CHARITY REGISTRATION NUMBER: SC047615

Homelands Trust - Fife (SCIO)

Financial Statements

31 December 2025

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PB AUDIT LIMITED
REGISTERED AUDITORS

Homelands Trust - Fife (SCIO)

Financial Statements

Year ended 31 December 2025

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The trustees present their report and the financial statements of the charity for the year ended 31 December 2025.

Reference and administrative details

Registered charity name	Homelands Trust - Fife (SCIO)	
Charity registration number	SC047615	
Principal office	The Paxton Centre Homelands 14a Links Road Lundin Links Fife KY8 6AT	
The trustees	J Kerr J Rankin H Rorrison A Stuart A Stevenson D Brough S Pratt	 (Resigned 15 July 2025)
Key management personnel	H Lawrenson	
Auditor	PB Audit Limited Statutory Auditors 18 North Street Glenrothes Fife KY7 5NA	
Bankers	The Co-Operative Bank PO Box 250 Delf House Southway Skelmersdale WN8 6WT	
Solicitors	Thorntons Law LLP 49 Bonnygate Cupar Fife KY15 4BY	

Structure, governance and management

Nature of the Charity and Governing document

The Charity is a Scottish Charitable Incorporated Organisation (SCIO) registered on 31 July 2017.

The purposes of the Trust are to aid and improve conditions of persons with Multiple Sclerosis and other long-term disabling conditions through the provision of self catering holiday accommodation and a drop-in therapy centre at Homelands, Lundin Links, Fife as provided in a Trust Disposition and Settlement with note attached dated 1 March 1987 and codicil annexed dated 8 May 1989 of the late Miss Isabel Carse Paxton, who resided at Homelands, Lundin Links, Fife.

A Declaration of Trust, which in effect created the Trust, as amended by the Interlocutor of the Court of Session dated 23 December 2004 states that the trustees shall hold the trust fund for such charitable purposes within Fife as are within meaning assigned to the term "charitable purposes" by Section 506 of the Income and Corporation Taxes Act 1988 or any subsequent amendment thereto. The Declaration as amended may be referred to as the Constitution of the Trust.

Recruitment and appointment of management committee

Appointment of trustees is governed by the constitution. New trustees have been appointed to assist the development of the project. The skills and experience required from the trustees is constantly under review.

Trustee induction and training

Relevant training is identified as and when required.

Remuneration of key management personnel

The Trust employs a part time General Manager remunerated at a rate set after benchmarking against similar small charity general manager roles in the region. The General Manager would be seen as a key member of the Trust's management team.

Risk assessment

The trustees review and address the major risks to which the Trust is exposed and they consider that appropriate procedures are in place to mitigate those risks and the Trust's financial position.

Trustees Update

We said goodbye to Stephannie Pratt, who stepped down as a Trustee at the AGM in June. We would like to thank Steph for her time, commitment and valued contribution to Homelands.

Staffing

There were no staffing changes during 2025. However, Trustees have approved funding for a part-time Facilities Assistant, who will join the team in 2026 to support the ongoing maintenance and presentation of the site.

We would like to thank Lisa Penman and her amazing team of cleaners who assist with keeping the lodges pristine. We would also like to thank all our contractors who help make Homelands the place that it is.

Objectives and activities

Activities during the year
As 2025 draws to a close, we're pleased to share a snapshot of what has been a positive and productive year for Homelands.

We begin first by recognising the very sad passing of our Patron, Ming Campbell. Trustees paid tribute to the significant role he played in helping bring Homelands to life, and we remain deeply grateful for his support and legacy.

Engagement and Outreach
In November, we hosted a Drop-in Open Day for professionals, welcoming local healthcare representatives. Guests were given tours of two lodges and the response was positive, with many praising the quality and thoughtfulness of our facilities.

This was a small but successful event, and we look forward to building on this with more opportunities to connect with professionals in the future.

