

Charity registration number: SC035799

Gloag Foundation

Annual Report and Financial Statements
for the Year Ended 31 December 2025

Morris & Young
Chartered Accountants
6 Atholl Crescent
Perth
PH1 5JN

Gloag Foundation

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Gloag Foundation

Reference and Administrative Details

Trustees	Dame A H Gloag
	Mr D J McCleary
	Ms P Gloag
	Ms S Gloag
Charity Registration Number	SC035799
Principal Office	The Steading
	Kinfauns
	Perth
	PH2 7JU
Auditor	Morris & Young
	Chartered Accountants
	6 Atholl Crescent
	Perth
	PH1 5JN

Gloag Foundation

Trustees' Report

The trustees present the annual report together with the financial statements and auditors' report of the charity 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 charity's trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" 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).

Objectives and activities

The objectives of the charity as defined in its trust deed are broadly drawn and permit many charitable activities but with an emphasis on the relief of human suffering and deprivation whether in the United Kingdom or abroad.

The trustees' focus in the reporting period and for the foreseeable future is concentrated on:

- providing personnel and financial resource to Freedom from Fistula Foundation to assist that charity to build capacity for obstetric fistula repair in Africa; and
- providing grant assistance to other charities and to individuals whose circumstances and requirements meet the purposes of the charity.

Achievements and performance

In addition to the funding approved in support of the work in Kenya through our associated charities of £227,740 (2024 - £169,754) and in support of Freedom from Fistula Foundation and its related projects of £1,307,832 (2024 - £649,397), the trustees approved new grants to other charities of £379,999 in the period (2024 - £912,957) and to individuals of £29,599 (2024 - £12,657).

New grants to other charities were spread across the following broad charitable purposes:

New Awards in Year by Sector:

	2025		2024	
	Amount (£)	%	Amount (£)	%
Health	6,200	1	11,944	1
Relief of poverty	35,300	33	300,300	33
Anti-exploitation and people trafficking	182,712	18	166,002	18
Advancement of Christianity	105,643	36	331,535	36
Others	50,144	12	103,176	12
Total	379,999	100	912,957	100

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Trustees' Report

As at 31 December 2025, the amounts of grants approved in principal and expected to be paid in future years amounted to £270,000 (2024 - £446,035), actual amounts paid vary from expectations, these amounts are included in other creditors in Notes 16 and 17. No provision is made in these accounts for any future funding for either Kenya Children's Homes (UK) or Freedom from Fistula Foundation, however the trustees are committed to continue funding Freedom from Fistula Foundation next year.

Financial review

Results for the year ended 31 December 2025 are given in the Statement of Financial Activities on page 12. The assets and liabilities are detailed on the Balance Sheet on page 13. The Statement of Financial Activities show an outflow of funds of £589,828 (2024 - £441,323), when deducted from funds brought forward, this gives a surplus to carry forward of £6,229,641 (2024 - £5,639,813). Full details of income and expenditure are set out in notes 2 to 22 of the accounts. At the balance sheet date the charity held reserves of £6,229,641 (2023 - £6,081,136) of which £nil (2024 - £1,000) are in respect of restricted reserves and £6,229,641 (2024 - £5,638,813) are in respect of unrestricted reserves.

Reserves are needed to bridge any gap between spending commitments and receiving of income. The charity is dependent on donations from Dame Ann Gloag, founder and a trustee. The trustees note that Dame Ann Gloag has made a public commitment under the 'Giving Pledge' to dedicate the majority of her wealth to philanthropy. The trustees are confident that Dame Ann Gloag will continue to support the work of the charity and consider that the reserves of £6.2m as at 31 December 2025 (2024 - £5.6m) are sufficient in the context of future commitments and planned activities.

There are no restrictions on the charity's power to invest. Some of the charity's investments are managed by investment managers to whom decision making is delegated within agreed constraints. Where shares are gifted to the charity and as a result investments are held either directly or indirectly in listed or unlisted vehicles, these investments are reviewed regularly by the trustees in the light of the overall interests and cash requirements of the charity.

The trustees consider the investment performance for the year meets the charity's investment objectives.

Risk management

The trustees consider that the major risks comprise:

Financial risk

In common with many family foundations, the major financial risk for the charity is its dependence on donations from a single individual. The trustees consider that this risk is mitigated in that the principal donor is also a trustee and has pledged in the public domain to dedicate the majority of her wealth to philanthropy.

