

REGISTERED COMPANY NUMBER: 1294RS (Scotland)
REGISTERED CHARITY NUMBER: SC018250

Report of the Trustees and
Financial Statements for the Year Ended 31 December 2024
for
David Cargill House

Stevenson & Kyles
Chartered Accountants
Statutory Auditor
25 Sandyford Place
Glasgow
G3 7NG

David Cargill House

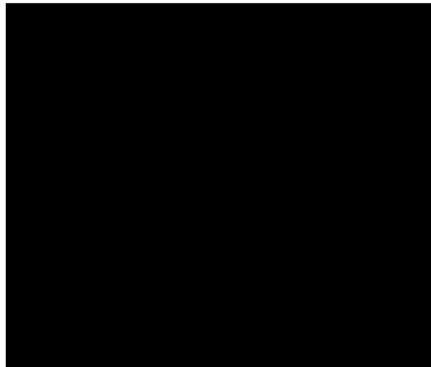
Contents of the Financial Statements for the Year Ended 31 December 2024

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David Cargill House

**Reference and Administrative Details
for the Year Ended 31 December 2024**

TRUSTEES



COMPANY SECRETARY



REGISTERED OFFICE

6-7 Great Western Terrace
Glasgow
G12 0UP

**REGISTERED COMPANY
NUMBER**

1294RS (Scotland)

**REGISTERED CHARITY
NUMBER**

SC018250

AUDITORS

Stevenson & Kyles
Chartered Accountants
Statutory Auditor
25 Sandyford Place
Glasgow
G3 7NG

SOLICITORS

Miller Beckett & Jackson
190 St Vincent Street
Glasgow
G2 5SP

BANKERS

Bank of Scotland
54-62 Sauchiehall Street
Glasgow
G2 3AH

**Report of the Trustees
for the Year Ended 31 December 2024**

The Board of Trustees of David Cargill House (formerly known as The Management Committee) present their annual report together with the audited financial statements of the charity for the year 1 January 2024 to 31 December 2024. The annual report serves the purposes of both the Board of Trustees report and a Directors' report under company law. The Board of Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019). Since the charity qualifies as a small charity under section 382 of the Companies Act 2006, the Strategic Reports required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 have been omitted. David Cargill House was subsequently formally confirmed as a Scottish Charitable Incorporated Organisation (SCIO) on 30th May 2025.

OBJECTIVES AND ACTIVITIES

Policies and objectives

In terms of the Rules, the objects of the Society are to provide housing and any associated amenities for elderly persons of limited means upon terms appropriate to their means. The Board of Trustees has absolute control over the business of the Society and is charged to apply any surplus to the reserve fund or for such charitable purposes as the Board of Trustees may determine.

STRATEGIC REPORT

Achievements and performance

Charitable activities

The Board of Trustees would like to thank [REDACTED] and all the staff at the home for their hard work, dedication and sacrifices made in the continuing development of the home. Income from residents' fees increased in 2024 to £2,113,185 due to an increase in funding rates despite some beds still being vacant. In the same period costs of charitable activities have increased to £2,170,048; this was due to overall increased costs, most notably an increase in staff costs due to additional overtime working to meet the increasing needs of the resident group. The rising costs of food and drink have also contributed to the increased costs.

It is undoubtedly due to the care and dedication of our staff who continue to provide high quality care in a homely environment to an increasingly frail clientele that our aims have been met, and we are confident that they will continue to be. The excellent standard of care is evidenced by the reports on the home from the Care Inspectorate.

The impact of the COVID-19 pandemic has significantly subsided once again during the year, meaning that the families of residents are free to visit the home as they please and we've been able to sustain the organisation of outings for residents again. However, there remains knock-on effects, creating significant challenges for the care sector. Challenging working conditions and negative publicity during the pandemic continues to exacerbate staff difficulties in the industry; and the financial climate remains a constant focus of the Board of Trustees.