Governance and Development
Trustees continued to strengthen our governance and strategic direction during the year. Key developments included:

- Adoption of a Fair Work Policy,
- Agreement to extend our charitable objectives to include the relief of poverty (application to OSCR in progress).

The Lodges
2025 has been a strong year for our core business.

Our overall occupancy rate reached 68%, significantly outperforming the Scottish self-catering average of 43%. This reflects both the quality of our accommodation and the growing demand for accessible, inclusive holidays.

We also expanded our booking platforms by adding Vrbo, helping us reach new audiences.

What our guests say:

"After searching for many years for the ideal place that meets my needs… Homelands seem to have thought about almost anything that anyone would need… nothing seems to be a bother and for that we are very grateful." Thomas, Selkirk Lodge, March 2025. "Excellent facilities in the lodge for disabled guests. Very comfortable for able bodied as well… We feel very at home in Homelands and already recommend it to people we know." Irene, Massney Lodge, May 2025. "This was our first visit… it had everything we needed and my husband felt very much at home… we look forward to coming back." Margaret, Cardy Lodge, November 2025.

These reviews continue to demonstrate the real impact Homelands has on the people who stay with us.

Achievements and performance

The Paxton Centre

February marked the successful completion of the Paxton Connexions project.

Our café continues to open on Mondays and Tuesdays from 11am to 2pm, offering light lunches, home baking and, most importantly, a warm and welcoming space for the community. This is made possible thanks to our fantastic team of volunteers, whose ongoing commitment we are incredibly grateful for.

Income from the café supports the wider work of the Paxton Centre, which is once again thriving as a hub for connection and activity.

The Paxton Centre continues to offer crafting, therapies and other opportunities to the local community and our guests.

Awards and Accolades

We were delighted to receive recognition for our work during the year:

- Highly Commended at the Fife Chamber of Commerce Business Awards (Tourism and Hospitality category)
- Winner of the Socially Enterprising Award at the Fife Voluntary Action Awards

These achievements reflect the dedication of our whole team and the strength of our mission.

Fundraising Highlights

2025 has been a fantastic year for fundraising, with over £15,200 raised through the generosity and creativity of our supporters.

Highlights included:
- The Edinburgh Kiltwalk,
- Quiz, Pie and Pint Night,
- The Lundin Links Big Picnic,
- The Aurrie Christmas Fayre,
- Christmas Raffle,
- Collecting tins and individual donations.

We are also incredibly grateful for generous support from Fife Charities Fund, Allied Vehicles and Fife Housing Group, which has enabled us to invest in specialist equipment.

Every pound raised helps us continue to provide an inclusive, accessible and welcoming environment for all.

Achievements and performance *(continued)*

Grant Funding

We were pleased to secure a range of funding to support both our facilities and community activity:

- National Lottery Communities Fund Awards for All - funding for a new programme of craft, art and outdoor activities, now underway
- Fife Rural Development Fund -awarded for the development of a new website
- Fife Rural Development Fund - funding to install a Closomat wash and dry toilet in the Paxton Centre

These investments will strengthen both our environmental sustainability and our community offering.

Gardens and Grounds

Our grounds continue to be beautifully maintained thanks to the hard work of our gardening volunteers and the support of CB Gardening and Landscape Maintenance. Their efforts ensure Homelands remains a peaceful and attractive place for guests and visitors to enjoy.

Financial review

2025 saw a strong year of trading for the Trust. Our income and expenditure before gains/losses on investment assets of £79,891 as shown on page 13. The balances on funds at the year-end are shown in note 24. The balance of the funds are made up of unrestricted funds £3,176,946 (2024: £3,115,397), restricted funds £125,084 (2024: £100,714) and endowment funds £160,000 (2024: £160,000).

Principal funding sources
Funding for the year of £2,311 was derived from interest and investment income, £55,259 from donations and £410,617 from rental of the lodges and Paxton Centre rooms.

Investment policy
Investment activities are managed by Investec. The Trust's policy is to hold a portfolio that is low risk whilst still doing its utmost to maximise total returns.

