

Charity registration number SC016300 (Scotland)

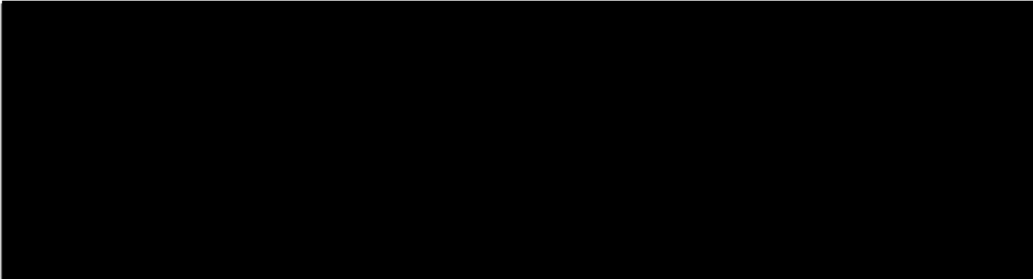
**ALEXANDER SCOTT'S HOSPITAL (EVENTIDE HOME)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 20 JULY 2024**

A9 Accountancy Limited  
Chartered Accountants  
Elm House  
Cradlehall Business Park  
Inverness  
United Kingdom  
IV2 5GH

# ALEXANDER SCOTT'S HOSPITAL (EVENTIDE HOME)

## LEGAL AND ADMINISTRATIVE INFORMATION

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**Charity number (Scotland)** SC016300



**Auditor** A9 Accountancy Limited  
Elm House  
Cradlehall Business Park  
Inverness  
United Kingdom  
IV2 5GH

**Solicitors** Murdoch, McMath & Mitchell  
27/29 Duke Street  
Huntly  
AB54 8DL

# ALEXANDER SCOTT'S HOSPITAL (EVENTIDE HOME)

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# ALEXANDER SCOTT'S HOSPITAL (EVENTIDE HOME)

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 20 JULY 2024

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The trustees present their annual report and financial statements for the year ended 20 July 2024.

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 Constitution the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) 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 charity was established by a charitable Trust Deed on 29 May 1868 to benefit the welfare of the elderly within the Town of Huntly and the surrounding parishes.

The objective was met by the establishment and continuing function of a Residential Home for the elderly.

The Board of Trustees meet on a regular basis to review and supervise the ongoing business and planning for the future of the charity.

The Trustees have always aimed to have high occupancy levels to ensure that as many local residents as possible are able to benefit from the high level of care. The Trustees recognise the difficult financial situation in the social care sector which has proved to be challenging and indeed became more challenging during the pandemic and the years thereafter. The Trustees ultimate goal is to provide the best care and attention for the home's residents, and this is considered of paramount importance. The Trustees recognise the care home fees for self-financing residents require to be increased and the fee level is now substantially higher than it was a few years ago and will continue to increase due to the inadequacy of funding provided by Aberdeenshire Council.

#### **Achievements and performance**

##### *Significant activities and achievements against objectives*

The financial year has, yet again, been difficult for the Charity. The continuing poor economic climate led to overheads and in particular energy prices increasing but the Local Authority was not able to increase funding accordingly. The Trustees are in agreement with the Government's commitment to increasing staff wages in line with the living and minimum wages but seek to make their views known on the funding situation which is far from satisfactory. This does not only apply to the Trustees but to every care home provider in Scotland and the United Kingdom. It is not satisfactory for the costs of care to continue to rise for self-financing residents. This is inequitable and places an increased burden on those who have saved for their later years. The Care Inspectorate insist on minimum staffing levels and the Trustees wish to continue the positive feedback which has been received from the recent inspections and which show that the home is achieving higher grading which results in a small increase in funding from the Local Authority.

#### **Financial review**

The home incurred a deficit in resources of £72,444 (2023 - £252,958 surplus). The deficit incurred is after a non-cash depreciation charge of £52,285 (2023 - £53,881).