**Report of the Trustees
for the Year Ended 31 December 2024**

STRATEGIC REPORT

Financial review

Reserves policy

The total reserves at 31 December 2024 were £1,325,394. Of these £1,546,900 are restricted and can only be used for the purposes for which they were given. This leaves negative free reserves of £221,506. The members of the Board of Trustees have established a policy whereby the unrestricted funds not committed or invested in tangible assets should equate to three months of resources expended. This level of free reserves has not yet been achieved. The Board of Trustees and senior staff continue to explore a number of options with the aim of producing a positive figure in unrestricted funds. The charity does not have any funds either held in investments or available for investment other than short term bank deposits which earn interest at the prevailing rates.

Going concern

After making appropriate enquiries, the Board of Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing these financial statements.

Future plans

To better meet the needs of the residents of the home, the Board of Trustees intend to pursue plans to reassign current office and bedroom space to create 2 new single ensuite bedrooms and reduce the number of double bedrooms by 2, bringing available single rooms to 33 and double rooms to 6.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charity constitution

In 1951 Glasgow Old Peoples' Homes Limited was set up as a Housing Society under the Industrial and Provident Societies Act 1893 (renamed the Cooperative & Community Benefits Society Act 2014), company registration number 1294RS, and in 1952 property at 6/7 Great Western Terrace was purchased for the purpose of providing a home for old people in need of care and attention. In 1959 the name of the Society was changed to David Cargill House. The company is a registered Scottish charity, number SC018250.

Methods of appointment or election of Management Committee

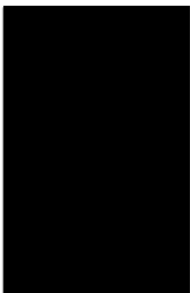
The management of the charity is the responsibility of the Management Committee (Board of Trustees) who are elected and co-opted under the terms of the Trust Deed.

**Report of the Trustees
for the Year Ended 31 December 2024**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The members of the Management Committee, who are also the Trustees for the purposes of charity law, and who served during the year were:



In terms of the rules of the Society the responsible people are the members of the Management Committee, listed above ([REDACTED] subsequently passed away on 30 January 2024). [REDACTED] was elected to the Board in November 2024. The Chairman at year end 2024 was [REDACTED] (elected on 6 February 2024). One third of the members are due to retire by rotation every year and may be re-elected and the Chairman is normally elected at the first meeting after the Annual General Meeting. The administrative address of the Society is: 6/7 Great Western Terrace, Glasgow, G12 0UP. None of the Trustees has any beneficial interest in the company. All of the members of the Management Committee are members of the company and guarantee to contribute £1 in the event of a winding up. [REDACTED] resigned as a Trustee and Chair of the Management Committee in March 2025 and [REDACTED] was elected Chair of the Board of Trustees.

Induction and training of Management Committee

The charity has reviewed its policies relating to induction and training to comply with the guidelines and recommendations from the Office of the Scottish Charity Regulator. This ensures that its policies are sufficient to meet the training needs of its Committee Members and staff and that the charity continues to maintain the highest possible standards of service delivery.

Key management remuneration

The Board of Trustees consider the management personnel of the charity to be the trustees and the senior management team (who are in charge of controlling, running and operating the charity on a day to day basis). All trustees give their time freely and no trustees received remuneration in the year. The pay of senior staff is reviewed annually and increased in accordance with average earnings.

Related parties

The David William Traill Cargill Fund, a registered Scottish Charity, is considered to be a related party.