Reserves policy
As at 31 December 2025 the Trust had reserves of £3,461,715 (2024: £3,371,111). The trustees have agreed that the reserves of the charity need to be sufficient to cover the following items:

- £70,000 (approximately) 6 months of operating costs

The Trust believes the reserves levels to be sufficient.

Financial review ***(continued)***

Going concern
After making enquiries, the trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the accounts.

Plans for future periods

As we look ahead to 2026, we are delighted to have secured funding for two significant projects that will strengthen Homelands and support our long-term sustainability.

Thanks to funding from the Community Health and Wellbeing Fund, we will appoint a part-time Volunteer Coordinator to help recruit, support and develop our valued team of volunteers, ensuring we can continue to grow our community impact.

We have also secured funding through the Scottish Government's CARES programme to install solar panels across our lodges. This investment will reduce our carbon footprint, lower energy costs and help ensure Homelands remains environmentally and financially sustainable for the future.

Alongside these exciting developments, we will continue to focus on maintaining the high standards of accommodation, accessibility and customer service that our guests have come to expect, while further developing the Paxton Centre as a welcoming community hub.

In Closing

At the heart of everything we do is a commitment to providing the very best experience for our guests, volunteers and visitors.

We are incredibly thankful for the continued support of our dedicated staff, amazing volunteers, loyal guests, our contractors and the wider community. Together, you make Homelands the special place that it is.

With strong foundations and growing momentum, 2025 has been a year to celebrate. We look ahead to 2026 with ambition, confidence and excitement.

Trustees' responsibilities statement

The trustees are responsible for preparing the trustees' 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 charity trustees to prepare financial statements for each 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.

Trustees' responsibilities statement *(continued)*

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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Trustee's transactions and 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 Trustees Investments (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006, and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' annual report was approved on 23 July 2026 and signed on behalf of the board of trustees by:

A Stevenson

A Stevenson
Trustee

Opinion

We have audited the financial statements of Homelands Trust - Fife (SCIO) (the 'Trust') for the year ended 31 December 2025 which comprise the statement of financial activities, statement of financial position, statement of cash flows and the related notes, 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, including FRS 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 Trust's affairs as at 31 December 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Trust 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 Trust'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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Other matter

The 2024 comparative figures in the financial statements are unaudited as no audit was carried out in the prior year.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Trust 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 in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) and Charities and Trustees Investment (Scotland) Act 2005 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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 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 Trust'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 Trust 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 report in accordance with the Act 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.

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

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.

Based on our understanding of the Trust and sector, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulations such as employment law, health and safety regulations, disability discrimination, GDPR and Anti Money Laundering, and we considered that the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as The Charities and Trustee Investment (Scotland) Act 2005, The Charities Accounts (Scotland) Regulations 2006 (as amended), FRS102 and the Charity SORP. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override controls), and determined that the principal risks were related to the potential posting of inappropriate journal entries to manipulate financial results and management bias in in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiry of management, those charged with governance and the entity's solicitors around actual and potential litigation and claims.

- Reviewing minutes of meetings of those charged with governance including the Board.
- Enquiry of Trustees' and key management for any related parties and review of accounting records for such transactions.
- Evaluation and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities.
- Identifying and testing journal entries based on risk criteria.
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.
- Investigated the rationale behind significant or unusual transactions.
- Review of correspondence with OSCR.
- Reviewing the laws and regulations with a direct and indirect impact on the financial statements and making sure compliance with these.
- Reviewing treatment of income and making sure it complies with the SORP.
- Reviewed the risks identified at the planning stage and making sure these have been dealt with during the audit work.
- Reviewed accounting estimates for evidence of bias.
- Agreed financial statement disclosures to supporting documentation.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's members 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

PB Audit Limited

PB Audit Limited
Statutory Auditors
18 North Street
Glenrothes
Fife
KY7 5NA

PB Audit Limited is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.

