

Annual Report and Financial Statements

Year ending 30 September 2024

Erskine Veterans Charity (Company Registered Number SC174103)







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The Trustees present the Board of Trustees' report (incorporating the Strategic Report) and financial statements for the year ended 30 September 2024.

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BOARD OF TRUSTEES' REPORT

OBJECTIVES AND ACTIVITIES

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

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





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

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

Our services at the end of the period included:

- **Care**
"I am cared for and about"
 - Residential care homes: one in Edinburgh and two within our Bishopton Veterans Village. These homes provide nursing, dementia and end-of-life care to Veterans and their spouses and ensure that Veterans and their spouses are provided with the best possible care during later life.
- **Accommodation**
"I have a safe place to call home"
 - Transitional Supported Accommodation for Veterans who leave the military at relatively short notice and need more assistance to reintegrate productively back into civilian life, within 24 apartments located at our Bishopton Veterans Village.
 - 44 family cottages and five Supported Living Accommodation apartments for Veterans and their families to live independent lives within our Bishopton Veterans Village.
 - Accommodation and support services for the Army Personnel Recovery Centre ("PRC"), Combat Stress and Veterans First Point Lothian, who operate their services for Veterans and recovering service men and women from within our Erskine Edinburgh Veterans Hub.
- **Community**
"There is somewhere I belong"
 - The Erskine Reid Macewen Activities Centre (ERMAC), a Veterans activities centre within the Bishopton Veterans Village. Under the Erskine Veterans Activity Centre (EVAC) model, ERMAC aims to enhance the quality of life and wellbeing of Veterans in the community, providing the opportunity to engage with people who have shared experiences and history, learn new skills, explore a number of interests and access support services.

- An Erskine Veterans Activities Centre in Forres, which as of the year end is undergoing renovation and opened to Veterans during December 2024.
- A Support at Home service pilot, which launched during September 2024, and is reaching 32 Veterans living in the West of Scotland.

The Charity's values are:

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

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

BOARD OF TRUSTEES' REPORT

PERFORMANCE AND ACHIEVEMENTS

Our strategic objectives continue to underpin all that we do. Both Senior Management, and our Board of Trustees, review these objectives, and their multiple operational lines of delivery, on a regular basis. Trustees, receive project reports and operational management data, through a newly developed dashboard, which tracks our income, expenditure, service outputs and outcomes.

Our strategic objectives were approved by our Board of Trustees, in December 2021. They remain extant out to 30 September 2026. They were developed in response to growing economic pressure, and significant changes to national social care policies, beneficiary needs, wishes and demographics. Both the Scottish Government and older citizens themselves, want a focus on support in the community - empowering people to live well for longer in familiar places, surrounded by familiar faces. Currently, the number of older Veterans within that community may have dropped 40% by 2030. Therefore, before financial pressures forced us to make rushed decisions, we made appropriate adjustments to our care capacity and related expenditure, ahead of investing in evolution of new support services farther across Scotland.

Adjustment of our Care Service, as part of the Sustainable Service Review (SSR), was a complex and challenging process, with no easy choices to be made. Ultimately, in order to retain a care presence in both the East and West of Scotland, we elected to close two of our smaller homes. We made the difficult decisions to close both The Erskine Glasgow Home, and the Erskine Park Home, and many of our residents were transferred to The Erskine Home. We intend that the Erskine Park Home will be repurposed (possibly as a supported living community) in due course. The SSR process also saw us retain sector leading staffing levels and terms and conditions for our staff, however we reduced the size of our specialist teams, re-rolling or relocating some staff and letting some others go. A challenging period for the charity - but one which ultimately secured our future.

Care home capacity now broadly meets projected demand, and we can be rightly proud of our having sustained quality whilst controlling costs. This has enabled us to rapidly develop impactful group and personal community support services for younger Veterans in the wider community. Replication of Erskine Veterans Activity Centres (EVACs) in Veteran dense regions is key to this work - which will enable us to create community hubs for our own services and those of others. This has the added benefit of Erskine Veterans Charity becoming better known and supported for our work across Scotland. These considerations and objectives are fundamental to our work and critical to our relevance and sustainability as a charity in the long-term. Concurrent with this, we are reviewing and evaluating our management, decision-support structures and technology, to ensure that they are efficient and effective for both current operations and future challenges.

We assess our progress against strategic objectives, and review our internal and external operating environment, on a regular basis. Monitoring of the Veterans' sphere continues to be facilitated by our collaborative membership of Veterans Scotland. We also chair its Health & Wellbeing Group, which has tripled in size in recent years - as more charities join to collaborate with us. Review of social care, statutory funding and clinical matters is achieved through collaborative membership work with Scottish Care and the Coalition of Care and Support Providers Scotland (CCPS - a third sector membership body). Reviews and regular monitoring reports to the Board of Trustees focus on those key projects which, through board guidance, are designed to achieve our strategic ambition through the three service delivery areas of Care, Accommodation and Community. The Board is satisfied that we are making reassuring progress towards achieving our ambitions, in many cases - on or ahead of schedule.



Care

As of the end of September 2024 there were 209 residents living within our homes (22/23: 215), with 336 unique individuals receiving Erskine care during the year (22/23: 330). Occupancy against our available number of rooms remained stable, we continued to care for Veterans from across the Armed forces, with 61% Army, 27% Royal Air Forces and 12% Navy and other veterans and spouses. During the year we were able to welcome 118 new residents into our Homes (22/23: 96).

Last year we reported that the outcome of the Sustainable Service Review would mean the closure of Erskine Park Home, this was completed during February 2024, with the eventual closure date of 26th February 2024. We are pleased to report that the move went well, with all residents from Erskine Park moving down to Ramsay House in The Erskine Home.

Unfortunately during the year we lost our Head of Physiotherapy and our Head of Speech and Language Therapy, we are however pleased to note that we have recruited a new physiotherapist to lead this important aspect of our service. Recruitment is still ongoing for the Speech & Language Therapy post. Both The Erskine Home and Erskine Edinburgh Home are settling into their new staffing configurations and continue to deliver excellent care to our residents. During the year one of our Advanced Nurse Practitioners moved on to a new post, we took the opportunity to again go down the Trainee Advanced Nurse Practitioner route and 'develop our own' staff, additionally we appointed a new Clinical Lead to Ramsay House, from within our own staff.

Throughout the year residents continued to enjoy in-house activities and entertainment as well as going on many outings to a wide range of places including, for example, the Edinburgh Military Tattoo.

In November of 2023 our Physiotherapy Team won the Scottish Care, Meaningful Activity award for their rehabilitation and engagement work with our residents. In February 2024 two of our staff were successful and accepted onto the Queen's Nurse development programme, they were awarded the title 'Queen's Nurse', at an award ceremony in November 2024.

We have had no Care Inspectorate inspections during this year. At The Erskine Home the Renfrewshire Commissioning Team did their annual visit and gave the home a clean bill of health. During the year we held two staff conferences, one for Registered Nurses and Senior Care Assistants (celebrating International Nurses Day), the other was a first for us, in September, with the inaugural Care Assistant Conference.

In September we were delighted to finally finish and open Yarrow Garden. This project, initially planned for 2019 was an early casualty of the pandemic, thanks to our funders who stayed the course with us, we were finally able to open the garden, suitable for residents of different abilities. During early summer we began the process of replacing all our beds, all of which were at least 15 years old. During September we began the physical replacement of old for new, with our preferred supplier, the process was completed during October.

