

Charity number: SC042417

NORTHCOTE LODGE TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

NORTHCOTE LODGE TRUST

CONTENTS

	Page
Reference and administrative details of the Charity, its Trustees and advisers	1
Trustees' report	2 - 6
Trustees' responsibilities statement	7
Independent auditors' report on the financial statements	8 - 10
Statement of financial activities	11
Balance sheet	12
Statement of cash flows	13
Notes to the financial statements	14 - 27

NORTHCOTE LODGE TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2026

Trustees	Dr A Cannon Mrs Z T Moran Mrs M A Morris Mr D Fiddes Mr C Pike Mrs M Stirton
Charity registered number	SC042417
Principal office	191 Craigton Road Aberdeen AB15 7UB
Independent auditors	AAB Audit & Accountancy Limited Kingshill View Prime Four Business Park Kingswells Aberdeen AB15 8PU
Bankers	Royal Bank of Scotland 40 Albyn Place Aberdeen AB10 1YN
Solicitors	R&R Urquhart LLP 117 - 121 High Street Forres IV36 1 AB

NORTHCOTE LODGE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2026

The trustees present their report with the financial statements of the charity for the year ended 31 March 2026.

The Trustees confirm that the Annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

CONSTITUTION

The Trust's governing document is its Trust Deed.

OBJECTIVES AND PRINCIPAL ACTIVITIES

The Trustees shall hold the Trust Fund in the following manner and for the following purposes:

The provision within the Roman Catholic Diocese of Aberdeen of care, nursing, and general physical, mental and spiritual welfare of any persons requiring such care, nursing and welfare including the foregoing generality, the infirm, aged and poor and other charitable matters.

The Trustees value the inestimable worth and dignity of each human being as made in the image and likeness of God. Commitment to these ideal leads the Trustees to provide for all that need care, a service that is marked by a spirit of love and compassion. Quality of life is paramount. Dignity, privacy and confidentiality are part of the ethos. The residents right to choose is supported as are the involvement of family and friends in the resident's care. The whole person, including all aspects of physical, mental, emotional, spiritual and social welfare are addressed.

The Trustees aim to provide high quality residential care in a safe and welcoming environment for sixty residents. The training of a high percentage of staff to a better grade than is the norm is one of our main strategies to obtain these objectives.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The number of Trustees shall not be less than three. The Trustees are entitled by way of a resolution passed by a majority vote at a meeting of Trustees to appoint any individual as a Trustee.

If the Trust has four members a quorum would need to be three.

If the Trust has five members a quorum would need to be three.

If the Trust has six members a quorum would need to be three.

The skill mix of the Trustees is used to assess the appropriateness of any new Trustee. The present Trust includes a medical practitioner, a hotelier, a retired quantity surveyor, a retired deputy headmistress, a practicing lawyer and a retired general nurse.

Strategic meetings are held quarterly. The Trustees meet more frequently if circumstances so demand.

Subcommittees of Trustees with particular skills and experience meet as required. A monthly meeting of the Care Home Manager, the Finance Officer and one Trustee occurs to discuss the monthly accounts and any extraordinary expenditure. There are also announced and unannounced inspections by individual Trustees.

The day-to-day management of the home is delegated to the Care Home Manager, an Assistant Care Home Manager, her two full time deputies, one full time assistant deputy and a Quality Assurance Manager. The Care Manager prepares a monthly management report and the Finance Officer a monthly financial report for the Trustees. Major decisions such as the purchase of expensive items of equipment, changes in policy and future strategy are taken by the Trustees. A simple majority is required for these decisions.

NORTHCOTE LODGE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

RISK MANAGEMENT

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide assurance against fraud and error.

REVIEW OF MAJOR RISKS

Funding

The admission of new residents can be suspended at any time by the local authority. With over one hundred members of staff, wages alone are the biggest expense for the home and because of necessary increases in this area that are outlined in the financial review the decision to increase the number of self-funding residents to more than 40 is vindicated. Furthermore, the Trust needs to provide for future planned maintenance and therefore an annual operating surplus is needed. The funding by the Local Authority has been poor and in the last five years well below the increase in the cost of living. As a result, the self-funding residents, to some extent, subsidise those funded by the Local Authority.

Despite this, the Care Home Manager regulates the waiting list by admitting residents by their degree of need not their funding status. The home has more than thirty vulnerable elderly on the waiting list. This is a testament to the quality of care provided by the home and the desperate need in Aberdeen.

Staff

Recruiting and retaining good staff is a problem encountered by all care homes for the elderly. The level of funding is such that salaries are not high. By offering training opportunities and keeping a happy contented home we hope to maintain our ability to attract good loyal staff. We are fortunate to have five trained nurses in management positions: the manager, assistant manager, two deputies and a quality assurance manager. A qualified nurse is on duty seven days a week. The Care Home Manager is a qualified nurse and a qualified social worker. The home is very fortunate to have her.

Supporting staff through the SVQ process is ongoing. We have 103 permanent staff. There are no staff on zero hours contracts and we rarely have to resort to Agency staff. On Wednesdays all the staff are given lunch time treats. We moved from paper payslips to digital payslips in July 2025 and the staff are now able to view a protected, electronic version of their payslip through an external third party portal.