23 July 2026

Homelands Trust - Fife (SCIO)

Statement of Financial Activities

Year ended 31 December 2025

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	2025 Total funds £	2024 Total funds £
Income and endowments						
Donations and legacies	4	15,282	39,977	–	55,259	54,756
Charitable activities	5	410,617	–	–	410,617	390,731
Investment income	6	–	2,311	–	2,311	2,147
Other income	7	7,391	–	–	7,391	22,176
Total income		433,290	42,288	–	475,578	469,810
Expenditure						
Expenditure on raising funds:						
Investment management costs	8	–	460	–	460	745
Expenditure on charitable activities	9,10	371,741	23,486	–	395,227	434,422
Total expenditure		371,741	23,946	–	395,687	435,167
Net income		61,549	18,342	–	79,891	34,643
Other recognised gains and losses						
Gain/(loss) on investment assets		–	6,028	–	6,028	2,588
Net movement in funds		61,549	24,370	–	85,919	37,231
Reconciliation of funds						
Total funds brought forward		3,115,397	100,714	160,000	3,376,111	3,338,880
Total funds carried forward		3,176,946	125,084	160,000	3,462,030	3,376,111

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

The notes on pages 16 to 29 form part of these financial statements.

Homelands Trust - Fife (SCIO)

Statement of Financial Position

31 December 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible fixed assets	17	4,695,490	4,701,647
Investments	18	102,887	92,172
		4,798,377	4,793,819
Current assets			
Debtors	19	6,413	6,807
Cash at bank and in hand		169,055	116,238
		175,468	123,045
Creditors: amounts falling due within one year	20	195,364	198,420
Net current liabilities		(19,896)	(75,375)
Total assets less current liabilities		4,778,481	4,718,444
Creditors: amounts falling due after more than one year	21	1,316,451	1,342,333
Net assets		3,462,030	3,376,111
Funds of the charity			
Endowment funds		160,000	160,000
Restricted funds		125,084	100,714
Unrestricted funds:			
Revaluation reserve		340,000	340,000
Other unrestricted income funds		2,836,946	2,775,397
Total unrestricted funds		3,176,946	3,115,397
Total charity funds	24	3,462,030	3,376,111

These financial statements were approved by the board of trustees and authorised for issue on 23 July 2026, and are signed on behalf of the board by:

A Stevenson

A Stevenson
Trustee

The notes on pages 16 to 29 form part of these financial statements.

Homelands Trust - Fife (SCIO)

Statement of Cash Flows

Year ended 31 December 2025

	2025	2024
	£	£
Cash flows from operating activities		
Net income	79,891	34,643
Adjustments for:		
Depreciation of tangible fixed assets	25,045	24,478
Other interest receivable and similar income	(2,311)	(2,147)
Interest payable and similar charges	96,258	105,709
Accrued (income)/expenses	(532)	1,686
Changes in:		
Trade and other debtors	394	(1,609)
Trade and other creditors	(1,322)	(101,215)
Cash generated from operations	197,423	61,545
Interest paid	(96,258)	(105,709)
Interest received	2,311	2,147
Net cash from/(used in) operating activities	103,476	(42,017)
Cash flows from investing activities		
Purchase of tangible assets	(18,887)	(10,506)
Purchases of other investments	(27,544)	(10,538)
Proceeds from sale of other investments	22,858	11,533
Net cash used in investing activities	(23,573)	(9,511)
Cash flows from financing activities		
Proceeds from borrowings	(27,086)	89,548
Net cash (used in)/from financing activities	(27,086)	89,548
Net increase in cash and cash equivalents	52,817	38,020
Cash and cash equivalents at beginning of year	116,238	78,218
Cash and cash equivalents at end of year	169,055	116,238

The notes on pages 16 to 29 form part of these financial statements.

1. General information

The Trust is a public benefit entity, registered as a Scottish Charitable Incorporated Organisation (SCIO) and a registered charity in Scotland. The address of the registered office is The Paxton Centre, Homelands, 14a Links Road, Lundin Links, Fife, KY8 6AT.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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 (FRS102)(Charities SORP (FRS102)) and the Charities and Trustee Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 (as amended).