Operational risk

The foundation has very limited exposure to operating risks and such risk arises primarily from the recipients of funding delivering the goals and objectives to which they commit when awards are made. The trustees actively monitor performance against goals of all recipients of material funding awards.

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Trustees' Report

Future plans

The trustees have no plans to materially change the operations and focus of the charity.

Structure, governance and management

The trust was established by a charitable trust deed on 19 July 2004. The trust's principal objects are to provide assistance in the relief of human suffering and deprivation within the United Kingdom and abroad.

The trust is a family based charitable foundation established by Dame Ann Gloag. Each trustee is a close relative of the founder and trustees meet formally at least twice per annum.

The trustees who served during the period from 1 January 2025 to the date the financial statements were approved were:

Dame A H Gloag
Mr D J McCleary
Ms P Gloag
Ms S Gloag

Senior Management

Lois Boyle - Chief Executive
Paul McNeil - Director of Operations and Human Resources
Elizabeth Forsyth - Finance Manager

The Trustees acting as a management committee have all the powers necessary to conduct the business of the charity. The committee is responsible for appointing new trustees and for ensuring that they are fully aware of their responsibilities as trustees.

Remuneration and pay policy

No trustee receives any remuneration from the charity. The trustees consider that the senior management team comprise the key management personnel of the charity listed above.

The pay of staff is reviewed annually and normally increased in accordance with average earnings. The responsibility for determining the remuneration of senior management is delegated to the Chief Executive or Chair of Trustees in relation to the Chief Executive.

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Trustees' Report

Requests for funding

Grant funding applications are considered by invitation only.

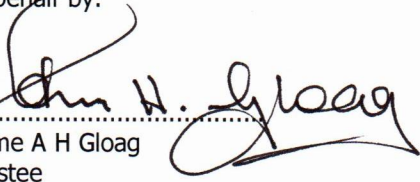
Related parties and co-operation with other charities

As noted above, none of the trustees receive remuneration or other benefits from their work with the charity. Paul McNeil, a remunerated full time director of the charity is the husband of Pamela Gloag, a trustee. Dame Ann Gloag is a trustee of Kenya Children's Homes (UK) and Freedom from Fistula Foundation with whom the charity works in close collaboration. Dame Ann Gloag is also a director and member of the board of Mercy Ships International and Lois Boyle is Vice Chair of Mercy Ships UK and a member of the board of Mercy Ships International.

Disclosure of information to auditor

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

The annual report was approved by the trustees of the charity on 23 September 2026 and signed on its behalf by:



Dame A H Gloag
Trustee

Gloag Foundation

Statement of Trustees' Responsibilities

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

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

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

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



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Independent Auditor's Report to the Trustees of Gloag Foundation

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2025 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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Independent Auditor's Report to the Trustees of Gloag Foundation

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 6), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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Independent Auditor's Report to the Trustees of Gloag Foundation

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

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

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

Identifying and assessing potential risks related to irregularities

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

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

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

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

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of Trustees concerning actual and potential litigation and claims;

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Independent Auditor's Report to the Trustees of Gloag Foundation

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- tested a sample of income for understatement and consideration given to revenue recognition accounting policies. Also reviewed the minutes of meetings for completeness of income;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

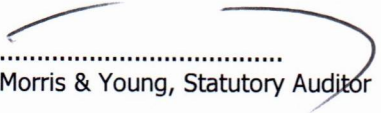
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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Independent Auditor's Report to the Trustees of Gloag Foundation

Use of our report

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



.....
Morris & Young, Statutory Auditor

6 Atholl Crescent
Perth
PH1 5JN

25 September 2026

Morris & Young is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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Statement of Financial Activities for the Year Ended 31 December 2025