Risk management

The Board of Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The Board of Trustees consider that the major risks which they face are, in common with other care providers in the sector, continuity of income, recruitment and retention of quality staff, difficulties with property maintenance and reputational damage arising from a decline in the quality of care for residents. The potential impact of these risks is minimised by regular review of finances, care in staff selection, regular supervision of the work done in the Home, rigorous staff training and appraisal, and support from the management team.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

David Cargill House

Report of the Trustees for the Year Ended 31 December 2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of David Cargill House for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

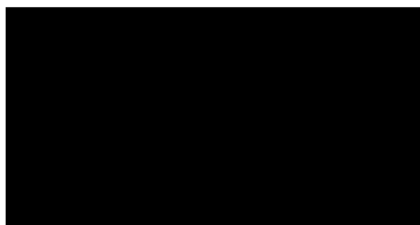
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Stevenson & Kyles, will be proposed for re-appointment at a meeting of the Management Committee.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 5 September 2025 and signed on the board's behalf by:



Report of the Independent Auditors to the Trustees and Members of David Cargill House

Opinion

We have audited the financial statements of David Cargill House (the 'charitable company') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows 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 (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 31 December 2024 and of its incoming resources and application of resources, including 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.

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 Auditors' 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 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 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 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 Report of the Independent Auditors 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.

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 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.

Report of the Independent Auditors to the Trustees and Members of David Cargill House

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has 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 Report of the Trustees.

We have nothing to report in respect of the following matters where 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 Statement of Trustees' Responsibilities, 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 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.

Report of the Independent Auditors to the Trustees and Members of David Cargill House

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Auditor's approach to assessing the risks of material misstatement due to irregularities

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity. Those that have a direct impact include: FRS 102, Co-operative & Community Benefit Societies Act 2014, Regulation of Care (Scotland) Act 2001 and Health & Social Care Standards. Those that have an indirect impact include: employment matters, health and safety regulations, and data protection laws. We then considered the extent to which non-compliance might have a material effect on the financial statements.

We assessed the risk of material misstatement in respect of fraud and made enquiries of management as to the existence of, or any evidence of, actual or suspected instances of fraud. Based on the auditing standards we addressed two fraud risks that were relevant to our audit, in relation to revenue recognition and management override of controls.

Audit procedures designed to respond to the risk of non-compliance with laws and regulations

Based on the results of our risk assessment we designed audit procedures to identify non-compliance with such laws and regulations identified above. We made enquiries of management and those charged with governance as to any non-compliance and corroborated responses given by requesting confirmation from client's legal counsel of any outstanding legal matters, obtained inspection reports from relevant 3rd parties and reviewed the board minutes for evidence of any undisclosed matters.

Compliance with the requirements of the accounting standards and Charity Law in terms of the form and content of the accounts was ensured using disclosure checklists and through vouching of disclosures to supporting documentation.

Audit procedures designed to respond to the risk of fraud

In response to the risk of fraud through management override, we incorporated testing of manual journal entries into our audit approach. In order to address the risk of fraud in relation to recognition of revenue we undertook substantive testing of revenues earned in relation to a sample of residents by agreeing the amounts prescribed in care agreements to the amounts recorded in the ledger and received, either through local councils or self-funding. We also reviewed the veracity of grant receipts recorded with reference to grant award letters and similar 3rd party documents.

Considerations around likelihood of detection

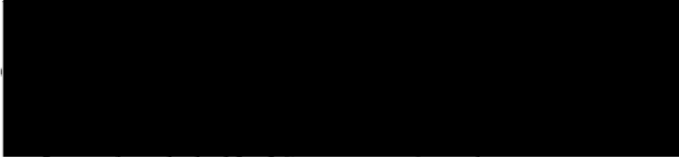
There are inherent difficulties in the audit process described above to detect the existence of irregularities. We have mitigated these limitations by assessing the adequacy of the company's internal controls including the existence of appropriate segregation of duties and by the nature, timing and extent of the audit procedures involved, by introducing an element of unpredictability in our sampling and testing.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Trustees and Members of
David Cargill House**