The valuation change in the investment pack was in line with expectations given the movement in the stock market during the year, this amounted to £40,678 (2023 £9,409).

##### *Reserves policy*

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six months' expenditure. The Trustees consider that this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

At the year-end unrestricted reserves were £949,935 (2023 - £977,283), of which £56,347 (2023 - £63,775) is represented by tangible fixed assets so is not readily available funds. The level of readily available funds is below the 6-month level but is above the 3-month level considered necessary by the trustees. Any shortfalls in funding may be able to be covered by the sale of the investments as they can be sold at the discretion of the Trustees when required. On these basis the Trustees consider the level of reserves sufficient as at the year-end.

# ALEXANDER SCOTT'S HOSPITAL (EVENTIDE HOME)

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 20 JULY 2024

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#### *Principal funding sources*

The principal income of the charity is derived from Residents Maintenance Charges. Payment is received primarily from Local Authorities and then topped up by contributions from the residents. The weekly charge for those residents who are supported by the council has risen from £765 at the start of the financial year under review to £825 at the end of the period, which is the same throughout Scotland for a Home such as Alexander Scott's Hospital and has been fixed by the Scottish Government and Local Authorities after negotiation with Care Scotland representing care homes. For self-funding residents the charge is £1,495 per week at the time of writing. The Trustees realise the self-funding residents charges will have to continue to increase significantly over the next few years. They recognise other homes in the area are charging considerably more and Alexander Scott's Hospital will require to meet the imposition of the living wage and minimum wage through additional charges. It is also a specific financial aim that the home should be fully occupied by residents, but this is not always possible due to lack of Local Authority funding.

The charity's investments are maintained by Stockbrokers in Edinburgh on a non-discretionary basis. Transactions involving investments are decided by the Trustees following advice from the Edinburgh Stockbrokers. The Stock Market has been somewhat volatile and the Trustees were required to sell investments to meet the continuing demands brought about by the Pandemic and subsequent energy and cost of living crisis.

The operating risk foremost in the Trustees minds is the lack of financial support from the Local Authority due to the Government Policy of maintaining people in their own homes and a general lack of adequate public funding for the Care Home Sector. The weekly charge for residents supported by the Local Authority, at the time of writing in early 2025 is £825 compared to those for self-funding residents of £1,495. This figure is becoming untenable and only pressure on the Local and National Governments can bring about a change. There is a continuing lack of direction from the Government on the whole social care question and this together with the external threat from Stock Market volatility, the uncertainty surrounding the affects of Brexit and the Energy Crisis mean the Trustees continue to look forward with great unease to the years ahead.

#### *Investment policy*

The investment policy is subject to advice given by independent investment managers having regard to the Home's status as a charity. The aims are to maintain the capital value of the investments and to obtain a reasonable level of income.

#### **Plans for future periods**

The Trustees will continue to use their best endeavours to ensure the safety and wellbeing of the residents of the home and allow them to live as fulfilling a life as is possible in a safe and comfortable environment. The safety of the residents and their physical and mental wellbeing is paramount. There urgently requires to be a change in attitude from Local and Central Government to social care and this is something that the Trustees hope that groups such as Scottish Care (who act on behalf of homes) will be able to pursue given the rising profile of the hardship which care homes and their residents have endured post pandemic.

#### **Coronavirus (COVID-19) The Continuing Aftermath**

The Trustees identified early in the pandemic that any outbreak of Coronavirus in the home could pose a significant and potentially fatal threat to the charity. After successfully keeping the Home free from Covid-19 there were two outbreaks in the Hospital in March and August 2022. The hospital's Matron moved on from her role in 2023 and her Deputy was appointed as the new Matron. There were delays with the accounts and audit procedures which resulted in the Year End 20 July 2020 Accounts only being finalised and submitted in 2023. Following on from this period of instability an Energy Crisis emerged which compounded the difficulties experienced during the years of the Pandemic. There continues to be pressure on prices, known as "the cost of Living Crisis" which affects all areas of society in general. Locally, there are issues with other care homes recruiting staff. The Trust has not been required to employ "Agency Staff" which is regarded as highly desirable.

