

Charity registration number SC015748 (Scotland)

RED HOUSE HOME TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

RED HOUSE HOME TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Governors/Trustees

Mr A Knowles (Chair)
Mr J Tait
Mrs S Carradice
Mrs S Williams
Mr P Richardson (ex officio)
Mrs A Hoffman (Resigned 5 March 2025)
Mr I Clark
Rev H Cohen

Charity number Scotland SC015748

Secretaries and Treasurers

Azets
Quay 2
139 Fountainbridge
Edinburgh
EH3 9QG

Independent Examiner

Kevin Cattanach C.A.
Whitelaw Wells
Chartered Accountants
9 Ainslie Place
Edinburgh
EH3 6AT

Bankers

Virgin Money
83 George Street
Edinburgh
EH2 3ES

Investment Advisors

RBC Brewin Dolphin
6th Floor, Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Solicitors

Lindsay WS
Caledonian Exchange
19A Canning Street
Edinburgh
EH3 8HE

RED HOUSE HOME TRUST

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RED HOUSE HOME TRUST

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

The Governors present their annual report and financial statements for the year ended 31 December 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Trust's deed of trust, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

Objectives

The objectives of the Trust are to promote education and training of young persons under the age of 22 who are in need of care, or are living in deprived circumstances, or otherwise require assistance in adjusting to independent living.

Review of activities

During the year the Trust continued to support young people in the local community both as individuals and through local organisations. This is achieved by awarding grants as disclosed in note 6.

Grant making policy

In accordance with the objectives of the Trust, grants are made to individuals and groups for the education and training of young people under the age of 22 residing in East Lothian.

The availability of grants is advertised through schools and other organisations. Details of, and means of applying for, grants are listed on the website.

A standard application form is used to provide the information required for Governors to decide which individuals and groups should receive grants.

The Trust does not undertake regular core funding of university fees for individuals and currently does not fund salary or core costs for organisations. Any grant given would be for a specific purpose, for one year, with no longer term commitment.

Achievements and performance

The Trust awarded grants to the value of £9,030 (2024: £9,458). Due to one grant from prior year not being claimed, grants paid in the year were £8,782 (2024: £9,308).

Financial review

During the year the Trust's income amounted to £17,106 (2024: £18,684). After grants and expenses are deducted the net expenditure for the year before movements on investments amounted to £13,049 (2024: net expenditure of £9,281). After movements on investments the net movement in funds generated a net income of £18,934 (2024: £16,248).

The value of fixed asset investments at 31 December 2025 increased to £586,865 (2024 - £569,331).

At the balance sheet date the unrestricted reserves were £593,129 (2024 - £574,195). There are no restricted funds.

RED HOUSE HOME TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Reserves policy

Grants are paid out of investment and other income after deduction of administrative expenses. Revenue surpluses brought forward from previous years are available if there is a shortfall. Endowment funds are not normally used for revenue purposes although there is no restriction as such.

At the year end £593,129 reserves are held, £479,521 being endowment funds and £113,608 being unrestricted general funds. Whilst there is no prohibition over spending the endowment fund, the long-term practice is that these monies are held as an investment to generate future income. These funds comprise income and surpluses retained over the history of the Trust. Free reserves at 31 December 2025, being those not tied up in the investment portfolio, amounted to £6,264 (2025 - £4,864).

The Trust attempts to maintain a cash balance in excess of the average quarterly expenditure, which in the year under review amounted to approximately £7,539, cash at the year end of £8,123 was over this threshold. The charity continues to hold a investment portfolio with market value in excess of £500,000 which can be readily converted to cash if required.

Investment policy

The Governors engage RBC Brewin Dolphin as fund managers to manage the portfolio on a discretionary basis. The investment objective is one of a balanced portfolio subject to a medium degree of risk. No investments are made in tobacco companies but otherwise there are no specific investment restrictions or limitations applied to the portfolio. Due to the portfolio now being managed on a Total Return basis there is no revenue income target on the portfolio. However the Trust have agreed that a quarterly amount should be paid to the portfolio which is made of income and capital returns. The performance of the portfolio is bench marked against a bespoke bench mark. The fund managers meet the Governors at least once a year and one of the Governors has been given the responsibility of monitoring the portfolio on a regular basis. The Governors are satisfied with the investment performance during the year.

Risk management policy

The Governors have assessed the major risks to which the Trust is exposed and are satisfied that systems are in place to mitigate those risks. The variability of investment returns and of the market value of investments are considered to be the charity's major financial risk. This is mitigated by retaining expert investment managers and having a diversified investment portfolio. The Trust recognises that the nature of financial markets will generate fluctuations in market value and investment level on a year by year basis, but consider this appropriate when managed on a long-term basis.