BOARD OF TRUSTEES' REPORT

PERFORMANCE AND ACHIEVEMENTS (CONTINUED)

Accommodation

The Transitional Supported Accommodation programme within our Bishopton Veterans Village has continued to progress well and we have now supported more than 49 Veterans in different ways (22/23: 30 Veterans). This service is there for working age Veterans whose transition to civilian life has been disrupted “through bad luck or bad timing”. However, the support team have found that almost every applicant’s “bad luck” caused them to present with some form of mental health or addiction challenge. The support programme and staffing skills mix had to evolve in order to meet those tenants’ needs and in the last year we have added a new service to the support package where we continue to support Veterans back in the community for up to six months after they leave our TSA. This is designed to ensure they sustain their tenancies correctly, apply for any relevant benefits and maintain contact with any specialist help they are receiving through other agencies. We continue to collaborate with other Veterans’ charities, third sector and public sector organisations to support the Veterans onto a stable footing, forwards into sustainable employment and ultimately into appropriate long-term accommodation in the area of their choosing.

Our Family cottages and Assisted Living Accommodation within the Bishopton Veterans Village maintained near 100% occupancy levels (22/23 100%).

As of the year end we had 98 Veterans and their family members living independent lives within the Bishopton Veterans Village (Sep-23: 104).

Community

We progressed the growth of our community services during the period, with the acquisition and renovation of the former Victoria Hotel in Forres which will become our new Veterans Activity Centre, together with the launching of a pilot of a Support at Home service serving Veterans in the West of Scotland. This exciting growth is in line with our strategy which will allow us to reach more Veterans with life changing and life saving support.

EVACs

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

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

Since inception in January 2018, ERMAC has provided meaningful support for 439 (22/23: 370) members including Veterans, spouses and carers. 81 new members joined during the year and the centre had an active membership of 224 beneficiaries (22/23: 217) during the year. Members travel from up to 30 miles away, with average daily attendance reaching 39 beneficiaries per day (22/23: 43).

Fifty organised activity sessions (22/23: 50) were available each week - run by our employees, sessional staff, Veterans and volunteers. ERMAC staff team take guidance and support from 12 members of the Veterans Committee, meeting every 8 – 10 weeks we discuss future plans, community suggestions and lessons learned.

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



Members told us:

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

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

“Great stress-free environment, kind helpful and empathetic staff. Lots of identification with service users. There’s camaraderie and banter. I always leave ERMAC feeling included and welcomed.”

These outcomes for our membership mean that we have continued with our plans to expand these services across Scotland.

A key priority for the year was to develop Community Gardens within the Bishopton Veterans Village on an unused piece of land. Work was completed at the end of the summer and a Grand Opening held as a token of gratitude to all of our Veterans, Volunteers and Funders. The event was a chance to meet some of the Veterans who will maintain the allotments and hear firsthand how the wider ex-Service community in Bishopton will benefit from the hard work that has been poured into the project. The gardens are now available to the whole Bishopton Veterans Village and produce is grown to share amongst our community.

Our new EVAC in Forres opened to members during December 2024. A Community Engagement event and independent survey were undertaken during September 2024, the aims of these activities were to ensure the local community were confident that we were talking to them about their needs and how they see the service model delivered in Forres. Feedback from potential members, partners and the wider community was overwhelmingly positive and has provided us with a guide on how we approach successful delivery of a member led service as well as garner support with partners and referral sources currently working within the target community. We have a sense that the “life-changing and sometimes life-saving support” which ERMAC delivers, will soon benefit many more Veterans, spouses and carers across Scotland.

Support at Home

Our primary market research, completed during the year, found that there are 914 Veterans living in the Renfrewshire and Inverclyde area who were interested in receiving emotional support at a time of difficulty, help with escorted trips to a social activity, help with preparing meals, general housekeeping and running errands. Extrapolating this result indicates a total addressable need for such a “Support at Home” service amongst some 50,000 Veterans across Scotland. Based on this research during June 2024 our Board of Trustees approved the launch of a pilot “Support at Home” service for up to 32 beneficiaries within the Renfrewshire, Inverclyde and other areas within the vicinity of the Bishopton Veterans Village. Following assessment of each individuals needs, support visits commenced during September 2024, and with referrals from across the Veterans community as of November 2024 the pilot has already reached its capacity of 32 Veterans. We are closely monitoring the social impact of the pilot, including using Oxford University’s Recovering Quality of Life Assessment tool.

In order to manage risk, our pilot service has been carefully planned to exclude Care services, and in close consultation with the Care Inspectorate we will only be delivering non-care services. As part of the pilot evaluation we will evaluate the effects of the services and needs of our Service Users and we intend that a decision on the future scale and scope of these service is made during 2025.

An effective and efficient organisation

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

During the period we achieved critical milestones towards strengthening our efficiency and effectiveness as a Charity. During the last year, we have taken forward the implementation of the Sustainable Service Review. Whilst this change has been challenging for many involved, we have retained a sector leading Care service which we can be proud of.

We have continued to develop our core supporting functions during the year, and a strengthened budget monitoring and reporting process has aimed to help our frontline staff to understand and manage resources in the best possible way for our beneficiaries. During the period we embedded our transition to our new integrated rostering, employee management and payroll system, which has helped to increase our efficiency. Whilst recruitment and retention of social care workers remains a key organisational risk, our health and wellbeing initiatives continued to show results with sickness absence and staff vacancy rates falling two and one percentage points respectively (to 7% and 11%) compared to the prior year. Our fundraising team exceeded the planned net fundraising income target by £2.3m (or 40%) within a challenging and competitive environment.

BOARD OF TRUSTEES' REPORT

FINANCIAL REVIEW

After earned income, our charitable activities required £10.1m in donations to deliver (22/23: £10.3m) (see table 1 below). This continued to exceed the net fundraising we were able to generate (£7.9m during 23/24, £6.1m during 22/23), and the Charity relied upon £2.6m in cash from reserves to fund our activities during the year (22/23: £4.5m) (see table 2 below). However implementation of our financial plan including the Sustainable Service Review has begun to move us towards a more sustainable financial position, reducing our dependence on finite reserves and the gap between net fundraising income and donations required.

Overall, our funds increased by £2.2m (22/23: decrease of £0.5m) with a £1.1m deficit attributable to continuing charitable operations (22/23: £4.7m deficit), £5.3m total returns arising on investments (22/23: £2.3m net surplus), and a £2m deficit arising on the discontinued Erskine Park Home operation (22/23: £1.9m net gain on Erskine Glasgow home disposal).

During 23/24 we continued implementing the key components of our long-term financial plan to address the operating deficit and reach a sustainable financial position. Against a backdrop of significant shifts in Veteran demographics anticipated in the next six years, together with enduring challenges in securing the necessary levels of care staff, we continued to reduce the scale of our care home services. This included the difficult decision to close The Erskine Park Home permanently and move residents into Ramsay House within the adjacent Erskine Home.

The deficit attributable to continuing charitable operations of £1.1m, was £2.2m lower than our budget (prior year £4.7m deficit, £0.8m lower than our forecast). This was principally owing to effective management of costs within budget together with net fundraising income exceeding plan.

The Charity's long term financial plan includes an aim to bring the operating deficit to a sustainable level by the year ending 30 September 2026, and during this year we have progressed significantly towards this aim.

Table 1: Donations required

	Note	23/24 £m	22/23 £m
Charitable expenditure	9a	(24.6)	(24.9)
Add back non-cash impairment	13	0.7	-
Add back non-cash depreciation	13	1.4	1.5
Charitable income	6	13.4	13.4
Donations required for Charitable activities		(9.1)	(10.0)
Purchase of tangible fixed assets	13	(1.0)	(0.3)
Total donations required		(10.1)	(10.3)

Table 2: Reliance upon reserves to fund activities

	Note	23/24 £m	22/23 £m
Net cash used in operating activities	21	(1.6)	(4.2)
Purchase of tangible fixed assets	13	(1.0)	(0.3)
Reliance upon reserves to fund activities		(2.6)	(4.5)



Income

The principal sources of revenue are those earned under the National Care Home Contract, fees from self-funding care home residents, investments, legacies and fundraising activities. Our total income for the year was £27.4m (22/23: £27m). The increase in revenue was owing to strong legacy fundraising, increased investment income and these were offset against a non-recurring gain on sale of The Erskine Glasgow Home in the prior year.