	Note	Unrestricted £	Restricted £	Total 2025 £	Total 2024 £
Income and Endowments from:					
Donations and legacies	2	2,756,751	-	2,756,751	1,557,758
Investment income	3	<u>180,222</u>	<u>-</u>	<u>180,222</u>	<u>214,036</u>
Total Income		<u>2,936,973</u>	<u>-</u>	<u>2,936,973</u>	<u>1,771,794</u>
Expenditure on:					
Raising funds	4	(31,876)	-	(31,876)	(46,277)
Charitable activities	5	<u>(2,394,574)</u>	<u>(1,000)</u>	<u>(2,395,574)</u>	<u>(2,211,832)</u>
Total Expenditure		<u>(2,426,450)</u>	<u>(1,000)</u>	<u>(2,427,450)</u>	<u>(2,258,109)</u>
Net gains/(losses) on investments		<u>80,305</u>	<u>-</u>	<u>80,305</u>	<u>44,992</u>
Net movement in funds		590,828	(1,000)	589,828	(441,323)
Reconciliation of funds					
Total funds brought forward		<u>5,638,813</u>	<u>1,000</u>	<u>5,639,813</u>	<u>6,081,136</u>
Total funds carried forward	19	<u><u>6,229,641</u></u>	<u><u>-</u></u>	<u><u>6,229,641</u></u>	<u><u>5,639,813</u></u>

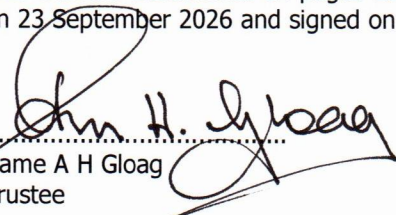
All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2024 is shown in note 19.

Gloag Foundation
(Registration number: SC035799)
Balance Sheet as at 31 December 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	12	261,198	261,198
Investments	13	<u>1,563,511</u>	<u>1,460,694</u>
		<u>1,824,709</u>	<u>1,721,892</u>
Current assets			
Debtors	14	6,061	30,003
Cash at bank and in hand	15	<u>4,694,593</u>	<u>4,362,103</u>
		4,700,654	4,392,106
Creditors: Amounts falling due within one year	16	<u>(193,222)</u>	<u>(204,185)</u>
Net current assets		<u>4,507,432</u>	<u>4,187,921</u>
Total assets less current liabilities		6,332,141	5,909,813
Creditors: Amounts falling due after more than one year	17	<u>(102,500)</u>	<u>(270,000)</u>
Net assets		<u>6,229,641</u>	<u>5,639,813</u>
Funds of the charity:			
Restricted		-	1,000
Unrestricted		<u>6,229,641</u>	<u>5,638,813</u>
Total funds	19	<u>6,229,641</u>	<u>5,639,813</u>

The financial statements on pages 12 to 29 were approved by the trustees, and authorised for issue on 23 September 2026 and signed on their behalf by:



 Dame A H Gloag
 Trustee

Gloag Foundation

Cash Flow Statement for the Year Ended 31 December 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash income/(expenditure)		589,828	(441,323)
Adjustments to cash flows from non-cash items			
Investment income	3	(180,222)	(214,036)
(Gain)/loss on disposal of investments		(11,206)	9,333
Revaluation of investments		(69,099)	(54,325)
		<u>329,301</u>	<u>(700,351)</u>
Working capital adjustments			
Decrease/(increase) in debtors	14	23,942	(21,012)
(Decrease)/increase in creditors	16/17	(178,462)	444,962
Net cash flows from operating activities		<u>174,781</u>	<u>(276,401)</u>
Cash flows from investing activities			
Interest receivable and similar income	3	180,222	214,036
Purchase of investments	13	(258,491)	(240,836)
Sale of investments		235,978	216,254
Net cash flows from investing activities		<u>157,709</u>	<u>189,454</u>
Net increase/(decrease) in cash and cash equivalents		332,490	(86,947)
Cash and cash equivalents at 1 January		<u>4,362,103</u>	<u>4,449,050</u>
Cash and cash equivalents at 31 December		<u>4,694,593</u>	<u>4,362,103</u>

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

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Notes to the Financial Statements for the Year Ended 31 December 2025

1 Accounting policies

Statement of compliance

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

Basis of preparation

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

The financial statements are presented in sterling (£), which is the functional currency of the charity and are rounded to the nearest £1.

Going concern

At the time of approving the accounts, and based on an assessment of the cash and investments available to the Foundation, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements. The trustees have not identified any material uncertainties with respect to the charity's financial position and ability to continue as a going concern. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees 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 estimated 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 trustees consider there to be no critical accounting estimates and judgements.

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Notes to the Financial Statements for the Year Ended 31 December 2025

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

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

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Gifts in kind

Gifts in kind are included at market value.

Investment income

Investment income, interest and gains or losses on disposal of investments are recognised on a cash basis; there is no material difference between this basis and the accruals method. Bank interest is included gross of income tax. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

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

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity 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.