Structure, governance and management

The Red House Home Trust was constituted under a deed of trust in 1931 when its principal objective at that time was to provide a home for children. The trust deed was amended in 1980 and again in 1992.

The Governors who served during the year and up to the date of signature of the financial statements are listed on the charity information page.

The management of the Trust is the responsibility of the Governors who consist of the Headmaster of Loretto School and eight other Governors (maximum of nine governors, there are currently two vacancies).

Appointment, induction and training of Governors

New Governors are provided with a copy of the constitution, the annual report and accounts and are briefed as to their duties by the Chairman and Secretary. From time to time the Governors are updated on their duties and responsibilities.

In the case of a vacancy caused by the expiry of the normal term of office, a successor shall be elected at the Annual General Meeting. In the case of a Governor who has vacated office before the end of their normal term of office it is in the power of the governing body to co-opt a Governor to hold office until the ensuing annual meeting. A new successor shall be elected and the co-opted Governor is eligible.

Decision-making process

The Governors normally meet three times a year to decide on grants to be made and to administer the Trust. The Governors have appointed Secretaries & Treasurers to handle day to day administration.

RED HOUSE HOME TRUST

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Statement of Governors' responsibilities

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

The law applicable to charities in Scotland requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources of the Trust for that year.

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

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

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

Plans for Future Periods

The Governors wish to continue to support young people in East Lothian.

The Governors' report was approved by the Board of Governors.

Alastair Knowles

Alastair Knowles

Governor

Dated: 3 June 2026

RED HOUSE HOME TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE GOVERNORS OF RED HOUSE HOME TRUST

I report on the financial statements of the Trust for the year ended 31 December 2025, which are set out on the statement of financial activities, balance sheet, and related notes.

Respective responsibilities of Governors and examiner

The Trust's Governors are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The Trust's Governors consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the Trust and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the Governors concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - (ii) to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations.

have not been met; or

- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Kevin Cattnach C.A.
Whitelaw Wells
Chartered Accountants
9 Ainslie Place
Edinburgh
EH3 6AT

Dated: 3 June 2026

RED HOUSE HOME TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Unrestricted funds 2025 £	Endowment funds 2025 £	Total Unrestricted funds 2025 £	Endowment funds 2024 £	Total 2024 £
Income from:						
Investments	3	17,106	-	17,106	18,684	18,684
Expenditure on:						
Raising funds	4	-	7,842	7,842	-	7,805
Charitable activities	5	18,068	4,245	22,313	16,941	20,160
Total expenditure		18,068	12,087	30,155	16,941	27,965
Net (losses)/gains on investments	9	-	31,983	31,983	-	25,529
Net movement in funds		(962)	19,896	18,934	1,743	16,248
Fund balances at 1 January 2025		114,570	459,625	574,195	112,827	557,947
Fund balances at 31 December 2025		113,608	479,521	593,129	114,570	574,195

The statement of financial activities includes all gains and losses recognised in the year.

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

RED HOUSE HOME TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2025

	Notes	2025 £	£	2024 £	£
Fixed assets					
Investments	11		586,865		569,331
Current assets					
Debtors	12	3,169		2,115	
Cash at bank and in hand		8,123		11,215	
		<u>11,292</u>		<u>13,330</u>	
Creditors: amounts falling due within one year	13	<u>(5,028)</u>		<u>(8,466)</u>	
Net current assets			6,264		4,864
Total assets less current liabilities			<u>593,129</u>		<u>574,195</u>
Funds					
Endowment funds			479,521		459,625
Unrestricted funds			113,608		114,570
			<u>593,129</u>		<u>574,195</u>

The financial statements were approved by the Governors on 3 June 2026

Alastair Knowles

Alastair Knowles
Governor

RED HOUSE HOME TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

Charity information

Red House Home Trust is a public benefit entity as defined by FRS 102.

1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the Trust. Monetary amounts in these financial statements are rounded to the nearest £.

The Trust has taken advantage of the provisions in the SORP not to prepare a Statement of Cash Flows.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investments and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Governors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Thus the Governors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees. In order to ensure that funds are available for specific projects, certain funds are set aside and designated by the trustees into separate funds. Restricted funds are those which have been given to the Trust for use in accordance with the wishes of donors, commonly for use in relation to a specific service.

1.4 Income

Income is recognised when the Trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Investment income interest is recognised using the effective interest rate applicable to the asset. Royalties are recognised on an accruals basis. Dividend income is recognised when the right to receipt is established and is measured at the fair value.

RED HOUSE HOME TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is recognised on an accruals basis and related where practicable to the Trust's activities. Where possible, expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates. Where this is not possible it is allocated on the basis of time spent by staff on that activity.

Costs of raising funds comprises those costs which are associated with the generation of income from sources other than undertaking charitable activities, and includes investment management costs.