#### **Structure, governance and management**

The charity was established by a charitable trust deed on 29 May 1868.

# ALEXANDER SCOTT'S HOSPITAL (EVENTIDE HOME)

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 20 JULY 2024

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The trustees who served during the year and up to the date of signature of the financial statements were:



### *Recruitment and appointment of trustees*

The Board of Trustees currently include representatives from local and regional churches, an architect and landowner, and a local businesswoman.

Trustees are appointed in accordance with the Hospital Order Confirmation Acts. There is no specific training programme in place for new trustees, though they are made aware of their responsibilities through reading the Office of the Scottish Charity Regulator publication 'Guidance and Good Practice for Charity Trustees'.

### *Remuneration policy*

Trustees set key management remuneration based on comparable positions within the care sector and with regard to qualifications held.

### **Latest developments**

Since the end of the Financial Year 20 July 2023 the charity has managed to recruit new staff. The Trustees are pleased there is a healthy waiting list post pandemic and full occupancy may become a reality during 2025. Occupancy levels were restricted during the pandemic and recent outbreaks in the following years. The home achieved the rating of "Very Good" at the last Care Inspectorate inspection which boosted morale in the home and the wider community.

There is still general concern about the energy price increases and the stability of markets in general.

The trustees' report was approved by the Board of Trustees.



Trustee

26 May 2025

# ALEXANDER SCOTT'S HOSPITAL (EVENTIDE HOME)

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

### FOR THE YEAR ENDED 20 JULY 2024

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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 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 year.

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 operation.

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

# ALEXANDER SCOTT'S HOSPITAL (EVENTIDE HOME)

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF ALEXANDER SCOTT'S HOSPITAL (EVENTIDE HOME)

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#### Opinion

We have audited the financial statements of Alexander Scott's Hospital (Eventide Home) (the 'charity') for the year ended 20 July 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 20 July 2024 and of its incoming resources and application of resources, 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

# ALEXANDER SCOTT'S HOSPITAL (EVENTIDE HOME)

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF ALEXANDER SCOTT'S HOSPITAL (EVENTIDE HOME)

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#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the 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 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. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity, 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 most relevant frameworks we identified include:

- United Kingdom Generally Accepted Accounting Practice
- Corporation Tax legislation
- Charities and Trustees Investment (Scotland) Act 2005
- Charities Accounts (Scotland) Regulations 2006
- VAT legislation
- Care Inspectorate Requirements

We gained an understanding of how the charity is complying with these laws and regulations by making enquiries of management. We corroborated these enquiries through our review of external inspections, relevant correspondence with regulatory bodies and board meeting minutes.

We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management oversee the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk.

# ALEXANDER SCOTT'S HOSPITAL (EVENTIDE HOME)

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF ALEXANDER SCOTT'S HOSPITAL (EVENTIDE HOME)

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The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:


- Reviewing minutes of meetings of those charged with governance;
- Reviewing the level of and reasoning behind the charity's procurement of legal and professional services;
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias.
- Procedures to confirm the existence and completeness of revenue ensuring recognised in line with the charity's accounting policies.
- Enquiries with management regarding the compliance with laws and regulations, including health and safety requirements.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material risk due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed noncompliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.



for and on behalf of A9 Accountancy Limited

26 May 2025

Chartered Accountants  
Statutory Auditor

Elm House  
Cradlehall Business Park  
Inverness  
United Kingdom  
IV2 5GH

A9 Accountancy Limited 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.