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. Our audit work has been undertaken so that we might state to the charitable company's members and the trustees those matters we are required to state to them 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



for and on behalf of Stevenson & Kyles

Chartered Accountants

Statutory Auditor

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

25 Sandyford Place

Glasgow

G3 7NG

5 September 2025

David Cargill House

**Statement of Financial Activities
for the Year Ended 31 December 2024**

		Unrestricted funds £	Restricted funds £	31.12.24 Total funds £	31.12.23 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	14,678	60,996	75,674	69,895
Charitable activities	5				
Resident's fees		2,113,185	-	2,113,185	1,925,643
Investment income	4	3,735	-	3,735	4,732
Total		<u>2,131,598</u>	<u>60,996</u>	<u>2,192,594</u>	<u>2,000,270</u>
EXPENDITURE ON					
Charitable activities	6				
Care Home Services		<u>2,137,282</u>	<u>32,766</u>	<u>2,170,048</u>	<u>2,259,447</u>
NET INCOME/(EXPENDITURE)		(5,684)	28,230	22,546	(259,177)
Other recognised gains/(losses)					
Gains on revaluation of fixed assets		<u>-</u>	<u>-</u>	<u>-</u>	<u>312,000</u>
Net movement in funds		(5,684)	28,230	22,546	52,823
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>(215,822)</u>	<u>1,518,670</u>	<u>1,302,848</u>	<u>1,250,025</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>(221,506)</u></u>	<u><u>1,546,900</u></u>	<u><u>1,325,394</u></u>	<u><u>1,302,848</u></u>

The notes form part of these financial statements

David Cargill House (Registered number: 1294RS)

**Statement of Financial Position
31 December 2024**

		Unrestricted funds £	Restricted funds £	31.12.24 Total funds £	31.12.23 Total funds £
	Notes				
FIXED ASSETS					
Tangible assets	13	421,043	1,496,218	1,917,261	1,939,761
CURRENT ASSETS					
Stocks	14	7,480	-	7,480	5,450
Debtors	15	134,742	-	134,742	55,424
Cash at bank and in hand		304,269	50,682	354,951	372,286
		<u>446,491</u>	<u>50,682</u>	<u>497,173</u>	<u>433,160</u>
CREDITORS					
Amounts falling due within one year	16	(281,919)	-	(281,919)	(258,874)
		<u>164,572</u>	<u>50,682</u>	<u>215,254</u>	<u>174,286</u>
NET CURRENT ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES		585,615	1,546,900	2,132,515	2,114,047
CREDITORS					
Amounts falling due after more than one year	17	(812,610)	-	(812,610)	(812,610)
PENSION ASSET	21	5,489	-	5,489	1,411
		<u>(221,506)</u>	<u>1,546,900</u>	<u>1,325,394</u>	<u>1,302,848</u>
NET ASSETS					

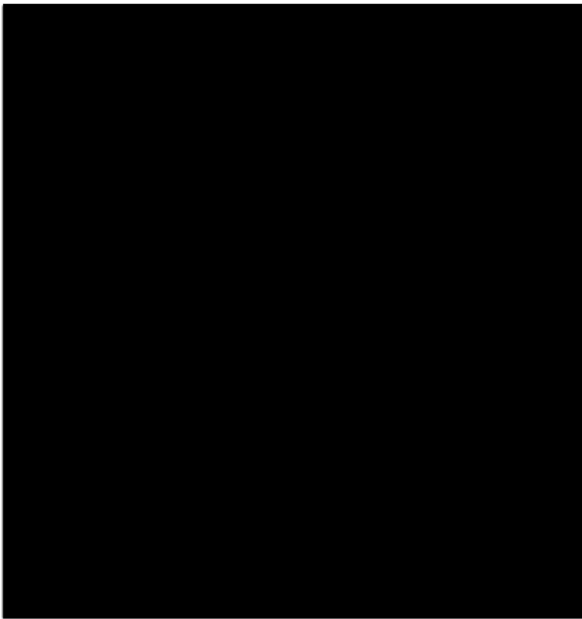
The notes form part of these financial statements

David Cargill House

**Statement of Financial Position - continued
31 December 2024**

FUNDS	20		
Unrestricted funds		(221,506)	(215,822)
Restricted funds		<u>1,546,900</u>	<u>1,518,670</u>
TOTAL FUNDS		<u><u>1,325,394</u></u>	<u><u>1,302,848</u></u>