Legacy income this year was £5.8m (22/23: £4.6m – see note five) with four individuals leaving gifts of more than £200k (22/23: three individuals). Non-legacy fundraising activities contributed £5.7m (22/23: £5.4m – see note five) of gross revenue, with 39,346 unique donors giving during the period (22/23: 36,589). We achieved growth in regular giving income driven by our programme of investment in individual donor acquisition. Income from committed givers continued to perform well, generating £3.6m (22/23 : £3.1m), with 30,611 committed givers donating during the year (22/23: 25,551).

Our care and accommodation services generated revenue of £13.4m (22/23: £13.4m), which principally related to our care home services. The revenue remains unchanged as our Care home capacity has reduced, however this has been offset against increased rates from the National Care Home Contract and self-funding residents. Occupancy within our care homes against our equipped capacity averaged 96.4% (22/23: 96.4%) which was marginally below our target level of 97.5%.

The net effect of realised and unrealised movements on the Charity's investments was a gain of £3.4m (22/23: gain of £1.4m), with the result for the year aligned to our risk weighted target return. The favourable result in the period follows several years of significant volatility in listed investment markets (21/22 loss of £5.3m, 20/21 gain of £7m). The Charity continued to rely upon reserves to fund our operations and drew down £2.4m of cash from our investment portfolio to fund the planned operating deficit and working capital movements (22/23: £4.8m).

Expenditure

Total expenditure was £28.5m (22/23: £28.9m), including £24.6m (22/23: £24.9m) on charitable activities supporting the key objectives of the Charity, and £3.7m (22/23: £3.8m), on raising funds. The decrease in expenditure on charitable activities was driven principally by the closure of The Erskine Park Home.

We continue to operate a subsidy model across our services which required £9m (22/23: £10m) of donations during the period to fund the difference between our charitable expenditure (£22.4m (excluding impairment charge and depreciation), 22/23: £23.4m) and the charitable income we generate from local authorities and service users (£13.4m, 22/23: £13.4m). In respect of our care home services, we spent an average of £1,869 (22/23: £1,801) per resident per week, whilst bringing in earned revenue from the National Care Home Contract and self-funders of £1,093 (22/23: £1,037) per resident per week. The shortfall of £776 (22/23: £764) per resident per week, is funded by our donors and reserves.

Expenditure on raising funds was £3.7m (22/23: £3.8m). This stabilised as we continued the investment in our donor acquisition programme aimed at growing the number of committed givers. For every £1 spent on raising funds we generated £2.16 of funds for our charitable mission during the year (22/23: £1.61). Our return on investment has grown compared to the prior year owing to favourable legacy income performance.

BOARD OF TRUSTEES' REPORT

FINANCIAL REVIEW (CONTINUED)

Plans for future periods

Owing to the continued gap between our revenue and charitable expenditures, we forecast a net deficit of £0.6m during the year ending 24/25, which will be funded from our reserves (23/24 forecast net deficit was £3.3m).

During March 2021 the Board of Trustees approved a financial plan which aims for the Charity to reach a sustainable financial position by 30 September 2026, through a combination of reducing our care home capacity against a backdrop of reducing demand, investing in individual donor acquisition, sustainable service design and careful management of revenues and costs, whilst investing in the expansion of services which address unmet Veteran needs. We have now reached the Care home capacity which we believe is the right size to meet forecast demand, and have made significant progress with the other aspects of this plan, and are on track to attain a sustainable financial position as planned.

Balance sheet

The balance sheet shows total funds of £76.6m (22/23: £74.4m). Included in total funds is an amount of £0.6m (22/23: £0.5m) which is restricted. These monies have either been raised for, and their use restricted to, specific purposes, or they comprise donations subject to donor-imposed conditions. Full details of these restricted funds are in note 20 to the financial statements, together with an analysis of movements in the year. Unrestricted funds of the Charity at 30 September 2024 amounted to £76.1m (22/23: £73.9m) of which £23.6m (22/23: £19.7m) have been designated for particular purposes as per our reserves policy and £29.1m (22/23: £30.4m) relate to tangible fixed assets.

Going concern

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

Investment policy

The Charity has a portfolio of listed investments with a market value at 30 September 2024 of £44m (30 September 2023: £41.3m). We took £2.4m (22/23: £4.8m) from investments during the year to fund our activities.

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

There are no restrictions on the Charity's power to invest. However, we have made a policy decision not to invest in tobacco-related stocks and to require that our investment manager operates environmental, social and governance screening practices as an integral part of investment selection and management. The investment strategy is set by the Trustees and takes into account income requirements and the investment managers' view of market prospects. The Finance and Performance Committee and the Investment sub-group meet regularly with the investment advisors to review the performance of the portfolio and the investment strategy.



Reserves policy

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

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

- **Fixed asset reserves**
 - In respect of the net book value of tangible fixed assets which we utilise in the delivery of our charitable services.
- **Restricted funds**
 - which are restricted for a particular charitable purpose determined by a donor and not otherwise available.
- **Designated funds to support the future development of the Charity and the furtherance of our charitable objects, including:**
 - Capital projects for the coming financial year and five years' anticipated property lifecycle costs.
 - Funds required to support the evolution of the Charity's services including investment to support the creation of new services of relevance to Veterans and their families. This fund has been increased during the year to support the creation of new services, including the opening of two new activities centres by 30 September 2026.
 - A Fundraising sustainability fund to grow net income from voluntary sources. This fund has been created during the year in line with our plans to grow our voluntary income.
- **Other charitable funds to cover working capital needs and the realisation of material business risks including:**
 - A fund to cover cash requirements whilst the Charity awaits payment of accounts receivable balances.
 - A fund to guarantee provision of care home services for existing residents in the event that the Charity is unable to fundraise to subsidise their care.
 - A fund to cover the realisation of material business risks.

As of 30 September 2024 we had an excess of £4.6m reserves against our minimum reserve policy (at 30 September 2023: excess of £5.1m) (see table 3 below) and we expect that this excess will be eliminated in the period to 30 September 2026, during which we expect to continue to incur operational deficits whilst we work towards achieving a financially sustainable operating model.

See note 20 for detail of our funds.

Table 3: Free reserves

	30-Sep-24 £m	30-Sep-23 £m
Total Charity funds	76.6	74.4
Less Restricted funds	(0.6)	(0.5)
Less Designated funds	(23.6)	(19.7)
Less Tangible fixed asset fund	(29.1)	(30.4)
Other charitable funds	23.3	23.8
Working capital	(2.1)	(2.1)
Risks	(16.6)	(16.6)
Other charitable funds required	(18.7)	(18.7)
Free reserves	4.6	5.1

BOARD OF TRUSTEES' REPORT

FINANCIAL REVIEW (CONTINUED)

Defined benefit pension scheme

The defined benefit pension scheme was closed to future accrual on 1 August 2010. As at 30 September 2024 there is a scheme surplus of £3.2m (30 September 2023: £3.2m scheme surplus). Details of the assumptions used in reaching this valuation are set out in note 19. Under FRS102, the scheme surplus is only recognisable on the balance sheet to the extent that the Charity can recover the surplus through reduced contributions in future or through refunds from the Scheme. Under FRS102 it is not possible to recognise this surplus as the scheme is closed to future accrual and a refund has not been agreed by the Trustees of the Scheme at the balance sheet date. As such, a surplus is not recorded within these financial statements.

The liabilities in respect of the Scheme at 30 September 2024 have been calculated using the “projected unit method” and by rolling forward the 30 September 2023 FRS102 results (which in turn was a roll-forward of the 5 April 2021 technical provisions results). The stability in the Scheme’s surplus since last year is principally due to higher than expected asset returns offset against a decrease in corporate bond yields resulting in increased Scheme liabilities.

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

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

The Charity included an estimated cost of the impact of this ruling within its accounting figures as at 30 September 2021 and this continues to be included in the figures as at 30 September 2024.