# ALEXANDER SCOTT'S HOSPITAL (EVENTIDE HOME)

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 20 JULY 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Total 2023 £
<b>Income and endowments from:</b>					
Donations and legacies	3	17,899	12,053	29,952	524,348
Charitable activities	4	1,770,397	-	1,770,397	1,610,125
Investments	5	32,605	-	32,605	21,119
Other income	6	3,250	-	3,250	-
<b>Total income</b>		<u>1,824,151</u>	<u>12,053</u>	<u>1,836,204</u>	<u>2,155,592</u>
<b>Expenditure on:</b>					
Raising funds	7	3,364	-	3,364	3,312
Charitable activities	8	1,902,773	45,096	1,947,869	1,908,731
Other expenditure	14	239	-	239	-
<b>Total expenditure</b>		<u>1,906,376</u>	<u>45,096</u>	<u>1,951,472</u>	<u>1,912,043</u>
Net gains/(losses) on investments	15	42,824	-	42,824	9,409
<b>Net income/(expenditure)</b>		<u>(39,401)</u>	<u>(33,043)</u>	<u>(72,444)</u>	<u>252,958</u>
Transfers between funds		12,053	(12,053)	-	-
<b>Net movement in funds</b>	10	<u>(27,348)</u>	<u>(45,096)</u>	<u>(72,444)</u>	<u>252,958</u>
<b>Reconciliation of funds:</b>					
Fund balances at 21 July 2023		977,283	668,587	1,645,870	1,392,912
<b>Fund balances at 20 July 2024</b>		<u>949,935</u>	<u>623,491</u>	<u>1,573,426</u>	<u>1,645,870</u>

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

# ALEXANDER SCOTT'S HOSPITAL (EVENTIDE HOME)

## BALANCE SHEET

AS AT 20 JULY 2024

		2024		2023	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	17		679,838		732,362
Investments	18		603,314		632,556
			<u>1,283,152</u>		<u>1,364,918</u>
<b>Current assets</b>					
Stocks	20	13,783		8,500	
Debtors	21	153,208		120,981	
Cash at bank and in hand		342,362		424,049	
		<u>509,353</u>		<u>553,530</u>	
<b>Creditors: amounts falling due within one year</b>	22	<u>219,079</u>		<u>272,578</u>	
Net current assets			290,274		280,952
<b>Total assets less current liabilities</b>			<u>1,573,426</u>		<u>1,645,870</u>
<b>The funds of the charity</b>					
Restricted income funds	25		623,491		668,587
Unrestricted funds - general			627,013		654,361
Unrestricted funds - Revaluation reserve			322,922		322,922
<b>Total funds</b>			<u>1,573,426</u>		<u>1,645,870</u>

The financial statements were approved by the trustees on 26 May 2025



Trustee

# ALEXANDER SCOTT'S HOSPITAL (EVENTIDE HOME)

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 20 JULY 2024

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	Notes	2024 £	£	2023 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	31		(186,358)		313,434
<b>Investing activities</b>					
Purchase of tangible fixed assets		-		(3,357)	
Proceeds from disposal of investments		72,066		-	
Investment income received		32,605		21,119	
<b>Net cash generated from investing activities</b>			104,671		17,762
<b>Financing activities</b>					
Proceeds from borrowings		-		60,000	
Repayment of borrowings		-		(80,000)	
<b>Net cash used in financing activities</b>			-		(20,000)
<b>Net (decrease)/increase in cash and cash equivalents</b>			(81,687)		311,196
Cash and cash equivalents at beginning of year			424,049		112,853
<b>Cash and cash equivalents at end of year</b>			342,362		424,049

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# ALEXANDER SCOTT'S HOSPITAL (EVENTIDE HOME)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 20 JULY 2024

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### 1 Accounting policies

#### Charity information

Alexander Scott's Hospital (Eventide Home) is a trust established by charitable deed trust. Its office is located at [REDACTED]

#### 1.1 Accounting convention

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

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

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

#### 1.2 Going concern

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

This expectation is based on the substantial investment portfolio held by the charity which is sufficient to absorb ongoing cash shortfalls in excess of those expected to occur in the twelve months following the date these financial statements are signed. The trustees have concluded that there is no material uncertainty in relation to going concern.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

#### 1.4 Income

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

Hospital charges are recognised when the service has been provided to the resident.