The financial statements were approved by the Board of Trustees and authorised for issue on 5 September 2025 and were signed on its behalf by:



David Cargill House

**Statement of Cash Flows
for the Year Ended 31 December 2024**

	Notes	31.12.24 £	31.12.23 £
Cash flows from operating activities			
Cash generated from operations	1	(16,951)	(68,575)
Net cash used in operating activities		<u>(16,951)</u>	<u>(68,575)</u>
Cash flows from investing activities			
Pension payments		(4,119)	(3,324)
Interest received		3,735	4,732
Net cash (used in)/provided by investing activities		<u>(384)</u>	<u>1,408</u>
Change in cash and cash equivalents in the reporting period		<u>(17,335)</u>	<u>(67,167)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>372,286</u>	<u>439,453</u>
Cash and cash equivalents at the end of the reporting period		<u><u>354,951</u></u>	<u><u>372,286</u></u>

The notes form part of these financial statements

David Cargill House

**Notes to the Statement of Cash Flows
for the Year Ended 31 December 2024**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.12.24 £	31.12.23 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	22,546	(259,177)
Adjustments for:		
Depreciation charges	22,500	22,470
Interest received	(3,735)	(4,732)
Pension adjustments	41	78
(Increase)/decrease in stocks	(2,030)	2,451
(Increase)/decrease in debtors	(79,318)	48,891
Increase in creditors	23,045	121,444
Net cash used in operations	<u>(16,951)</u>	<u>(68,575)</u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.24 £	Cash flow £	At 31.12.24 £
Net cash			
Cash at bank and in hand	372,286	(17,335)	354,951
	<u>372,286</u>	<u>(17,335)</u>	<u>354,951</u>
Debt			
Debts falling due after 1 year	(812,610)	-	(812,610)
	<u>(812,610)</u>	<u>-</u>	<u>(812,610)</u>
Total	<u>(440,324)</u>	<u>(17,335)</u>	<u>(457,659)</u>

The notes form part of these financial statements

David Cargill House

Notes to the Financial Statements for the Year Ended 31 December 2024

1. GENERAL INFORMATION

David Cargill House is a company limited by shares, incorporated in the UK and registered in Scotland, company registration number 1294RS. It is also a registered charity with the Office of the Scottish Charity Regulator (OSCR), charity registration number SC018250. The registered office is shown in the Reference and Administrative Details. David Cargill House's principal activities and the nature of its operations are outlined in the Management Committee's report.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006, and the Co-operative and Community Benefit Societies Act 2014. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Going Concern

The charity reported a surplus of £22,546 during the year with overall reserves increasing to £1,325,394. Restricted reserves are £1,546,900 and unrestricted reserves are (£221,506), leaving the organisation in a relatively weak financial position. At the balance sheet date, the charity had amounts owed to The David William Traill Cargill Fund (The DWT Cargill Fund) of £812,610 (2023 - £812,610) in respect of loans advanced. The Management Committee is confident the charity will receive this continued financial support.

The Management Committee also believes that the Scottish Government will undoubtedly require to maintain financial support given to the voluntary sector to ensure that this essential provision is maintained in the future. The Trustees are therefore satisfied, despite the challenging conditions, that the charity has adequate resources to continue in operational existence for the foreseeable future and have prepared the financial statements on a going concern basis. The financial statements do not include any adjustments that would result should the support highlighted be withdrawn.

Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. As the charity makes estimates and assumptions concerning the future, the resulting accounting estimates and assumptions may, by definition, vary from the actual results. The estimates and areas of judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

Pension liability

The charity participates in the Pension Trust defined benefits pension scheme. See Note 21 for further information.