Principal risks and uncertainties

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

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

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

The key risks at 30 September 2024 were:

- **Failure to respond to long term changes in Veteran demographics –** Owing to the end of National Service in 1960, it is forecast that the number of Veterans requiring Erskine's residential care home services will decline significantly over the period to 2030. The Charity must continue to evolve its services in response to the changing needs of the Veteran population. Mitigation is provided through engagement with our beneficiaries, peer organisations, the Scottish Government, Veteran bodies and Health and Social Care bodies, to understand Veteran needs.
- **Financial failure resulting from prolonged expenditure exceeding income -** Mitigation comes from improved financial management processes, and the completion of long-term financial planning, together with effective design and operation of financial oversight controls.
- **Failure to recruit and retain suitably qualified and skilled staff -** Retaining and attracting talented staff is key to our success. We have a range of measures in place to do this, including enhanced employee engagement activities, health and wellbeing initiatives and benchmarking, and aligning pay and remuneration to peers in the social care sector.
- **Reputational failure -** We have a variety of processes in place to mitigate the likelihood and impact of an event that could negatively impact the Charity's reputation. These include a whistleblowing policy, recruitment processes and checks, registers of interest for key staff and Trustees, robust financial and operational procedures and audit to identify financial malpractice.

GOVERNANCE

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

Status

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

Governing document

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

Objects of The Charity

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

Environmental, social and governance responsibilities

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

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

Environmental

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

Social

How do we know our programmes work?

Our core aim is delivering social value for Veterans and we know that we achieve this through measuring the outcomes and impact of our programmes. Under the Care Inspectorate evaluation framework our homes maintained average grades across all inspections of 4.5 (with 4 being "Good" and 5 being "Excellent") with none of our Homes having a grade of lower than "Good". That means that all of our Care Home services demonstrated major strengths in supporting positive outcomes for people at their last Care Inspectorate evaluation.

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

What do we do to look after our employees?

The wellbeing of our employees is central to the achievement of our mission. This is recognised and embedded in our Health and Wellbeing strategy (2022-2026) which considers all aspects of employee wellbeing including mental and physical health, good work, personal growth, social connections, environmental and financial wellbeing.

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

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

Our gender pay gap reporting for the period ending April 2024 shows that women's mean hourly pay is 3% lower than men's (Apr-23: 1.2% lower), there is no difference in median pay and women occupy 76.4% (Apr-23 : 79.4%) of the highest paid jobs. Through our EDD policy we continue to strive to break down obstacles to equitable and consistent treatment of all employees.

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

Governance

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



The following Trustees were in office at 30 September 2024 and served throughout the year, and up to the date of approval of the financial statements except where stated.

Trustee	Trustee office	Date appointed/resigned/retired during the period and up to date of signing	Committee membership
Mr Stuart Aitkenhead <small>BSc CEng FIMechE</small>	Chair		RC (Chair)
Major General Chris Hughes <small>CBE</small>	Vice Chair	Retired 30 November 2023	FPC
Mr Kenneth Baldwin <small>BAcc CA</small>	AC Chair		AC, RC
Air Commodore Kevin Cowieson <small>MBA MSc MA BSc RA</small>			AC
Mr David Glancy <small>OBE TD</small>		Appointed 20 March 2024	AC
Mr Jordan Taylor <small>BAcc (Hons) CA</small>			AC
Dr Claire Copeland		Retired 5 October 2023	CPGC
Mrs Lyndsay Jane Lauder <small>MA(Hons) Cert Ed FCIPD</small>	CPGC Chair/Independent Trustee		CPGC, RC
Mrs Jennifer Doran <small>FFA</small>			CPGC
Mrs Maria Clare Docherty		Retired 20 January 2025	CPGC
Prof Fiona McQueen <small>CBE</small>	CPGC Chair	Retired 11 October 2023	CPGC, RC
Dr Jane Elizabeth Douglas			CPGC
Captain Andrew Cowan <small>LLB</small>		Appointed 11 December 2024	
Mrs Katherine Ross <small>BA(Hons) MCIIPD</small>		Appointed 11 December 2024	
Mr Douglas (David) Griffin <small>MA (Hons) DIP ACC CA</small>	FPC Chair		FPC, RC
Major Michael Andrew Edwards <small>OBE BA DL VR</small>			FPC
Dr Craig Fleming			FPC
Mr Mark Johnston			FPC

Committee membership key

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

For more information about our Trustees visit:

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

Non-Trustee independent advisors

The Board of Trustees appoints non-Trustee independent advisors with specialist knowledge in fields of relevance to the Charity. The following non-Trustee independent advisors were in office at 30 September 2024 and served throughout the year, except where stated.

Non-Trustee independent advisor	Date appointed/resigned/retired during the period and up to date of signing	Committee membership at the year end
Mr Richard Hyder		FPC
Mr David Glancy <small>OBE TD</small>	Retired 20 March 2024	AC
Captain Andrew Cowan <small>LLB</small>	Retired 11 December 2024	CPGC
Mrs Maureen Ross <small>BA</small>		CPGC

GOVERNANCE

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Trustees

The Trustees govern our Charity.

They are responsible for:

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

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

Our committees comprise the following:

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

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

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

The Board has delegated the authority to manage day-to-day business to the Chief Executive, assisted by the Executive Management Team (EMT).

The Board approves the strategy of the Charity, at the proposal of the Chief Executive and EMT. The Chief Executive is responsible for implementing the agreed strategy and policies.

Trustee recruitment and appointment

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

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

The ordinary membership of the company, who form the General Council, appoint, from their number, the Board of Trustees.

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

Over the past financial year and up to the date of signing the financial statements, one Trustee was appointed to the Board and three Trustees retired.

Trustee induction and development

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

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



Statement of responsibilities of the Trustees

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

Charity and Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting standards including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the charitable company and of the income and expenditure of the charitable company for that period.

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

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

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

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

Related parties

In addition to our Trustees, the Charity has one related party, Erskine Hospital Limited (formerly "Erskine Developments Limited"), which is a wholly owned subsidiary of the Charity.

GOVERNANCE

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Executive Management team

The following members of the Executive Management Team were employed as of 30 September 2024:

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

For more information about our Management team visit:

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

Remuneration of personnel

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

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

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

Our people

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

Disabled employees

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

Volunteers

The Charity recognises the immeasurable benefits that volunteers contribute to our services. Volunteers bring added value by enhancing the quality and variety of services we provide, giving their time, enthusiasm, additional skills, independence of outlook and a fresh perspective to design and delivery. Within the Charity's service delivery model there have been many activities undertaken by registered volunteers across our care homes and our ERMAC including support roles within speech and language, physiotherapy, lunch clubs, activities, support services, befriending and fundraising and events. During the year ending 30 September 2024 166 (22/23: 121) volunteers delivered approximately 9,000 hours across our operations (22/23: approximately 7,500 hours).



Energy and Carbon Reporting

UK energy use and greenhouse gas emissions

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

Organisational boundary

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

Reporting period

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

Base year

The baseline year used is the year ending 30 September 2022. In the event of significant changes to the company including structural changes or improvements in data accuracy, the baseline year will be recalculated to the greatest practical extent.

Quantification and reporting method

This report was compiled using existing reporting mechanisms which provide a near continuous record of natural gas, electricity and transport data for company owned vehicles and business use by employee owned vehicles. The 2019 Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed to ensure the Streamlined Carbon and Energy Reporting (SECR) requirements were met.

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

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

GOVERNANCE

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

Breakdown of energy consumption used to calculate emissions:

Type	kWh for year ending 30 Sep 2024	kWh for year ending 30 Sep 2023 (Re-stated)
Electricity consumed across owned/leased buildings	2,446,124	2,682,893
Gas consumed across owned/leased buildings	5,909,299	6,616,350
Total gross energy consumed	8,355,424	9,299,243

The prior year kWh has been restated to exclude Fuel used for fleet for business travel (146,334 kWh) owing to a limitation in the collection of this data on an ongoing basis.