Income from donations and grants are recognised on receipt, unless performance conditions apply which either limit recognition until a future period or require early recognition.

Investment income is brought into account in the year in which it is receivable.

# ALEXANDER SCOTT'S HOSPITAL (EVENTIDE HOME)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 20 JULY 2024

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#### 1 Accounting policies

(Continued)

##### 1.5 Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of expenditure and include irrecoverable VAT.

Expenditure on charitable activities includes the costs directly incurred directly in achievement of the charity's objectives and support costs, which indirectly support the charities activities.

##### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Heritable property	2-10% straight line
Owners' Improvements	10% reducing balance
Plant and Equipment	20% reducing balance
Motor vehicles	20% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

##### 1.7 Fixed asset investments

Investments are included at fair value, which is based on quoted market values, at the year end.

Gains and losses on disposal and revaluation of investments are recognised in net income/(expenditure).

##### 1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible 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).

##### 1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

##### 1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# ALEXANDER SCOTT'S HOSPITAL (EVENTIDE HOME)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 20 JULY 2024

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#### 1 Accounting policies

(Continued)

##### 1.11 Financial instruments

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

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

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

##### **Basic financial assets**

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

##### **Derecognition of financial assets**

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

##### **Basic financial liabilities**

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

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

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

##### **Derecognition of financial liabilities**

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

##### 1.12 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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### 1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# ALEXANDER SCOTT'S HOSPITAL (EVENTIDE HOME)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 20 JULY 2024

#### 2 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 estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following are considered to be either judgements that have had the most significant effect on the amounts recognised in the financial statements, or estimates that are dependent upon assumptions which could change in the next financial year and have a material effect on the carrying amounts of assets and liabilities recognised on the balance sheet:

- The residual value and useful life of tangible fixed assets is an estimate made by the trustees which affects the depreciation charged each year and therefore the carrying value of assets on the balance sheet. The depreciation charge for the year was £52,285 and the carrying value of tangible fixed assets was £679,838 at the balance sheet date.

#### 3 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	17,899	-	17,899	506,671	-	506,671
Grants	-	12,053	12,053	17,677	-	17,677
	<u>17,899</u>	<u>12,053</u>	<u>29,952</u>	<u>524,348</u>	<u>-</u>	<u>524,348</u>

#### 4 Income from charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
<b>Charitable activities</b>		
Hospital charges	<u>1,770,397</u>	<u>1,610,125</u>

# ALEXANDER SCOTT'S HOSPITAL (EVENTIDE HOME)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 20 JULY 2024

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### 5 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from listed investments	24,846	18,715
Interest receivable	7,759	2,404
	<u>32,605</u>	<u>21,119</u>

All income from investments was unrestricted in both the current and prior year.

### 6 Other income

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Other income	3,250	-
	<u>3,250</u>	<u>-</u>

### 7 Expenditure on raising funds

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Fund manager costs	3,364	3,312
	<u>3,364</u>	<u>3,312</u>

All expenditure on raising funds was unrestricted in both the current and prior year.

# ALEXANDER SCOTT'S HOSPITAL (EVENTIDE HOME)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 20 JULY 2024

#### 8 Expenditure on charitable activities

	Charitable activities 2024 £	Charitable activities 2023 £
<b>Direct costs</b>		
Staff costs	1,514,565	1,360,360
Depreciation and impairment	52,285	53,881
Rates, insurance and subscriptions	65,183	62,479
Light and heat	53,056	143,015
Repairs and maintenance	92,286	109,142
Telephone and internet	2,468	1,767
Food	92,470	108,088
Training	12,134	7,310
Sundry expenses	222	497
Bank charges	2,426	2,078
	<u>1,887,095</u>	<u>1,848,617</u>
<b>Share of support and governance costs (see note 9)</b>		
Support	38,400	38,400
Governance	22,374	21,714
	<u>1,947,869</u>	<u>1,908,731</u>
<b>Analysis by fund</b>		
Unrestricted funds	1,902,773	1,863,225
Restricted funds	45,096	45,506
	<u>1,947,869</u>	<u>1,908,731</u>