Charitable expenditure comprise those costs incurred by the Trust in the delivery of its charitable activities and services.

Support costs are apportioned between activities or the basis of time spent by staff on that activity.

1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

Unlisted investments are stated at their fair value at the reporting date.

1.7 Financial instruments

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Trust's balance sheet when the Trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Trust transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

RED HOUSE HOME TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Trust's contractual obligations expire or are discharged or cancelled.

2 Critical accounting estimates and judgements

In the application of the Trust's accounting policies, the Governors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Governors are of the opinion that there are no such critical accounting estimates and judgements that will have a material impact on the financial statements.

3 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Other income	17,106	18,684

RED HOUSE HOME TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

4 Raising funds

	Endowment funds general 2025 £	Endowment funds general 2024 £
Administrative costs	2,981	2,943
Investment management	4,861	4,862
	<u>7,842</u>	<u>7,805</u>

During the current and prior years, all expenditure on raising funds was allocated to endowment funds.

5 Expenditure on charitable activities

	Grants payable 2025 £	Grants payable 2024 £
Direct costs		
Grant funding of activities (see note 6)	8,782	9,308
Share of support and governance costs (see note 7)		
Support	5,041	4,449
Governance	8,490	6,403
	<u>22,313</u>	<u>20,160</u>
Analysis by fund		
Unrestricted funds	18,068	16,941
Endowment funds	4,245	3,219
	<u>22,313</u>	<u>20,160</u>

RED HOUSE HOME TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

6 Grants payable

	Grants payable 2025 £	Grants payable 2024 £
Grants to institutions (6 organisations):		
Musselburgh Grammar School	-	2,200
Can Do	-	1,000
The Space Scotland CIC	320	-
Bridges Project	3,100	600
Ross High	1,500	-
The Fraser Centre	-	300
Branch Out Together	820	-
The Ridge SCIO	700	-
Teens Plus	1,000	-
	<u>7,440</u>	<u>4,100</u>
Grants to individuals (2 grants)	1,342	5,208
	<u>8,782</u>	<u>9,308</u>

7 Support costs

	Support costs £	Governance costs £	2025 £	Support costs £	Governance costs £	2024 £
Finance and administration	5,041	-	5,041	4,449	-	4,449
Secretary and treasurer	-	4,478	4,478	-	4,414	4,414
Independent Examiner fees	-	2,152	2,152	-	1,989	1,989
Legal Fees	-	1,860	1,860	-	-	-
	<u>5,041</u>	<u>8,490</u>	<u>13,531</u>	<u>4,449</u>	<u>6,403</u>	<u>10,852</u>
Analysed between Charitable activities	<u>5,041</u>	<u>8,490</u>	<u>13,531</u>	<u>4,449</u>	<u>6,403</u>	<u>10,852</u>

8 Governors

None of the Governors (or any persons connected with them) received any remuneration or benefits from the Trust during the year.

The trust has no employees during the current or prior years.

RED HOUSE HOME TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

9 Gains and losses on investments

	Endowment funds 2025 £	Endowment funds 2024 £
Gains/(losses) arising on:		
Revaluation of investments	24,968	24,560
Sale of investments	7,015	969
	<u>31,983</u>	<u>25,529</u>

10 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

11 Fixed asset investments

	Listed investments £	Cash in portfolio £	Total £
Cost or valuation			
At 1 January 2025	568,244	1,087	569,331
Additions	163,927	-	163,927
Valuation changes	24,968	-	24,968
Cash changes	-	(1,020)	(1,020)
Disposals	(170,341)	-	(170,341)
At 31 December 2025	<u>586,798</u>	<u>67</u>	<u>586,865</u>
Carrying amount			
At 31 December 2025	<u>586,798</u>	<u>67</u>	<u>586,865</u>
At 31 December 2024	<u>568,244</u>	<u>1,087</u>	<u>569,331</u>

12 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Other debtors	<u>3,169</u>	<u>2,115</u>

RED HOUSE HOME TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

13 Creditors: amounts falling due within one year

	2025 £	2024 £
Other creditors	3,319	3,590
Accruals and deferred income	1,709	4,876
	<u>5,028</u>	<u>8,466</u>

14 Analysis of net assets between funds

	Unrestricted funds 2025 £	Endowment funds 2025 £	Total 2025 £
At 31 December 2025:			
Investments	107,344	479,521	586,865
Current assets/(liabilities)	6,264	-	6,264
	<u>113,608</u>	<u>479,521</u>	<u>593,129</u>

	Unrestricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
At 31 December 2024:			
Investments	109,706	459,625	569,331
Current assets/(liabilities)	4,864	-	4,864
	<u>114,570</u>	<u>459,625</u>	<u>574,195</u>

15 Related party transactions

There were no disclosable related party transactions during the year (2024 - none).