301</u>  |
|                                    | <u>210,257</u> | <u>143,243</u> |

#### 18 Obligations under leases and hire purchase contracts

##### Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

|                            | 2025<br>£        | 2024<br>£        |
|----------------------------|------------------|------------------|
| <b>Land and buildings</b>  |                  |                  |
| Within one year            | 57,834           | 55,080           |
| Between one and five years | 231,336          | 220,320          |
| Over five years            | <u>1,139,812</u> | <u>1,140,615</u> |
|                            | <u>1,428,982</u> | <u>1,416,015</u> |
| <b>Other</b>               |                  |                  |
| Within one year            | 3,528            | 3,528            |
| Between one and five years | <u>3,822</u>     | <u>7,350</u>     |
|                            | <u>7,350</u>     | <u>10,878</u>    |

## **The Kincarrathie Trust**

### **Notes to the Financial Statements for the Year Ended 31 March 2025**

#### **19 Pension and other schemes**

##### **Defined contribution pension scheme**

The Trust operates a defined contribution pension scheme. The pension cost charge for the year partly represents contributions payable by the Trust to the scheme and amounted to £123,196 (2024 - £119,957).

In addition, the Trust also operates a Group Life Assurance Scheme providing Death in Service insurance for employees. The cost this year amounted to £13,114 (2024 - £10,755).

## The Kincarrathie Trust

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### 20 Funds

|                                          | Balance at<br>1 April<br>2024<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Other<br>recognised<br>gains/(losses)<br>£ | Balance at<br>31 March<br>2025<br>£ |
|------------------------------------------|------------------------------------|----------------------------|----------------------------|--------------------------------------------|-------------------------------------|
| <b>Unrestricted funds</b>                |                                    |                            |                            |                                            |                                     |
| <i>General</i>                           |                                    |                            |                            |                                            |                                     |
| Revaluation reserve                      | 1,639,356                          | -                          | -                          | 5,084                                      | 1,644,440                           |
| Unrestricted income funds                | <u>2,167,201</u>                   | <u>2,340,148</u>           | <u>(2,462,392)</u>         | <u>13,418</u>                              | <u>2,058,375</u>                    |
|                                          | 3,806,557                          | 2,340,148                  | (2,462,392)                | 18,502                                     | 3,702,815                           |
| <b>Restricted funds</b>                  |                                    |                            |                            |                                            |                                     |
| Diamond Jubilee Garden Fund              | <u>11,451</u>                      | <u>-</u>                   | <u>(1,431)</u>             | <u>-</u>                                   | <u>10,020</u>                       |
| <b>Total funds</b>                       | <u>3,818,008</u>                   | <u>2,340,148</u>           | <u>(2,463,823)</u>         | <u>18,502</u>                              | <u>3,712,835</u>                    |
|                                          | Balance at<br>1 April<br>2023<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Other<br>recognised<br>gains/(losses)<br>£ | Balance at<br>31 March<br>2024<br>£ |
| <b>Unrestricted funds</b>                |                                    |                            |                            |                                            |                                     |
| <i>General</i>                           |                                    |                            |                            |                                            |                                     |
| Revaluation reserve                      | 1,485,983                          | -                          | -                          | 153,373                                    | 1,639,356                           |
| Unrestricted income funds                | <u>2,224,830</u>                   | <u>2,271,201</u>           | <u>(2,324,688)</u>         | <u>(4,142)</u>                             | <u>2,167,201</u>                    |
|                                          | <u>3,710,813</u>                   | <u>2,271,201</u>           | <u>(2,324,688)</u>         | <u>149,231</u>                             | <u>3,806,557</u>                    |
| <b>Restricted funds</b>                  |                                    |                            |                            |                                            |                                     |
| Diamond Jubilee Garden Fund              | 12,882                             | -                          | (1,431)                    | -                                          | 11,451                              |
| Workforce Wellbeing Fund for Social Care | <u>4,060</u>                       | <u>-</u>                   | <u>(4,060)</u>             | <u>-</u>                                   | <u>-</u>                            |
| <b>Total restricted funds</b>            | <u>16,942</u>                      | <u>-</u>                   | <u>(5,491)</u>             | <u>-</u>                                   | <u>11,451</u>                       |
| <b>Total funds</b>                       | <u>3,727,755</u>                   | <u>2,271,201</u>           | <u>(2,330,179)</u>         | <u>149,231</u>                             | <u>3,818,008</u>                    |