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the Trust's ability to continue

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Taxation

The Trust is exempt from tax on income and gains falling within section 505(1) of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

3. Accounting policies *(continued)*

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the Trust's purposes.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal.

Endowment funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal.

Incoming resources

Income

Donations, legacies and similar incoming resources are accounted for by the Trust in the accounting period in which they are received.

Grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the Trust will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Investment income is accounted for as it is accrued to the Trust.

Rental income is recognised on an accruals basis over the period for which it is due. Other income is recognised on a receipts basis unless it relates to a different accounting period.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.

3. Accounting policies *(continued)*

Resources expended *(continued)*

- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Property for use by the Trust was transferred from Homelands Trust - Fife on 1 January 2018 at net book value.

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

The Trust capitalises items of equipment where the purchase price exceeds £500.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	nil for the lodges. Straight line over 10 years for other property.
Fixtures, fittings and equipment	-	20% reducing balance
Computer equipment	-	straight line over three years

3. Accounting policies *(continued)*

Investments

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs.

Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at the carrying value plus accrued interest less repayments.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2025 £**
Donations			
Other donations	15,282	–	15,282
Grants			
Grants receivable	–	39,977	39,977
	15,282	39,977	55,259

4. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Donations			
Other donations	11,560	–	11,560
Grants			
Grants receivable	–	43,196	43,196
	11,560	43,196	54,756

5. Charitable activities

	Unrestricted Funds £	**Total Funds 2025 £**	Unrestricted Funds £	Total Funds 2024 £
Other income from charitable activities	410,617	410,617	390,731	390,731

6. Investment income

	Restricted Funds £	**Total Funds 2025 £**	Restricted Funds £	Total Funds 2024 £
Other investment income	2,311	2,311	2,147	2,147

7. Other income

	Unrestricted Funds £	**Total Funds 2025 £**	Unrestricted Funds £	Total Funds 2024 £
Other income	7,391	7,391	22,176	22,176

8. Investment management costs

	Restricted Funds £	**Total Funds 2025 £**	Restricted Funds £	Total Funds 2024 £
Portfolio management	460	460	745	745

9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	**Total Funds 2025 £**
Charitable activities	333,213	23,486	356,699
Support costs	38,528	–	38,528
	371,741	23,486	395,227

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Charitable activities	357,970	37,653	395,623
Support costs	38,709	90	38,799
	396,679	37,743	434,422

10. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	**Total funds 2025 £**	Total fund 2024 £
Charitable activities	356,699	31,286	387,985	425,883
Governance costs	–	7,242	7,242	8,539
	356,699	38,528	395,227	434,422

11. Analysis of support costs

	Restricted funds £	**Total 2025 £**	Total 2024 £
Communications and IT	8,472	8,472	8,854
General office	5,055	5,055	5,015
Finance costs	17,782	17,782	16,362
Governance costs	5,192	5,192	8,568
	36,501	36,501	38,799

12. Net income

Net income is stated after charging/(crediting):

	2025 £	2024 £
Depreciation of tangible fixed assets	25,045	24,478

13. Auditors remuneration

	2025	2024
	£	£
Fees payable for the audit of the financial statements	4,000	–

14. Independent examination fees

	2025	2024
	£	£
Fees payable to the independent examiner for:		
Independent examination of the financial statements	–	2,000
Other financial services	–	2,005
	–	4,005

15. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2025	2024
	£	£
Wages and salaries	51,345	55,578
Employer contributions to pension plans	1,682	1,923
	53,027	57,501

The average head count of employees during the year was 2 (2024: 3). The average number of full-time equivalent employees during the year is analysed as follows:

	2025	2024
	No.	No.
General manager	1	1
Administration assistant	1	2
	2	3

No employee received employee benefits of more than £60,000 during the year (2024: Nil).