Total gross emissions

Breakdown of emissions associated with the reported energy use:

Type	tCO ₂ e for year ending 30 Sep 2024	tCO ₂ e for year ending 30 Sep 2023
Gas	1,081	1,210
Company owned vehicles	29	36
Scope 1	1,110	1,246
Electricity	506	555
Scope 2	506	555
Other indirect emissions	584	573
Scope 3	584	573
Total gross emissions	2,200	2,374

Intensity ratio

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

Total Tonnes of CO₂e generated decreased by 174 (or 7%) compared to the prior year (22/23 decrease of 229 or 9%, compared to the prior year). Tonnes of CO₂e per care home resident have decreased marginally driven by a decrease in Scope 1 and Scope 2 emissions per care home resident.

	year ending 30 Sep 2024	year ending 30 Sep 2023
Average number of care home residents	210	222
Tonnes of CO₂e per care home resident	10.48	10.69

UK production of waste

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

Type	Tonnes for year ending 30 Sep 2024	Tonnes for year ending 30 Sep 2023
Waste to landfill	131	128
Waste recycled	49	54
Total gross waste produced	180	182



Energy efficiency measures during current financial year

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

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

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

Fundraising

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

Fundraising on our behalf

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

Reference and Administrative Details

Patron	His Royal Highness King Charles III
President	The Right Hon The Lord Provost of Glasgow
Chair	Mr Stuart Aitkenhead <small>BSc CEng FIMechE</small>
Trustees	As listed on page 17
Chief Executive	Wing Commander Ian Cumming <small>MBE MA FCMI</small>
Members of the Management team	As listed on page 20
Company Secretary	Mr Gregor McKellar <small>BAcc(Hons) CA MST (appointed 18 September 2024)</small> Captain Andrew Cowan <small>LLB (resigned 18 September 2024)</small>

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

GOVERNANCE

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Our supporter promise

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

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

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

Fundraising regulation

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

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

Safeguarding and whistleblowing

Our safeguarding and whistleblowing procedures aim to:

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

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

Our stakeholders are also able to raise concerns about our services via the Care Inspectorate. During the year ended 30 September 2024, we had no whistleblowing reports (22/23: none).

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

Complaints, duty of candour and feedback

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

During the year, we received one complaint related to our fundraising activities (22/23: two). We also received six written compliments (22/23: 31). The complaint related to the receipt of unwanted fundraising communications. We took necessary steps to resolve and learn from this complaint, which did not relate to a serious issue.

In relation to our care, accommodation and community services, we received nine complaints (22/23: four), but we also received 54 written compliments (22/23: 86). Of the nine complaints, four were upheld, one investigation is still ongoing, and four were not upheld. In respect of all of the complaints received we have implemented the learning required to address the concerns raised and prevent these matters from recurring.

Our care home services comply with the Duty of Candour Procedure (Scotland) Regulations 2018. This legislation sets out how organisations should tell those affected that an unintended or unexpected incident appears to have caused harm or death. There were two (22/23: three) Duty of Candour reportable incidents across our three homes during the period. Following thorough investigation, learning from these was shared across all Homes. The appropriate reporting to the Care Inspectorate was carried out and information published on our public noticeboards.

Disclosure of Information to the Auditor

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

- So far as the Trustee is aware, there is no relevant audit information of which the charitable company’s auditor is unaware; and
- He/she has taken all steps that he/she ought to have taken as Trustee in order to make himself/herself aware of any relevant information, and to establish that the charitable company’s auditor is aware of the information.

The Board of Trustees’ Report (incorporating the Strategic Report) was approved by the Board of Trustees on 19 March 2025 and signed on its behalf by:



Mr Stuart Aitkenhead BSc CEng FIMechE
Chairman of the Board of Trustees
Approved on 19 March 2025



FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES

Opinion

We have audited the financial statements of Erskine Veterans Charity (the 'charitable company') for the year ended 30 September 2024 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities is available on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the FRC's website, to detect material misstatements in respect of irregularities, including fraud.

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

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

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



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

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

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

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

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

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

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

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

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



Allison Gibson
Senior Statutory Auditor

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

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

Titanium 1
King's Inch Place
Renfrew
PA4 8WF

21 March 2025

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating Income
& Expenditure Account)
for the year ended
30 September 2024

	Note	All other activities Unrestricted funds 23/24 £'000	Discontinued Erskine Park Home Unrestricted funds 23/24 £'000	Restricted funds 23/24 £'000	Total 23/24 £'000	Total 22/23 £'000
Donations and legacies	5	11,025	-	533	11,558	9,934
Charitable activities	6	12,742	687	-	13,429	13,366
Investment income	7	2,191	-	-	2,191	1,084
Other income		186	-	-	186	2,633
Income and endowments		26,144	687	533	27,364	27,017
Raising funds	8	(3,655)	-	-	(3,655)	(3,813)
Charitable activities	9	(21,658)	(1,945)	(242)	(23,845)	(24,903)
Charitable activities – impairment loss	9	-	(743)	-	(743)	-
Investment management costs		(281)	-	-	(281)	(195)
Expenditure		(25,594)	(2,688)	(242)	(28,524)	(28,911)
Net (expenditure)/income prior to (losses)/gains on investments		550	(2,001)	291	(1,160)	(1,894)
Realised investment gain		2,324	-	-	2,324	1,700
Unrealised investment gains / (losses)		1,034	-	-	1,034	(264)
Gains / (losses) on investments	14	3,358	-	-	3,358	1,436
Net (expenditure)/income for the year		3,908	(2,001)	291	2,198	(458)
Transfers between funds	20	(1,748)	2,001	(253)	-	-
Net movement in funds	12	2,160	-	38	2,198	(458)
Total funds brought forward	20	73,895	-	531	74,426	74,884
Total funds carried forward	20	76,055	-	569	76,624	74,426

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

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



FINANCIAL STATEMENTS

BALANCE SHEET

as at 30 September 2024

	Note	2024 £'000	2023 £'000
Tangible assets	13	27,210	28,510
Investments	14	45,813	43,135
Fixed assets		73,023	71,645
Debtors	15	3,547	2,990
Cash and cash equivalents		2,378	2,212
Current assets		5,925	5,202
Creditors: amounts falling due within one year	16	(1,098)	(1,195)
Current liabilities		(1,098)	(1,195)
Net current assets		4,827	4,007
Provision for liabilities	18	(1,226)	(1,226)
Non current liabilities		(1,226)	(1,226)
Net assets		76,624	74,426
Funds			
Donations	20	569	531
Restricted funds		569	531
Designated funds	20	23,615	19,655
Fixed asset fund	20	29,060	30,360
Other charitable funds	20	23,380	23,880
Unrestricted funds		76,055	73,895
Total funds carried forward	20	76,624	74,426

The financial statements have been authorised for issue by the Board of Trustees on 19 March 2025 and are signed on their behalf by:

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

Scottish Charity No: SC006609
Company No: SC174103

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

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS

for the year to 30 September 2024

	Note	23/24 £'000	22/23 £'000
Cash flows from operating activities			
Net cash used in operating activities	21	(1,559)	(4,242)
Cash flows from investing activities			
Purchase of tangible fixed assets		(972)	(301)
Proceeds from disposal of tangible fixed assets		17	4,237
Purchase of investments		(24,841)	(51,197)
Proceeds from disposal of investments		25,521	51,622
Dividends received		2,000	905
Net cash provided by investing activities		1,725	5,266
Increase in cash and cash equivalents in the year		166	1,024
Cash and cash equivalents at 1 October		2,212	1,188
Cash and cash equivalents at 30 September		2,378	2,212

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



FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS

for the year ended 30 September 2024

1 General information

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

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

2 Principal accounting policies

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

Basis of accounting

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

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

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

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

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS (CONTINUED)

2 Principal accounting policies (continued)

Going concern

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

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

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

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

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

Consolidation

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

Income recognition

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

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

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

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

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

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

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

Capital grants

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

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



2 Principal accounting policies (continued)

Expenditure recognition

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

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

Pensions

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

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

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

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

Redundancy costs

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

Operating leases

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

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

Taxation

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

Fixed assets

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

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

Impairment of fixed assets

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

Fixed assets

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

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

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

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS (CONTINUED)

2 Principal accounting policies (continued)

Investments and investment property

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

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

Financial instruments

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

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

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

Debtors

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

Cash and cash equivalents

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

Creditors

Short term trade creditors are measured at the transaction price.