#### 9 Support costs allocated to activities

	2024 £	2023 £
	<i>Basis of allocation</i>	
Clerk and treasurer	38,400	38,400
Governance costs	22,374	21,714
	<u>60,774</u>	<u>60,114</u>
<b>Analysed between:</b>		
Charitable activities	<u>60,774</u>	<u>60,114</u>

# ALEXANDER SCOTT'S HOSPITAL (EVENTIDE HOME)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 20 JULY 2024

9	Support costs allocated to activities	(Continued)	
		2024	2023
		£	£
	<b>Governance costs comprise:</b>		
	Audit fees	15,834	15,354
	Accountancy fees	6,540	6,360
		<u>22,374</u>	<u>21,714</u>
		<u><u>22,374</u></u>	<u><u>21,714</u></u>
10	Net movement in funds	2024	2023
		£	£
	The net movement in funds is stated after charging/(crediting):		
	Fees payable to the charity's auditor:		
	- for the audit of the charity's financial statements	15,834	15,354
	- for other assurance services	6,540	6,360
	Depreciation of owned tangible fixed assets	52,285	53,881
	Loss on disposal of tangible fixed assets	239	-
		<u>74,903</u>	<u>75,895</u>
		<u><u>74,903</u></u>	<u><u>75,895</u></u>
11	Auditor's remuneration		
	Fees payable to the charity's auditor and associates:	2024	2023
		£	£
	<b>For audit services</b>		
	Audit of the financial statements of the charity	15,834	15,354
		<u>15,834</u>	<u>15,354</u>
	<b>Non-audit services</b>		
	Preparation of charity's annual accounts	6,540	6,360
		<u>6,540</u>	<u>6,360</u>
		<u><u>6,540</u></u>	<u><u>6,360</u></u>
12	Trustees		
	None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.		
13	Employees		
	The average monthly number of employees during the year was:		
		2024	2023
		Number	Number
	Care home staff	75	72
		<u>75</u>	<u>72</u>
		<u><u>75</u></u>	<u><u>72</u></u>

# ALEXANDER SCOTT'S HOSPITAL (EVENTIDE HOME)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 20 JULY 2024

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13 Employees	(Continued)	
Employment costs	2024	2023
	£	£
Wages and salaries	1,398,663	1,257,502
Social security costs	90,671	80,155
Other pension costs	25,231	22,703
	<u>1,514,565</u>	<u>1,360,360</u>

There were no employees whose annual remuneration was more than £60,000.

### Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2024	2023
	£	£
Aggregate compensation	<u>50,893</u>	<u>55,316</u>

### 14 Other expenditure

	Unrestricted funds 2024	Unrestricted funds 2023
	£	£
Net loss on disposal of tangible fixed assets	<u>239</u>	<u>-</u>

### 15 Gains and losses on investments

	Unrestricted funds 2024	Unrestricted funds 2023
	£	£
Gains/(losses) arising on:		
Revaluation of investments	40,678	9,409
Sale of investments	2,146	-
	<u>42,824</u>	<u>9,409</u>

### 16 Taxation

The charity is exempt from tax on income and gains falling within section 505 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.