Depreciation

The estimates and assumptions made to depreciation rates requires judgements to be made as regards useful lives and residual values. The useful lives and residual values of the charity's fixed assets are determined by management at the time the asset is acquired and reviewed annually.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2024

2. ACCOUNTING POLICIES - continued

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities (SOFA) over the expected useful lives of the assets concerned. Other grants are credited to the SOFA as the related expenditure is incurred.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Tangible fixed assets are initially recorded at cost and then subsequently measured at cost less impairment and cumulative depreciation. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Heritable property	- 1% on cost
Kitchen & laundry equipment	- 20% on reducing balance
Fixtures, fittings and equipment	- 20% on cost
Motor vehicles	- 20% on reducing balance

Stocks

Stock, comprising household and kitchen stock, is held at the lower of cost and estimated selling price less costs to complete and sell.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Management Committee in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Management Committee for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

David Cargill House

Notes to the Financial Statements - continued for the Year Ended 31 December 2024

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

The charitable company participates in the Pension Trust defined benefits scheme and retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the scheme. Payments are made in accordance with periodic calculations by qualified actuaries and are based on pension costs applicable across the various participating organisations taken as a whole.

The charitable company accounts for amounts that it has agreed to pay towards the scheme deficit in accordance with paragraph 28.11A of FRS 102. The present value of this liability has been recognised in the Balance Sheet. The discount rate applied to this obligation is that of a yield rate for high quality corporate bonds.

3. DONATIONS AND LEGACIES

	31.12.24	31.12.23
	£	£
Donations	-	21,966
Grants	75,674	47,929
	<u>75,674</u>	<u>69,895</u>

Grants received, included in the above, are as follows:

	31.12.24	31.12.23
	£	£
DWT grants	55,674	47,929
National Lottery grants	20,000	-
	<u>75,674</u>	<u>47,929</u>

4. INVESTMENT INCOME

	31.12.24	31.12.23
	£	£
Deposit account interest	3,735	4,732
	<u>3,735</u>	<u>4,732</u>

David Cargill House

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2024**

5. INCOME FROM CHARITABLE ACTIVITIES

		31.12.24	31.12.23
	Activity	£	£
Residents' fees	Resident's fees	2,113,185	1,925,643

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 7) £	Support costs (see note 8) £	Totals £
Care Home Services	2,141,644	28,404	2,170,048

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.12.24	31.12.23
	£	£
Staff costs	1,593,305	1,575,726
Rates and water	40,124	27,953
Insurance	28,189	31,026
Light and heat	60,211	158,821
Telephone	3,699	5,754
Postage and stationery	2,468	3,966
Sundry expenses	8,222	5,708
Repairs and maintenance	91,909	116,646
Motor expenses	10,908	11,084
Travelling	996	719
Food and drink	149,336	130,200
Cleaning materials	47,692	48,277
Staff training	1,182	5,346
Medical supplies	16,716	31,776
Residents activities	28,205	18,877
Subscriptions	10,616	10,634
Pension interest charge	41	78
Staff expenses	25,325	23,686
Depreciation	22,500	22,470
	2,141,644	2,228,747

David Cargill House

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2024**

8. SUPPORT COSTS

	Governance costs £
Care Home Services	28,404
	<u> </u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.12.24	31.12.23
	£	£
Auditor remuneration	10,380	9,090
Depreciation - owned assets	22,500	22,470
	<u> </u>	<u> </u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2024 nor for the year ended 31 December 2023.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2024 nor for the year ended 31 December 2023.

11. STAFF COSTS

	31.12.24	31.12.23
	£	£
Wages and salaries	1,443,901	1,432,239
Social security costs	121,576	109,522
Other pension costs	27,828	33,965
	<u> </u>	<u> </u>
	1,593,305	1,575,726
	<u> </u>	<u> </u>

The average monthly number of employees during the year was as follows:

	31.12.24	31.12.23
Management staff	5	5
Care staff	63	64
	<u> </u>	<u> </u>
	68	69
	<u> </u>	<u> </u>

No employees received emoluments in excess of £60,000.

The total remuneration paid to key management personnel during the year was £234,642 (2023 - £217,805).