## **The Kincarrathie Trust**

### **Notes to the Financial Statements for the Year Ended 31 March 2025**

The specific purposes for which the funds are to be applied are as follows:

The funds of the Trust include the following Restricted Fund:

The Diamond Jubilee Garden Fund comprises donations received towards costs incurred in developing The Walled Garden in recognition of the Trust's 60th Anniversary in 2021. The donations were used to provide additional areas for seating and shelter within the garden, the cost of which was capitalised and is being depreciated over a 10 year period.

The Workforce Wellbeing Fund for Social Care was established in the year ended 31 March 2023 following receipt of a grant from the Scottish Government to improve staff wellbeing in the Social Care sector. The Fund was expended in full during the year ended 31 March 2024 on a Residents & Staff Sports Day & Barbeque and also on Staff Team Building events at Willowgate Activity Centre.

## The Kincarrathie Trust

### Notes to the Financial Statements for the Year Ended 31 March 2025

#### 21 Analysis of net assets between funds

|                         | <b>Unrestricted<br/>funds<br/>General<br/>£</b> | <b>Restricted<br/>funds<br/>£</b> | <b>Total funds<br/>2025<br/>£</b> |
|-------------------------|-------------------------------------------------|-----------------------------------|-----------------------------------|
| Tangible fixed assets   | 1,605,989                                       | 10,020                            | 1,616,009                         |
| Fixed asset investments | 1,920,259                                       | -                                 | 1,920,259                         |
| Current assets          | 386,824                                         | -                                 | 386,824                           |
| Current liabilities     | (210,257)                                       | -                                 | (210,257)                         |
| Total net assets        | <u>3,702,815</u>                                | <u>10,020</u>                     | <u>3,712,835</u>                  |
|                         | <b>Unrestricted<br/>funds<br/>General<br/>£</b> | <b>Restricted<br/>funds<br/>£</b> | <b>Total funds<br/>2024<br/>£</b> |
| Tangible fixed assets   | 1,692,277                                       | 11,451                            | 1,703,728                         |
| Fixed asset investments | 1,913,258                                       | -                                 | 1,913,258                         |
| Current assets          | 344,265                                         | -                                 | 344,265                           |
| Current liabilities     | (143,243)                                       | -                                 | (143,243)                         |
| Total net assets        | <u>3,806,557</u>                                | <u>11,451</u>                     | <u>3,818,008</u>                  |

#### 22 Analysis of net funds

|                          | <b>At 1 April<br/>2024<br/>£</b> | <b>Financing<br/>cash flows<br/>£</b> | <b>At 31 March<br/>2025<br/>£</b> |
|--------------------------|----------------------------------|---------------------------------------|-----------------------------------|
| Cash at bank and in hand | 295,532                          | 57,066                                | 352,598                           |
| Net funds                | <u>295,532</u>                   | <u>57,066</u>                         | <u>352,598</u>                    |
|                          | <b>At 1 April<br/>2023<br/>£</b> | <b>Financing<br/>cash flows<br/>£</b> | <b>At 31 March<br/>2024<br/>£</b> |
| Cash at bank and in hand | 277,506                          | 18,026                                | 295,532                           |
| Net funds                | <u>277,506</u>                   | <u>18,026</u>                         | <u>295,532</u>                    |

## **The Kincarrathie Trust**

### **Notes to the Financial Statements for the Year Ended 31 March 2025**

#### **23 Related party transactions**

The Charity is controlled by the Trustees.

During the year, a relative of one of the trustees was a resident at Kincarrathie House operated by the Trust. The resident paid fees in line with the standard rates charged to all residents. The trustee was not involved in any decisions relating to the care, fees, or admission of the relative, and the arrangement was conducted on an arm's length basis.

The trustees are satisfied that this relationship did not influence the operations or governance of the Trust.