Provision for liabilities

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

Funds

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

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



3 Judgements in applying policies and key sources of estimation uncertainty

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

Significant areas of estimation and judgement include:

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

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

	Unrestricted funds 22/23 £'000	Discontinued Erskine Park Home Unrestricted funds 22/23 £'000	Discontinued Glasgow Home Unrestricted funds 22/23 £'000	Subtotal discontinued operations Unrestricted funds 22/23 £'000	Restricted funds 22/23 £'000	Total 22/23 £'000
Income and Endowments						
Donations and legacies	9,545	-	-	-	389	9,934
Charitable activities	11,234	2,077	55	2,132	-	13,366
Investment income	1,084	-	-	-	-	1,084
Other income	131	-	2,502	2,502	-	2,633
Total income and endowments	21,994	2,077	2,557	4,634	389	27,017
Expenditure						
Raising funds	(3,813)	-	-	-	-	(3,813)
Charitable activities	(19,765)	(3,977)	(615)	(4,592)	(546)	(24,903)
Charitable activities - impairment loss	-	-	-	-	-	-
Investment management costs	(195)	-	-	-	-	(195)
Total expenditure	(23,773)	(3,977)	(615)	(4,592)	(546)	(28,911)
Net (expenditure)/income prior to gains/(losses) on investments	(1,779)	(1,900)	1,942	42	(157)	(1,894)
Gains/(losses) on investments						
Realised investment gains/(loss)	1,700	-	-	-	-	1,700
Unrealised investment gains/(loss)	(264)	-	-	-	-	(264)
Total gains/(losses) on investments	1,436	-	-	-	-	1,436
Net (expenditure)/income for the year	(343)	(1,900)	1,942	42	(157)	(458)
Transfers between funds	(3,847)	1,900	1,937	3,837	10	-
Net movement in funds	(4,190)	-	3,879	3,879	(147)	(458)

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS (CONTINUED)

5 Donations and Legacies

	Unrestricted funds 23/24 £'000	Restricted funds 23/24 £'000	Total 23/24 £'000	Unrestricted funds 22/23 £'000	Restricted funds 22/23 £'000	Total 22/23 £'000
Legacies	5,834	-	5,834	4,561	-	4,561
Donations	5,191	533	5,724	4,984	389	5,373
	11,025	533	11,558	9,545	389	9,934

6 Charitable Activities Income

	Total 23/24 £'000	Total 22/23 £'000
Care home fees and miscellaneous income	13,429	13,366
	13,429	13,366

All charitable activities income received in 23/24 and 22/23 was unrestricted.

7 Investment Income

	Total 23/24 £'000	Total 22/23 £'000
Dividends	2,000	905
Rental income	191	179
	2,191	1,084

All investment income received in 23/24 and 22/23 was unrestricted.

At 30 September 2024 the charitable company had minimum lease receipts due under non-cancellable operating leases as follows:

	Total 23/24 £'000	Total 22/23 £'000
Not later than one year	231	316
Later than one year and not later than five years	545	638
Later than five years	1,376	1,512
	2,152	2,466

8 Raising funds expenditure

	Total 23/24 £'000	Total 22/23 £'000
Direct personnel costs	(954)	(858)
Other direct costs	(646)	(627)
Donor development costs	(1,413)	(1,617)
Support costs	(642)	(711)
	(3,655)	(3,813)

All raising funds expenditure incurred in 23/24 and 22/23 is unrestricted.

9 Charitable activities expenditure

Our Charitable activities expenditure disclosure has been changed for the year 23/24 to enhance its relevance to our stakeholders and provide a stronger connection to our Strategic aims. Prior year figures have been restated to align to the 23/24 basis of preparation.

9a Total charitable

activities expenditure

	Unrestricted funds 23/24 £'000	Restricted funds 23/24 £'000	Total 23/24 £'000	Unrestricted funds 22/23 £'000	Restricted funds 22/23 £'000	Total 22/23 £'000
Direct personnel costs	(14,376)	(99)	(14,475)	(15,225)	(390)	(15,615)
Other direct costs	(6,477)	(143)	(6,620)	(6,346)	(157)	(6,503)
Other direct costs – Impairment	(743)	-	(743)	-	-	-
Support costs	(2,750)	-	(2,750)	(2,785)	-	(2,785)
	(24,346)	(242)	(24,588)	(24,357)	(546)	(24,903)

9b Care charitable

activities expenditure

	Unrestricted funds 23/24 £'000	Restricted funds 23/24 £'000	Total 23/24 £'000	Unrestricted funds 22/23 £'000	Restricted funds 22/23 £'000	Total 22/23 £'000
Direct personnel costs	(13,520)	(20)	(13,540)	(14,448)	(354)	(14,802)
Other direct costs	(5,454)	(70)	(5,524)	(5,495)	(66)	(5,561)
Other direct costs – Impairment	(743)	-	(743)	-	-	-
Support costs	(2,429)	-	(2,429)	(2,494)	-	(2,494)
	(22,146)	(90)	(22,236)	(22,437)	(420)	(22,857)

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS (CONTINUED)

9c Accommodation charitable activities expenditure	Unrestricted funds 23/24 £'000	Restricted funds 23/24 £'000	Total 23/24 £'000	Unrestricted funds 22/23 £'000	Restricted funds 22/23 £'000	Total 22/23 £'000
Direct personnel costs	(568)	(1)	(569)	(483)	(14)	(497)
Other direct costs	(709)	(4)	(713)	(637)	(4)	(641)
Support costs	(130)	-	(130)	(119)	-	(119)
	(1,407)	(5)	(1,412)	(1,238)	(19)	(1,257)

9d Community charitable activities expenditure	Unrestricted funds 23/24 £'000	Restricted funds 23/24 £'000	Total 23/24 £'000	Unrestricted funds 22/23 £'000	Restricted funds 22/23 £'000	Total 22/23 £'000
Direct personnel costs	(288)	(78)	(366)	(295)	(21)	(316)
Other direct costs	(314)	(69)	(383)	(215)	(86)	(301)
Support costs	(191)	-	(191)	(172)	-	(172)
	(793)	(147)	(940)	(682)	(107)	(789)

9e Allocation of support costs 23/24	Care 23/24 £'000	Accommodation 23/24 £'000	Community 23/24 £'000	Charitable activities expenditure (subtotal) 23/24 £'000	Raising funds 23/24 £'000	Total 23/24 £'000
Finance	(354)	(24)	(35)	(413)	(76)	(489)
Human resources	(779)	(38)	(25)	(842)	(55)	(897)
Information technology	(632)	(7)	(71)	(710)	(125)	(835)
Executive	(395)	(19)	(13)	(427)	(29)	(456)
Marketing and communications	(200)	(38)	(41)	(279)	(344)	(623)
Governance costs	(69)	(4)	(6)	(79)	(13)	(92)
Support costs	(2,249)	(130)	(191)	(2,750)	(642)	(3,392)



9e Allocation of support costs 22/23

	Care 22/23 £'000	Accommodation 22/23 £'000	Community 22/23 £'000	Charitable activities expenditure (subtotal) 22/23 £'000	Raising funds 22/23 £'000	Total 22/23 £'000
Finance	(338)	(16)	(25)	(378)	(65)	(443)
Human resources	(719)	(28)	(15)	(762)	(43)	(805)
Information technology	(727)	(7)	(66)	(800)	(125)	(925)
Executive	(388)	(15)	(7)	(410)	(23)	(433)
Marketing and communications	(259)	(50)	(54)	(363)	(444)	(807)
Governance costs	(63)	(3)	(5)	(72)	(11)	(83)
Support costs	(2,494)	(119)	(172)	(2,785)	(711)	(3,496)

9f Basis of allocation of support costs

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

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS (CONTINUED)

10 Governance costs

	Total 23/24 £'000	Total 22/23 £'000
Company secretary costs	(22)	(24)
External auditor – audit of Charity accounts	(41)	(38)
External auditor - other services	(11)	(4)
Internal audit	(18)	(17)
	(92)	(83)

11 Staff costs

	Total 23/24 £'000	Total 22/23 £'000
Wages and salaries	(13,987)	(14,651)
Social security costs	(1,137)	(1,149)
Pension scheme costs - defined contribution	(1,771)	(1,804)
	(16,985)	(17,603)

Included within wages and salaries above are:

- Agency costs of £818k (22/23 - £902k)
- Nil redundancy costs. During the year ending 30 September 2023 £179k of redundancy costs were recognised relating to the Sustainable Service Review changes, including the closure of The Erskine Park Home.