David Cargill House

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2024**

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	46,247	23,648	69,895
Charitable activities			
Resident's fees	1,925,643	-	1,925,643
Investment income	4,732	-	4,732
Total	<u>1,976,622</u>	<u>23,648</u>	<u>2,000,270</u>
EXPENDITURE ON			
Charitable activities			
Care Home Services	<u>2,220,532</u>	<u>38,915</u>	<u>2,259,447</u>
NET INCOME/(EXPENDITURE)	(243,910)	(15,267)	(259,177)
Other recognised gains/(losses)			
Gains on revaluation of fixed assets	<u>148,524</u>	<u>163,476</u>	<u>312,000</u>
Net movement in funds	(95,386)	148,209	52,823
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>(120,436)</u>	<u>1,370,461</u>	<u>1,250,025</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>(215,822)</u></u>	<u><u>1,518,670</u></u>	<u><u>1,302,848</u></u>

David Cargill House

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2024**

13. TANGIBLE FIXED ASSETS

	Heritable property £	Kitchen & laundry equipment £	Fixtures, fittings and equipment £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 January 2024 and 31 December 2024	1,950,000	5,845	13,087	25,438	1,994,370
DEPRECIATION					
At 1 January 2024	19,500	5,217	5,236	24,656	54,609
Charge for year	19,500	120	2,616	264	22,500
At 31 December 2024	39,000	5,337	7,852	24,920	77,109
NET BOOK VALUE					
At 31 December 2024	1,911,000	508	5,235	518	1,917,261
At 31 December 2023	1,930,500	628	7,851	782	1,939,761

Cost or valuation at 31 December 2024 is represented by:

	Heritable property £	Kitchen & laundry equipment £	Fixtures, fittings and equipment £	Motor vehicles £	Totals £
Valuation in 2015	1,409,309	-	-	-	1,409,309
Valuation in 2024	150,000	-	-	-	150,000
Cost	390,691	5,845	13,087	25,438	435,061
	1,950,000	5,845	13,087	25,438	1,994,370

If freehold property had not been revalued it would have been included at the following historical cost:

	31.12.24 £	31.12.23 £
Cost	390,691	390,691
Aggregate depreciation	123,780	119,873

Freehold property was valued on an open market basis on 26 March 2024 by Shepherd Chartered Surveyors.

The Trustees are of the opinion that the fair value of the Heritable Property is not materially different from the carrying value in the financial statements.

David Cargill House

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2024**

14. STOCKS

	31.12.24	31.12.23
	£	£
Kitchen and household stock	7,480	5,450
	<u>7,480</u>	<u>5,450</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.24	31.12.23
	£	£
Trade debtors	117,343	41,629
Other debtors	14,678	9,181
Prepayments and accrued income	2,721	4,614
	<u>134,742</u>	<u>55,424</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.24	31.12.23
	£	£
Trade creditors	40,592	51,025
Social security and other taxes	35,029	28,160
Other creditors	22,711	47,830
Accruals and deferred income	183,587	131,859
	<u>281,919</u>	<u>258,874</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.24	31.12.23
	£	£
Other loans (see note 18)	812,610	812,610
	<u>812,610</u>	<u>812,610</u>

18. LOANS

An analysis of the maturity of loans is given below:

	31.12.24	31.12.23
	£	£
Amounts falling between one and two years:		
Loan from David William Traill Cargill Fund	812,610	812,610
	<u>812,610</u>	<u>812,610</u>

Part of the loan from DWT Cargill Fund bears interest at 5% per annum and is secured by a standard security over the Heritable Property and is repayable after 12 months on demand. The remaining interest was waived by the Trustees.