# ALEXANDER SCOTT'S HOSPITAL (EVENTIDE HOME)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 20 JULY 2024

17 Tangible fixed assets	Heritable property £	Owners' Improvements £	Plant and Equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 21 July 2023	1,233,699	651,384	139,874	25,000	2,049,957
Disposals	-	-	(20,060)	-	(20,060)
At 20 July 2024	1,233,699	651,384	119,814	25,000	2,029,897
<b>Depreciation and impairment</b>					
At 21 July 2023	570,803	603,050	126,934	16,808	1,317,595
Depreciation charged in the year	43,458	4,833	2,356	1,638	52,285
Eliminated in respect of disposals	-	-	(19,821)	-	(19,821)
At 20 July 2024	614,261	607,883	109,469	18,446	1,350,059
<b>Carrying amount</b>					
At 20 July 2024	619,438	43,501	10,345	6,554	679,838
At 20 July 2023	662,896	48,334	12,940	8,192	732,362
<b>18 Fixed asset investments</b>					<b>Listed investments £</b>
<b>Cost or valuation</b>					
At 21 July 2023					632,556
Valuation changes					40,678
Disposals					(69,920)
At 20 July 2024					603,314
<b>Carrying amount</b>					
At 20 July 2024					603,314
At 20 July 2023					632,556
<b>19 Financial instruments</b>					
			<b>2024 £</b>	<b>2023 £</b>	
<b>Carrying amount of financial assets</b>					
Debt instruments measured at amortised cost			70,225	58,105	
Equity instruments measured at cost less impairment			603,314	632,556	
<b>Carrying amount of financial liabilities</b>					
Measured at amortised cost			189,012	214,436	

# ALEXANDER SCOTT'S HOSPITAL (EVENTIDE HOME)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 20 JULY 2024

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20	Stocks	2024	2023
		£	£
	Consumables	13,783	8,500
		<u>13,783</u>	<u>8,500</u>

The total costs of stocks recognised as an expense are £92,470 (2023 - £108,088)

21	Debtors	2024	2023
		£	£
	Amounts falling due within one year:		
	Trade debtors	70,225	58,105
	Prepayments and accrued income	82,983	62,876
		<u>153,208</u>	<u>120,981</u>

22	Creditors: amounts falling due within one year	2024	2023
		£	£
		Notes	
	Other taxation and social security	10,507	26,143
	Deferred income	19,560	20,529
	Trade creditors	31,154	48,701
	Other creditors	1,274	-
	Accruals	156,584	177,205
		<u>219,079</u>	<u>272,578</u>

23	Deferred income	2024	2023
		£	£
	Other deferred income	19,560	20,529
		<u>19,560</u>	<u>20,529</u>

Deferred income is included in the financial statements as follows:

	2024	2023
	£	£
Deferred income is included within:		
Current liabilities	19,560	20,529
	<u>19,560</u>	<u>20,529</u>

Movements in the year:

# ALEXANDER SCOTT'S HOSPITAL (EVENTIDE HOME)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 20 JULY 2024

23 Deferred income	(Continued)	
Deferred income at 21 July 2023	20,529	26,413
Released from previous periods	(20,529)	(26,413)
Resources deferred in the year	19,560	20,529
	<u>19,560</u>	<u>20,529</u>
Deferred income at 20 July 2024	<u>19,560</u>	<u>20,529</u>

Deferred income relates to hospital charges received in advance.

24 Retirement benefit schemes	2024	2023
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	25,231	22,703
	<u>25,231</u>	<u>22,703</u>

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

### 25 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 21 July 2023 £	Incoming resources £	Resources expended £	Transfers £	At 20 July 2024 £
Heritable Property	662,895	-	(43,458)	-	619,437
Motor Vehicles	5,692	-	(1,638)	-	4,054
Foundation Scotland	-	12,053	-	(12,053)	-
	<u>668,587</u>	<u>12,053</u>	<u>(45,096)</u>	<u>(12,053)</u>	<u>623,491</u>
<b>Previous year:</b>	<b>At 21 July 2022 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Transfers £</b>	<b>At 20 July 2023 £</b>
Heritable Property	706,353	-	(43,458)	-	662,895
Motor Vehicles	7,740	-	(2,048)	-	5,692
	<u>714,093</u>	<u>-</u>	<u>(45,506)</u>	<u>-</u>	<u>668,587</u>

# ALEXANDER SCOTT'S HOSPITAL (EVENTIDE HOME)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 20 JULY 2024

#### 25 Restricted funds

(Continued)

Restricted funds include the heritable property which, under Alexander Scott's Will, must be used as a hospital. In the event of a sale the proceeds should be used to purchase property for the ultimate benefit of the residents of Huntly. Expenditure represents depreciation charged on the property.