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

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

	23/24 No.	22/23 No.
£60,000 - £69,999	1	-
£70,000 - £79,999	-	4
£80,000 - £89,999	4	-
£90,000 - £99,999	1	1
£100,000-£109,999	1	1

	Total 23/24 £'000	Total 22/23 £'000
The pension contributions for the above employees were:	(111)	(89)

Seven employees (22/23 - six employees) with salary and taxable benefits over £60,000 were members of the defined contribution pension scheme.



11 Staff costs (continued)

The average number of employees analysed by function was:

	23/24 No.	22/23 No.
Care	354	406
Accommodation	7	7
Community	7	6
Facilities management and support services	147	170
Fundraising, marketing and communications	26	25
Support (Executive, Human Resources, Finance and Information technology)	29	28
	570	642

Key management personnel

Key management personnel comprises the Board of Trustees and the Executive Management Team including the Chief Executive Officer (22/23 - Board of Trustees and the Executive Management Team including the Chief Executive Officer).

No Trustees received remuneration in respect of duties performed (22/23 - £nil). Travel expenses of £213 were paid to one Trustee in the year (22/23 - two Trustees, £347).

Other key management personnel received remuneration of £542,824 (22/23- £547,839), social security costs were £67,337 (22/23 - £69,079) and pension contributions were £100,839 (22/23 - £97,071).

12 Net movement in funds

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

	23/24 £'000	22/23 £'000
Depreciation	(1,448)	(1,503)
Impairment	(743)	-
(Loss) / gain on disposal of tangible fixed assets	(64)	2,542
Operating lease rentals	(20)	(20)

The impairment charge for the year ending 30 September 2024 relates to the Erskine Park Home building, which was independently valued as at 30 September 2024 by Alastair J. Buchanan, MRICS, of J & E Shepherd Chartered Surveyors and recorded at its fair value as of the year end. The building was vacant as of the year end, however the Charity intends to use it in the delivery of services in the future.

FINANCIAL STATEMENTS

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

	Freehold buildings £'000	Assets under construction £'000	Motor vehicles £'000	Equipment furnishings, machinery & plant £'000	Total £'000
Cost					
At 1 October 2023	50,819	-	575	4,909	56,303
Additions	7	698	52	215	972
Disposals	-	-	(44)	(528)	(572)
At 30 September 2024	50,826	698	583	4,596	56,703
Depreciation and impairment					
At 1 October 2023	(23,790)	-	(417)	(3,586)	(27,793)
Depreciation	(1,082)	(6)	(72)	(288)	(1,448)
Impairment	(743)	-	-	-	(743)
Disposals	-	-	44	447	491
At 30 September 2024	(25,615)	(6)	(445)	(3,427)	(29,493)
Net book value					
29 September 2024	25,211	692	138	1,169	27,210
30 September 2023	27,029	-	158	1,323	28,510

14 Fixed asset investments

	Subsidiary undertakings £'000	Listed investments £'000	Investment property £'000	Total £'000
Market value at 1 October 2023	1	41,284	1,850	43,135
Additions	-	24,841	-	24,841
Disposals (proceeds £25,521k, gain £2,324k)	-	(23,197)	-	(23,197)
Movement in market value	-	1,034	-	1,034
Market value at 30 September 2024	1	43,962	1,850	45,813

Investment in subsidiary undertaking

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

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

	Share capital & reserves £'000	Country of incorporation	Result for the year £'000	Principal activity
Erskine Hospital Limited * (as at 30 September 2024)	1	Scotland	-	Development

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

Listed investments

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

	30 Sep 24	30 Sep 23
Equities	16,038	16,796
Fixed income	22,489	18,423
Diversifiers	5,435	5,173
Cash	-	892
	43,962	41,284

Investment property

The Garden Centre and Factory, both located within the Bishopton Veterans Village and let to Caulders and Scotland's Bravest Manufacturing Company respectively, were independently valued as at 30 September 2024 by Alastair J. Buchanan, MRICS, of J & E Shepherd Chartered Surveyors.

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

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS (CONTINUED)

15 Debtors	2024 £'000	2023 £'000
Trade debtors	484	642
Other debtors	62	65
Prepayments and accrued income	3,001	2,283
	3,547	2,990

Trade debtors are shown net of the bad debt provision of £151,404 (2023 - £138,358). Movements in the bad debt provision are included within support costs.

16 Creditors: amounts falling due within one year	2024 £'000	2023 £'000
Trade creditors	(668)	(760)
Other taxes & social security costs	(13)	(10)
Other creditors	(417)	(425)
	(1,098)	(1,195)

Included within other creditors is pension contributions of £148,843 (2023 - £156,351) outstanding at the year end.

17 Financial instruments	2024 £'000	2023 £'000
Financial assets		
Financial assets measured at fair value	45,813	43,135

Financial assets measured at fair value comprise investment property and other investments.

18 Provision for liabilities

	2024 £'000	2023 £'000
Repayment of funding	(1,226)	(1,226)

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

19 Pension commitments

The Charity is the sole sponsoring employer of a pension scheme providing benefits based on revalued average pensionable salary. The scheme is funded by the payment of contributions to a separately administered pension fund. The scheme was closed to new entrants on 15 August 2001, and closed to future accrual on 1 August 2010. The contributions to the scheme are determined with the advice of an independent qualified actuary on the basis of a triennial valuation using the projected unit valuation method. The liabilities in respect of the Scheme at 30 September 2024 have been calculated using the "projected unit method" and by rolling forward the 30 September 2023 FRS102 results (which in turn was a roll-forward of the 5 April 2021 technical provisions results). In May 2014, the defined benefit pension scheme purchased a group annuity policy to match the liabilities within the scheme. The Charity is not currently required to make any payments to the scheme.