Gloag Foundation

Notes to the Financial Statements for the Year Ended 31 December 2025

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Governance costs

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

Tangible fixed assets

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

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

Asset class	Depreciation method and rate
Land and buildings	nil
Fixtures, fittings & equipment	25% straight line

Impairment of fixed assets

At each reporting end date, the Trust reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Investment properties

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

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.

Cash and cash equivalents

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

Gloag Foundation

Notes to the Financial Statements for the Year Ended 31 December 2025

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Pensions and other post retirement obligations

The Trust contributes to the personal pension plans of certain employees. Contributions are charged in the accounts as they become payable.

Financial instruments

The charity only has financial assets and liabilities of a kind that would qualify as basic financial instruments which are recognised at their transaction value and subsequently measured at their settlement value.

Gloag Foundation

Notes to the Financial Statements for the Year Ended 31 December 2025

2 Income from donations and legacies

	Unrestricted funds General £	Total 2025 £	Total 2024 £
Donations and legacies	<u>2,756,751</u>	<u>2,756,751</u>	<u>1,557,758</u>

3 Investment income

	Unrestricted funds General £	Total 2025 £	Total 2024 £
Interest receivable	145,462	145,462	165,992
Income from listed investments	24,114	24,114	26,011
Rental income	<u>10,646</u>	<u>10,646</u>	<u>22,033</u>
	<u>180,222</u>	<u>180,222</u>	<u>214,036</u>

4 Expenditure on raising funds

a) Costs of generating donations and legacies

	Unrestricted funds General £	Total 2025 £	Total 2024 £
Consultancy fees	<u>24,942</u>	<u>24,942</u>	<u>39,543</u>

Gloag Foundation

Notes to the Financial Statements for the Year Ended 31 December 2025

b) Investment management costs

	Unrestricted funds General £	Total 2025 £	Total 2024 £
Investment management	<u>6,934</u>	<u>6,934</u>	<u>6,734</u>

The cost of raising funds related primarily to fund raising activities on behalf of Kenya Children's Homes (UK) and Freedom from Fistula Foundation, and not directly to Gloag Foundation.

5 Expenditure on charitable activities

	Note	Unrestricted funds General £	Restricted funds £	Total 2025 £	Total 2024 £
Grant funding of activities	6	1,944,170	1,000	1,945,170	1,797,765
Staff costs	9	340,229	-	340,229	309,843
Personnel expenses		48,687	-	48,687	24,556
Office expenses		24,736	-	24,736	25,595
Rent		-	-	-	1
Electricity		103	-	103	1,547
Insurance		1,618	-	1,618	1,542
Property expenses		10,230	-	10,230	-
Bank charges		905	-	905	906
Loss/(gain) on foreign exchange currency		176	-	176	(79)
Governance costs	7	23,720	-	23,720	50,156
		<u>2,394,574</u>	<u>1,000</u>	<u>2,395,574</u>	<u>2,211,832</u>

Gloag Foundation

Notes to the Financial Statements for the Year Ended 31 December 2025

6 Grant making

Analysis of grants

	Grants to institutions	
	2025	2024
	£	£
Analysis		
Freedom From Fistula Foundation	1,307,832	694,397
Kenya Children's Homes (UK)	227,740	169,754
Open Door Foundation	182,712	166,002
Santa Ponsa Community Church	100,643	21,035
MAF	25,000	-
Urban Reach	25,000	-
Order of Malta	22,144	46,175
Food Bank Aid	5,000	-
Rethink Drink	5,000	-
Sat-7 UK Donation	5,000	-
Theirworld	5,000	5,000
The National Family Centre/Multibank	-	300,000
Alpha International	-	250,000
Evangelical Alliance	-	45,000
Urban Train	-	25,000
For Women Scotland	-	20,000
Alcohol Recovery Scotland	-	10,000
Letham St Marks	-	10,000
What is a Women campaign	-	6,000
Trinity Community Church	-	5,000
Other amounts < £5,000	4,500	11,745
	<u>1,915,571</u>	<u>1,785,108</u>

Grants to individuals during the year ended 31 December 2025 totalled £29,599 (2024 - £12,657).

Gloag Foundation

Notes to the Financial Statements for the Year Ended 31 December 2025

7 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2025 £	Total 2024 £
Audit fees	7,095	7,095	8,010
Legal fees	16,625	16,625	42,146
	<u>23,720</u>	<u>23,720</u>	<u>50,156</u>

8 Trustees remuneration and expenses

None of the trustees received any remuneration or reimbursed expenses during the current or previous year.