Restricted funds also include motor vehicles for which a grant of £22,500 was received from Foundation Scotland. Per the terms and conditions of this grant, this is required to be shown as restricted in the financial statements. The grant will be released in line with the annual depreciation charged on the motor vehicles.

A transfer was made between restricted and unrestricted funds in respect of a grant received from Foundation Scotland. This grant was received in respect of costs already incurred, which were classed as unrestricted.

#### 26 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 21 July 2023 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	At 20 July 2024 £
General funds	977,283	1,824,151	(1,906,376)	12,053	42,824	949,935
Previous year:	At 21 July 2022 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	At 20 July 2023 £
General funds	678,819	2,155,592	(1,866,537)	-	9,409	977,283

#### 27 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
<b>At 20 July 2024:</b>			
Tangible assets	56,347	623,491	679,838
Investments	603,314	-	603,314
Current assets/(liabilities)	290,274	-	290,274
	949,935	623,491	1,573,426

# ALEXANDER SCOTT'S HOSPITAL (EVENTIDE HOME)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 20 JULY 2024

#### 27 Analysis of net assets between funds

(Continued)

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
<b>At 20 July 2023:</b>			
Tangible assets	63,775	668,587	732,362
Investments	632,556	-	632,556
Current assets/(liabilities)	280,952	-	280,952
	<u>977,283</u>	<u>668,587</u>	<u>1,645,870</u>

#### 28 Operating lease commitments

##### Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024 £	2023 £
Within one year	518	-
Between two and five years	1,814	-
	<u>2,332</u>	<u>-</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £217 (2023 - Nil).

#### 29 Related party transactions

##### Transactions with related parties

During the year the charity entered into the following transactions with related parties:

# ALEXANDER SCOTT'S HOSPITAL (EVENTIDE HOME)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 20 JULY 2024

### 29 Related party transactions

(Continued)

#### **Murdoch, McMath & Mitchell**

(A firm that provides key management personnel services (acting as Clerks and Treasurers to the charity))

During the year, Murdoch, McMath & Mitchell rendered key management personnel services to the charity totalling £38,400 (2023 - £38,400).

#### **James Rizza & Son Ltd**

(A company in which [REDACTED] is a director and shareholder)

During the year, the charity purchased goods from James Rizza & Son Ltd totalling £10 (2023 - £150).

[REDACTED]  
(Mother of Partner of Murdoch, McMath & Mitchell, a firm that provides key management personnel services to the charity)

During the year, [REDACTED] paid the charity £43,703 (2023 - Nil), in relation to fees for staying at the Hospital.

### 30 Analysis of changes in net funds

The charity had no material debt during the year.

31 Cash generated from operations	2024 £	2023 £
(Deficit)/surplus for the year	(72,444)	252,956
Adjustments for:		
Investment income recognised in statement of financial activities	(32,605)	(21,119)
Loss on disposal of tangible fixed assets	239	-
Gain on disposal of investments	(2,146)	-
Fair value gains and losses on investments	(40,678)	(9,409)
Depreciation and impairment of tangible fixed assets	52,285	53,881
Movements in working capital:		
(Increase) in stocks	(5,283)	-
(Increase)/decrease in debtors	(32,227)	13,934
(Decrease)/increase in creditors	(52,530)	29,075
(Decrease) in deferred income	(969)	(5,884)
<b>Cash (absorbed by)/generated from operations</b>	<b>(186,358)</b>	<b>313,434</b>