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £32,119 (2024: £32,507).

16. Trustee remuneration and expenses

During the year, one trustee had travel expenses paid to them totalling £48 (2024: £nil) No trustees received any remuneration from the Trust during the year.

17. Tangible fixed assets

	Freehold property £	Fixtures, fittings and equipment £	Computer equipment £	**Total £**
Cost				
At 1 Jan 2025	4,611,085	195,597	8,517	4,815,199
Additions	–	4,897	13,990	18,887
Disposals	–	–	(7,060)	(7,060)
At 31 Dec 2025	4,611,085	200,494	15,447	4,827,026
Depreciation				
At 1 Jan 2025	778	104,705	8,069	113,552
Charge for the year	779	19,154	5,112	25,045
Disposals	–	–	(7,061)	(7,061)
At 31 Dec 2025	1,557	123,859	6,120	131,536
Carrying amount				
At 31 Dec 2025	4,609,528	76,635	9,327	4,695,490
At 31 Dec 2024	4,610,307	90,892	448	4,701,647

The properties were revalued to market value in February 2021 by DM Hall Chartered Surveyors. The trustees consider the valuations above to reflect current market values.

17. Tangible fixed assets *(continued)*

Tangible fixed assets held at valuation

In respect of tangible fixed assets held at valuation, the aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	Freehold property £
At 31 Dec 2025	
Aggregate cost	4,269,528
Aggregate depreciation	–
Carrying value	4,269,528
At 31 Dec 2024	
Aggregate cost	4,270,307
Aggregate depreciation	–
Carrying value	4,270,307

18. Investments

	Other investments £
Cost or valuation	
At 1 Jan 2025	92,172
Additions	27,544
Disposals	(22,858)
Fair value movements	6,029
At 31 Dec 2025	102,887
Impairment	
At 1 Jan 2025 and 31 Dec 2025	–
Carrying amount	
At 31 Dec 2025	102,887
At 31 Dec 2024	92,172

All investments shown above are held at valuation.

19. Debtors

	2025	2024
	£	£
Trade debtors	3,489	271
Prepayments and accrued income	2,924	1,638
Other debtors	–	4,898
	6,413	6,807

20. Creditors: amounts falling due within one year

	2025	2024
	£	£
Bank loans and overdrafts	61,230	62,434
Trade creditors	4,145	28,461
Accruals and deferred income	63,083	29,851
Social security and other taxes	9,922	1,318
Other creditors	56,984	76,356
	195,364	198,420

21. Creditors: amounts falling due after more than one year

	2025	2024
	£	£
Bank loans and overdrafts	1,316,451	1,342,333

Included within creditors: amounts falling due after more than one year is an amount of £1,067,704 (2024: £1,092,596) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The creditors due over 5 years relates to bank loan repayments.

The Charity Bank Ltd holds a first standard security over the heritable interest in the property of the Trust.

22. Deferred income

	2025	2024
	£	£
At 1 January 2025	14,426	16,807
Amount released to income	(14,426)	(16,807)
Amount deferred in year	48,190	14,426
At 31 December 2025	48,190	14,426

22. Deferred income *(continued)*

Deferred income relates to holiday stays that are paid up in full for the 2026 year.

23. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £1,682 (2024: £1,923).

24. Analysis of charitable funds

Unrestricted funds

	At 1 Jan 2025	Income	Expenditure	Gains and losses	**At 31 Dec 2025**
	£	£	£	£	£
General funds	2,775,397	433,290	(371,741)	–	2,836,946
Revaluation reserve	340,000	–	–	–	340,000
	3,115,397	433,290	(371,741)	–	3,176,946

	At 1 Jan 2024	Income	Expenditure	Gains and losses	At 31 Dec 2024
	£	£	£	£	£
General funds	2,747,609	424,467	(396,679)	–	2,775,397
Revaluation reserve	340,000	–	–	–	340,000
	3,087,609	424,467	(396,679)	–	3,115,397

Unrestricted funds can be used in accordance with the Trust's charitable objectives at the discretion of the Trustees.