Further details on related party transactions are disclosed within note 21.

9 Staff costs

The aggregate payroll costs were as follows:

	2025 £	2024 £
Staff costs during the year were:		
Wages and salaries	264,842	242,822
Social security costs	22,174	2,355
Pension costs	53,213	64,666
	<u>340,229</u>	<u>309,843</u>

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

	2025 No.	2024 No.
Administration	<u>6</u>	<u>6</u>

Gloag Foundation

Notes to the Financial Statements for the Year Ended 31 December 2025

The number of employees whose emoluments fell within the following bands was:

	2025	2024
	No.	No.
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
	<u>2</u>	<u>2</u>

10 Auditors' remuneration

	2025	2024
	£	£
Audit of the financial statements	<u>7,095</u>	<u>8,010</u>

11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

12 Tangible fixed assets

	Land and Buildings	Furniture and equipment	Total
	£	£	£
Cost			
At 1 January 2025	261,198	21,348	282,546
At 31 December 2025	<u>261,198</u>	<u>21,348</u>	<u>282,546</u>
Depreciation			
At 1 January 2025	-	21,348	21,348
At 31 December 2025	<u>-</u>	<u>21,348</u>	<u>21,348</u>
Net book value			
At 31 December 2025	<u>261,198</u>	<u>-</u>	<u>261,198</u>
At 31 December 2024	<u>261,198</u>	<u>-</u>	<u>261,198</u>

Gloag Foundation

Notes to the Financial Statements for the Year Ended 31 December 2025

13 Fixed asset investments

	2025 £	2024 £
Investment properties	433,647	433,647
Other investments	<u>1,129,864</u>	<u>1,027,047</u>
	<u><u>1,563,511</u></u>	<u><u>1,460,694</u></u>

Investment properties

	Investment properties £
Cost or Valuation	
At 1 January 2025	<u>433,647</u>
Net book value	
At 31 December 2025	<u><u>433,647</u></u>

There has been no valuation of investment property by an independent valuer.

Other investments

	Listed investments £	Total £
Cost or Valuation		
At 1 January 2025	1,027,047	1,027,047
Revaluation	69,098	69,098
Additions	258,491	258,491
Disposals	<u>(224,772)</u>	<u>(224,772)</u>
At 31 December 2025	<u>1,129,864</u>	<u>1,129,864</u>
Net book value		
At 31 December 2025	<u><u>1,129,864</u></u>	<u><u>1,129,864</u></u>
At 31 December 2024	<u><u>1,027,047</u></u>	<u><u>1,027,047</u></u>

Gloag Foundation

Notes to the Financial Statements for the Year Ended 31 December 2025

14 Debtors

	2025 £	2024 £
Prepayments	1,264	1,396
Other debtors	4,797	28,607
	<u>6,061</u>	<u>30,003</u>

15 Cash and cash equivalents

	2025 £	2024 £
Cash on hand	82	109
Cash at bank	4,694,511	4,361,994
	<u>4,694,593</u>	<u>4,362,103</u>

16 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	2,389	256
Other taxation and social security	7,096	-
Other creditors	176,537	193,221
Accruals	7,200	7,200
Deferred income	-	3,508
	<u>193,222</u>	<u>204,185</u>

	2025 £	2024 £
Deferred income at 1 January 2025	3,508	3,443
Resources deferred in the period	-	3,508
Amounts released from previous periods	(3,508)	(3,443)
Deferred income at 31 December 2025	<u>-</u>	<u>3,508</u>

Deferred income represents rental income received in advance.

Gloag Foundation

Notes to the Financial Statements for the Year Ended 31 December 2025

17 Creditors: amounts falling due after one year

	2025	2024
	£	£
Other creditors	<u>102,500</u>	<u>270,000</u>

18 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £53,213 (2024 - £64,666).

Contributions totalling £5,865 (2024 - £10,013) were payable to the scheme at the end of the year and are included in creditors.