The major financial assumptions used by the actuary were:

	At 30 September 2024	At 30 September 2023
Rate of future salary increases	3.90%	4.05%
Rate of increase of pensions in payment	1.95%	2.05%
Rate of increase of deferred pensions	3.00%	3.10%
Discount rate	5.00%	5.45%
Inflation assumption	3.40%	3.55%
Mortality tables	SAPS tables +1 year age rating, year of birth, CMI 2023 long term improvements of 1.00% with a smoothing parameter of 7.0	SAPS tables +1 year age rating, year of birth, CMI 2022 long term improvements of 1.25% with a smoothing parameter of 7.0

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

	23/24	22/23
Male currently aged 45	21.0 years	21.4 years
Male currently aged 65	20.1 years	20.2 years
Female currently aged 45	23.8 years	24.2 years
Female currently aged 65	22.6 years	22.7 years

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS (CONTINUED)

19 Pension commitments (continued)

The following amounts are recognised in the Balance Sheet:

The assets in the Scheme were:

	Value at 30 Sep 24 £'000	% of Scheme assets	Value at 30 Sep 23 £'000	% of Scheme assets
Absolute return bonds	6,307	32.28%	6,134	32.09%
Corporate bonds	1,009	5.17%	897	4.69%
Annuity policy	7,455	38.17%	7,664	40.10%
Cash	175	0.90%	168	0.88%
LDI	4,587	23.48%	4,250	22.24%
Fair value of scheme assets	19,533		19,113	
Present value of funded liabilities	(16,288)		(15,893)	
Unrecognised surplus	(3,245)		(3,220)	
Deficit in scheme	-		-	

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

	23/24 £'000	22/23 £'000
Opening fair value of scheme assets	19,113	21,848
Finance income	1,012	1,082
Actuarial gains/(losses)	487	(2,520)
Benefits paid	(952)	(1,107)
Expenses paid	(127)	(190)
Closing fair value of scheme assets	19,533	19,113

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

	23/24 £'000	22/23 £'000
Opening defined benefit liability	(15,893)	(17,535)
Past service costs	-	-
Interest cost	(841)	(867)
Actuarial (losses)/gains	(506)	1,402
Benefits paid	952	1,107
Closing defined benefit liability	(16,288)	(15,893)

19 Pension commitments (continued)

History of experience gains/(losses)	23/24 £'000	22/23 £'000	21/22 £'000	20/21 £'000	19/20 £'000
Scheme assets	19,533	19,113	21,848	30,051	29,833
Defined benefit liability	(16,288)	(15,893)	(17,535)	(28,025)	(28,701)
Surplus in Scheme	3,245	3,220	4,313	2,026	1,132
Experience adjustments on scheme assets	487	(2,520)	(7,101)	778	648
Experience adjustments on scheme liabilities	-	-	-	-	-

The following are recognised in the Statement of Financial Activities

	23/24 £'000	22/23 £'000
Analysis of net return on pension scheme:		
Finance income	1,012	1,082
Interest cost	(841)	(867)
Adjustment in respect of irrecoverable surplus	(171)	(215)
Net income	-	-
Analysis of employer costs:		
Past service costs	-	-
Administrative expenses	(127)	(190)
Adjustment in respect of irrecoverable surplus	127	190
Past service costs to be recognised	-	-
Analysis of actuarial gain:		
Actual return less expected return on pension scheme assets	487	(2,520)
Changes in assumptions	(506)	1,402
Adjustment in respect of irrecoverable surplus	19	1,118
Actuarial gain to be recognised	-	-

The cumulative amount of actuarial losses taken to the statement of financial activities since the deficit was incorporated into the financial statements is £10,383k (22/23 £10,383k).

Movement in deficit during the year

	23/24 £'000	22/23 £'000
Deficit in scheme at the beginning of the year	-	-
Movement in the year:		
Net return on pension scheme	-	-
Past service costs	-	-
Actuarial gain	-	-
Deficit in scheme at the end of the year	-	-

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS (CONTINUED)

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



20 Funds (continued) 2023

	As at 1 October 2022 £'000	Income and endowments £'000	Expenditure £'000	Investment Gains/ (Losses) £'000	Transfers/ reallocations £'000	As at 30 September 2023 £'000
Restricted funds:						
Donations	678	389	(546)	-	10	531
Total restricted funds	678	389	(546)	-	10	531
Unrestricted funds:						
Service evolution	8,772	-	(198)	-	4,251	12,825
Lifecycle costs	1,958	-	-	-	(1,138)	820
Capital expenditure	851	-	-	-	1,414	2,265
Fundraising sustainability fund	-	-	-	-	3,745	3,745
Designated funds	11,581	-	(198)	-	8,272	19,655
Tangible fixed assets	31,407	2,542	(1,503)	-	(3,936)	28,510
Investment property	1,850	-	-	-	-	1,850
Fixed asset fund	33,257	2,542	(1,503)	-	(3,936)	30,360
Other charitable funds	29,368	24,086	(26,664)	1,436	(4,346)	23,880
Other charitable funds	29,368	24,086	(26,664)	1,436	(4,346)	23,880
Total unrestricted funds	74,206	26,628	(28,365)	1,436	(10)	73,895
Total funds carried forward	74,884	27,017	(28,911)	1,436	-	74,426

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS (CONTINUED)

20 Funds (continued)

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

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

Name of donor	£'000	Purpose
National Lottery Community Fund	193	Restricted to fund ERMAC operational costs
Army Benevolent Fund	150	Restricted towards the cost of Caring for Army Veterans living within the Erskine Home
Armed Forces Covenant Fund Trust	60	Restricted to fund ERMAC One-stop-shop Financial inclusion project
Armed Forces Covenant Fund Trust	13	Restricted towards ERMAC Wellbeing Cafe
Officers' Association Scotland	10	Restricted towards ERMAC Deputy Manager post
Scottish Veterans Fund	5	Restricted towards EVAC North One-stop-shop Financial inclusion project
Veterans Foundation	4	Restricted towards ERMAC gym
Sainsbury's community grant fund	3	Restricted towards ERMAC cookery project

Fixed assets fund

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

Designated funds

Designated funds consist of:

– Service evolution

The Trustees have set aside funds to support the evolution of the Charity's services including investment to support the creation of new services of relevance to Veterans and their families. This fund has decreased during the year as it has been utilised to cover the costs of the Erskine Park Home during the year ending 30 September 2024.

– Lifecycle costs and Capital expenditure

The Trustees have set aside funds to cover our planned programme of Lifecycle costs and capital expenditure for the next five financial years. This fund has increased given revised estimates of future lifecycle costs for existing services.

– Fundraising sustainability fund

This fund has been set aside to grow net income from voluntary sources, in line with our plans to grow our voluntary income. This fund has increased during the year as funds have been set aside to cover our donor acquisition plans for future years within our annual budget and outline financial plans.



20 Funds (continued)

Analysis of net assets among funds:	Fixed assets £'000	Other net assets £'000	Total 2024 £'000	Fixed assets £'000	Other net assets £'000	Total 2023 £'000
Donations	-	569	569	-	531	531
Restricted funds	-	569	569	-	531	531
Designated funds	23,615	-	23,615	19,655	-	19,655
Fixed asset fund	29,060	-	29,060	30,360	-	30,360
Other charitable funds	20,348	3,032	23,380	21,630	2,250	23,880
Unrestricted funds	73,023	3,032	76,055	71,645	2,250	73,895
Total funds carried forward	73,023	3,601	76,624	71,645	2,781	74,426

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

	23/24 £'000	22/23 £'000
Net expenditure for the year prior to reported gains/(losses)	(1,160)	(1,894)
Depreciation and impairment	2,191	1,503
Loss / (gain) on sale of tangible fixed assets	64	(2,542)
(Increase) / decrease in debtors	(557)	150
Decrease in creditors and provisions	(97)	(554)
Dividends received	(2,000)	(905)
Net cash used in operating activities	(1,559)	(4,242)

22 Analysis of net debt

	At 1 October 2023 £'000	Cash flows £'000	At 30 September 2024 £'000
Cash and cash equivalents	2,212	166	2,378

FINANCIAL STATEMENTS

NOTES TO THE ACCOUNTS (CONTINUED)

23 Related party transactions

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

	Transactions with related party £	Amounts owed to related party £	Amounts due from related party £
Related party			
Erskine Hospital Limited (previously Erskine Developments Limited)			
23/24	-	-	-
22/23	-	-	-
Trustees			
23/24	£213	-	-
22/23	£347	-	-

Transactions with Trustees above were travel expenses of £213 which were paid to one Trustee in the year (22/23 - two Trustees, £347).

24 Operating leases

At 30 September 2024 the charitable company had commitments under non-cancellable operating leases as set out below:

	2024 Other £'000	2023 Other £'000
Not later than one year	(33)	(20)
Later than one year and not later than five years	(119)	(48)
	(152)	(68)

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

25 Capital commitments

There were capital commitments of £488k as of 30 September 2024 (as of 30 September 2023: £25k).

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

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

27 Post Balance Sheet Events

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





Erskine Veterans Charity

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