24. Analysis of charitable funds *(continued)*

Restricted funds

	At 1 Jan 2025	Income	Expenditure	Gains and losses	**At 31 Dec 2025**
	£	£	£	£	£
Investment assets	83,881	2,311	(465)	6,028	91,755
Assets	9,283	–	(1,606)	–	7,677
Fife Environment Trust	–	2,039	(2,039)	–	–
St Andrews University	–	–	–	–	–
Fife Voluntary Action	1,664	–	–	–	1,664
Fife Council	5,886	–	(778)	–	5,108
Fife Rural Development	–	27,938	(14,393)	–	13,545
National Lottery Community Fund	–	10,000	(4,665)	–	5,335
	100,714	42,288	(23,946)	6,028	125,084

	At 1 Jan 2024	Income	Expenditure	Gains and losses	At 31 Dec 2024
	£	£	£	£	£
Investment assets	79,981	2,147	(835)	2,588	83,881
Assets	11,290	–	(2,007)	–	9,283
Fife Environment Trust	–	18,035	(18,035)	–	–
St Andrews University	–	1,550	(1,550)	–	–
Fife Voluntary Action	–	14,947	(13,283)	–	1,664
Fife Council	–	8,664	(2,778)	–	5,886
Fife Rural Development	–	–	–	–	–
National Lottery Community Fund	–	–	–	–	–
	91,271	45,343	(38,488)	2,588	100,714

Investment assets	This fund relates to the investment portfolio.
Assets	This fund relates to electric car charging points.
Fife Environment Trust	This fund relates to upgrades to lodges.
St Andrews University	This fund relates to upgrades to lodges.
Fife Voluntary Action	This fund relates to the Paxton Connexions project.
Fife Council	This fund relates to the purchase of the garage shed.

24. Analysis of charitable funds *(continued)*

Endowment funds

	At 1 Jan 2025	Income	Expenditure	Gains and losses	**At 31 Dec 2025**
	£	£	£	£	£
Endowment funds	160,000	–	–	–	160,000

	At 1 Jan 2024	Income	Expenditure	Gains and losses	At 31 Dec 2024
	£	£	£	£	£
Endowment funds	160,000	–	–	–	160,000

The endowment fund relates to the land and buildings at 14a Links Road, Lundin Links. The property was transferred to the Trust under the settlement of Miss Paxton's estate for the specific purpose of use as a holiday home for disabled people. Under the terms of the settlement the trustees are therefore required to retain the property.

25. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Endowment Funds	**Total Funds 2025**
	£	£	£	**£**
Tangible fixed assets	4,514,310	21,180	160,000	4,695,490
Investments	–	102,887	–	102,887
Current assets	174,451	1,017	–	175,468
Creditors less than 1 year	(195,364)	–	–	(195,364)
Creditors greater than 1 year	(1,316,451)	–	–	(1,316,451)
Net assets	3,176,946	125,084	160,000	3,462,030

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2024
	£	£	£	£
Tangible fixed assets	4,526,612	15,035	160,000	4,701,647
Investments	–	92,172	–	92,172
Current assets	123,045	–	–	123,045
Creditors less than 1 year	(191,927)	(6,493)	–	(198,420)
Creditors greater than 1 year	(1,342,333)	–	–	(1,342,333)
Net assets	3,115,397	100,714	160,000	3,376,111

26. Analysis of changes in net debt

	At 1 Jan 2025	Cash flows	**At 31 Dec 2025**
	£	£	**£**
Cash at bank and in hand	116,238	52,817	169,055
Debt due within one year	(62,434)	1,204	(61,230)
Debt due after one year	(1,342,333)	25,882	(1,316,451)
	(1,288,529)	79,903	(1,208,626)

27. Related parties

There was one related party transaction in the year relating to travel expenses of £48 (2024: nil) paid to a trustee.