Gloag Foundation

Notes to the Financial Statements for the Year Ended 31 December 2025

19 Funds

	Balance at 1 January 2025 £	Incoming resources £	Resources expended £	Other recognised gains/(loss) £	Balance at 31 December 2025 £
Unrestricted funds					
General					
Unrestricted Fund	5,638,813	2,936,973	(2,426,450)	80,305	6,229,641
Restricted funds					
Disaster Relief - Sierra Leone	1,000	-	(1,000)	-	-
	<u>5,639,813</u>	<u>2,936,973</u>	<u>(2,427,450)</u>	<u>80,305</u>	<u>6,229,641</u>
	Balance at 1 January 2024 £	Incoming resources £	Resources expended £	Other recognised gains/(loss) £	Balance at 31 December 2024 £
Unrestricted funds					
General					
Unrestricted Fund	6,080,136	1,771,794	(2,258,109)	44,992	5,638,813
Restricted funds					
Disaster Relief - Sierra Leone	1,000	-	-	-	1,000
Total funds	<u>6,081,136</u>	<u>1,771,794</u>	<u>(2,258,109)</u>	<u>44,992</u>	<u>5,639,813</u>

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

The Disaster Relief - Sierra Leone Fund represents donations made from Blythwood Care towards mosquito nets and to help families surviving disasters.

Gloag Foundation

Notes to the Financial Statements for the Year Ended 31 December 2025

20 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 December 2025 £
Tangible fixed assets	261,198	-	261,198
Fixed asset investments	1,563,511	-	1,563,511
Current assets	4,700,654	-	4,700,654
Current liabilities	(193,222)	-	(193,222)
Creditors over 1 year	(102,500)	-	(102,500)
Total net assets	<u>6,229,641</u>	<u>-</u>	<u>6,229,641</u>

	Unrestricted funds General £	Restricted funds £	Total funds at 31 December 2024 £
Tangible fixed assets	261,198	-	261,198
Fixed asset investments	1,460,694	-	1,460,694
Current assets	4,391,106	1,000	4,392,106
Current liabilities	(204,185)	-	(204,185)
Creditors over 1 year	(270,000)	-	(270,000)
Total net assets	<u>5,638,813</u>	<u>1,000</u>	<u>5,639,813</u>

21 Analysis of net funds

The Trust had no debt during the year.

Gloag Foundation

Notes to the Financial Statements for the Year Ended 31 December 2025

22 Related party transactions

During the year the charity made the following related party transactions:

Kenya Children's Homes (UK)

(The trustees Dame Ann H Gloag and Mr David J McCleary are also trustees of Kenya Children's Homes (UK))

During the year donations of £227,740 (2024 - £169,754) were made from Gloag Foundation. An inter company account was also operated between Gloag Foundation and Kenya Children's Homes (UK). At the balance sheet date the amount due to Kenya Children's Homes (UK) was £366 (2024 - £292 owed from Kenya Children's Homes (UK)).

Freedom from Fistula Foundation

(Dame Ann H Gloag is also a trustee of Freedom from Fistula Foundation)

During the year grants of £1,307,832 (2024 - £694,397) were made from Gloag Foundation. An inter company account was also operated between Gloag Foundation and Freedom from Fistula Foundation. At the balance sheet date the amount due from Freedom from Fistula Foundation was £2,907 (2024 - £7,326).

Highland and Universal Management Limited

(Dame Ann H Gloag is also a director of Highland and Universal Management Limited)

During the year donations of £1,060,000 were made by the company to Gloag Foundation..

Paul McNeil

(Director of Operations and Human Resources)

Paul is married to the trustee Pamela A Gloag. During the period he received remuneration of £55,136 (2024 - £53,385) and pension contributions of £8,270 (2024 - £7,369).

Mercy Ships International

(Dame Ann H Gloag is a director and member of the board of Mercy Ships International)

During the year donations of £200 (2024 - £1,944) were made by Gloag Foundation to Mercy Ships International.

Appindale Limited

(Dame Ann H Gloag is also a director of Appindale Limited)

During the year donations of £1,023,751 (2024 - £1,507,758) were made by the company to Gloag Foundation.

HGT Finance A Limited

(Dame Ann H Gloag is also a director of HGT Finance A Limited)

During the year donations of £515,000 (2024 - £nil) were made by the company to Gloag Foundation..

Mountshore Limited

(Dame Ann H Gloag is also a director of Mountshore Limited)

During the year donations of £158,000 (2024 - £nil) were made by the company to Gloag Foundation..

Trinity Community Trust

(Dame Ann H Gloag and Mr David J McCleary are also trustees of Trinity Community Trust)

During the year donations of £nil (2024 - £5,000) were made from Gloag Foundation.