David Cargill House

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2024**

19. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.24 £	31.12.23 £
Between one and five years	79,637	104,049

20. MOVEMENT IN FUNDS

	At 1.1.24 £	Net movement in funds £	At 31.12.24 £
Unrestricted funds			
General fund	(215,829)	(5,684)	(221,513)
Share capital fund	7	-	7
	(215,822)	(5,684)	(221,506)
Restricted funds			
Capital fund	1,511,484	(15,266)	1,496,218
Property upkeep fund	7,186	23,496	30,682
Minibus fund	-	20,000	20,000
	1,518,670	28,230	1,546,900
TOTAL FUNDS	1,302,848	22,546	1,325,394

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,131,598	(2,137,282)	(5,684)
Restricted funds			
Capital fund	-	(15,266)	(15,266)
Property upkeep fund	23,496	-	23,496
Minibus fund	20,000	-	20,000
Staff welfare fund	17,500	(17,500)	-
	60,996	(32,766)	28,230
TOTAL FUNDS	2,192,594	(2,170,048)	22,546

David Cargill House

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2024**

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.23 £	Net movement in funds £	At 31.12.23 £
Unrestricted funds			
General fund	(120,443)	(95,386)	(215,829)
Share capital fund	7	-	7
	<hr/> (120,436)	<hr/> (95,386)	<hr/> (215,822)
Restricted funds			
Capital fund	1,363,275	148,209	1,511,484
Property upkeep fund	7,186	-	7,186
	<hr/> 1,370,461	<hr/> 148,209	<hr/> 1,518,670
TOTAL FUNDS	<hr/> <hr/> 1,250,025	<hr/> <hr/> 52,823	<hr/> <hr/> 1,302,848

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,976,622	(2,220,532)	148,524	(95,386)
Restricted funds				
Capital fund	-	(15,267)	163,476	148,209
Property upkeep fund	23,648	(23,648)	-	-
	<hr/> 23,648	<hr/> (38,915)	<hr/> 163,476	<hr/> 148,209
TOTAL FUNDS	<hr/> <hr/> 2,000,270	<hr/> <hr/> (2,259,447)	<hr/> <hr/> 312,000	<hr/> <hr/> 52,823

The restricted capital fund represents the reserves tied up with the property from which the charity operates. The restricted property upkeep fund is to be used only for enhancement of the fabric of the property. The restricted minibus fund is to be used only for the purchase of a new vehicle. The restricted staff welfare fund is to be used only for staff vouchers.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2024**

21. EMPLOYEE BENEFIT OBLIGATIONS

The charity participates in The Pension Trust scheme, a multi-employer scheme which provides benefits to some 521 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outline in the Pensions Act 2004, which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a "last-man standing arrangement". Therefore the charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on any annuity purchase on withdrawal from the scheme. Per the pension provider, David Cargill House's conversion to a SCIO has not triggered any debt on withdrawal.

A full actuarial valuation for the scheme was carried out at 30 September 2023. This valuation showed assets of £514.9m, liabilities of £531.0m and a deficit of £16.1m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions: From 1 April 2025 to 31 March 2028: £2,100,000 per annum (payable monthly). Unless a concession has been agreed with the Trustee the term to 31 March 2028 applies.

The scheme's previous valuation was carried out with an effective date of 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows: Deficit contributions: From 1 April 2022 to 31 January 2025: £3,312,000 per annum (paid monthly).

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities. Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate of 4.84%. The unwinding of the discount rate is recognised as a finance cost.

	2024 £	2023 £
Provision at start of period	(1,411)	1,835
Unwinding of the discount factor (interest expense)	41	78
Deficit contribution paid	(4,119)	(3,324)
Provision at end of period	(5,489)	(1,411)

David Cargill House

Notes to the Financial Statements - continued for the Year Ended 31 December 2024

22. RELATED PARTY DISCLOSURES

At the year-end the balance owed to DWT Cargill Fund was £812,610 (2023 - £812,610). Interest on this loan was waived in both the current and previous year. The charity received grants from DWT Cargill Fund of £55,674. N Fyfe, one of the Trustees in David Cargill House was also a trustee in the DWT Cargill Fund. Resident's fees of £16,056 were paid by Trustees' in the year.

23. POST BALANCE SHEET EVENTS

David Cargill House has been converted into a Scottish Charitable Incorporated Organisation (SCIO) from 30 May 2025. The organisation is no longer an Industrial and Provident Society from this date and now has charitable status under the Charities and Trustee Investment (Scotland) Act 2005.