Home Office Regulations for Sponsorship of overseas workers meant we were able to apply for a Sponsorship Licence. We have three Undefined Certificates in place and three Defined Certificates of Sponsorship. In the main those sponsored have been a great asset to the home. However, changes to requirements and minimum salaries means that the home does not anticipate acquiring any further Certificates. The Trust has sought advice from DavidsonMorris (Immigration Advisors). We have appointed them as a user on the SMS system. They have completed a mock compliance audit.

The accountants, AAB Business & Tax Advisory LLP, have continued to be an asset to the Trust and have provided support to the Finance Manager.

The Person Centred Software Database, installed in May 2024, is now well established and proving to be extremely beneficial regarding the delivery and recording of care for the residents. Additional hand-held devices have been purchased along with 2 additional software applications - one enables family members to access the care records of their loved one; the other application helps management to calculate dependency levels. Staff have adapted well to the new system and cost savings have been made with the reduction in the amount of printing required.

The Activities Coordinators continue to provide an excellent programme for the residents every day of the week. Residents who do not wish to take part in group activities are now having one to one attention. A catering committee has been inaugurated and involves residents, families and staff. The housekeeping manager who has a breadth of experience is a real asset to the home. The kitchen is producing delicious meals that are a credit to the chef and his assistant. The four maintenance men are working well together. In order to future proof the maintenance department an apprentice has been appointed.

NORTHCOTE LODGE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

The wheelchair accessible car was a great asset. It was quite old and has been replaced with a new one. A new third pool car is available for staff to help with appointments or home visits and has freed up the wheelchair accessible car for residents with advanced needs. The introduction of a ULEZ in Aberdeen has meant our mini-bus is non-compliant. A new mini bus has been ordered and should arrive in August this year.

Health and Safety

Policies and procedures are in place accompanied by appropriate training to minimise any risk to residents or staff and are regularly updated to take notice of new regulations or advice.

Worknest, formally Law at Work, gives advice on Health and Safety procedures. The Fire and Rescue Service advise on fire safety.

There are regular training sessions on Fire Safety, COSHH, Health & Safety, First Aid, Infection Control and Food Hygiene.

Abuse

All members of staff and volunteers are members of the PVG scheme. All the staff undergo training so that they can support and protect residents from abuse.

Achievement and Performance

The Care Inspectorate performed an unannounced inspection in October 2025 and the Care Home scored 5's across the board and we have been awarded the Enhanced Quality Award.

The home is spacious and well lit. All sixty bedrooms have an en-suite bathroom and views over the extensive gardens. There are four separate dining rooms and six dayrooms throughout the home. There is a hairdressing salon, café and activities room. The bar on the first floor has been transformed into a new dining room for residents that need extra support in eating and more privacy. The café is well supported by the residents and their families.

The landscaped gardens are well established and blooming.

The sensory garden is now well bedded in and is proving to be popular with residents, family members and staff alike. The garden is regularly maintained by a local specialist gardening company. Improvements are ongoing such as the labelling of the plants and updating of the garden furniture.

The area of wooded land adjacent to the Home which was purchased in 2021 continues to be used by local neighbours for dog walking etc. The trees within the area are regularly inspected by the specialist company Epic Tree Care. Any trees that are damaged or growing over the boundary are removed.

The reputation of the home remains high and at the time of writing this report there are more than thirty people on the waiting list for admission.

The home now has a website www.northcotelodgecarehome.co.uk.

NORTHCOTE LODGE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

FINANCIAL REVIEW

Pension contributions remain at 8% and the Trust continues to pay 5% and the staff 3%. The number of carers has been increased to cope with frail residents needing two carers to provide for their needs. Senior Carers were also given the responsibility of inputting data into the Person Centred Software. This has required supernumerary shifts.

The staff were awarded a 5% increase in April 2025. This was to improve retention and help with recruitment. This was followed by a 6.5% raise in April 2026.

This along with, the pension contributions and the appointment of extra caring staff, kitchen staff, house-keeping staff, maintenance, dining room and office staff has meant a very big increase in the wage bill. The improvement in the quality of care as a consequence of the increased staffing is a reward in itself.

Increases in Employer National Insurance will have a big impact on the wage bill. There is also the impact of SSP from day 1. We are currently using the Bradford Formula to monitor absences and have return to work interviews.

The viability of the home depends on a high level of occupancy and continued at 100% until Covid struck. 100% occupancy has now been re-established. We have a very long waiting list which bodes well for the future.

A renewed fixed deal contract is in place with Scottish Gas for energy bills.

Insurance for Care Homes has gone through the roof. Even getting a quote is almost impossible. We are fortunate that our insurers continue to insure us but at an increased premium. One new stipulation by our insurers was to have a cyber security plan in place. We have been awarded Cyber Essentials Plus. We are planning future training for all staff on Cyber Awareness, GDPR and Privacy.

Baxter Dunn and Gray produced a very comprehensive planned maintenance budget for the next thirty years. There is an ambition to generate a surplus to pay for planned maintenance and the split in the proportion of self-funding residents has meant that the home is also making an effort to cover depreciation costs.

SSSC insists that all carers have an SVQ qualification of 2-4. This is mandatory even for staff with nursing qualifications. This has implications for the training budget and eventually wages. The training costs alone amount to £12,000. It has been spread over two years. Most of our carers have obtained at least SVQ 2 Qualification.

The trust continues to invest surplus monies with Rathbones (formally Speirs and Jeffrey).

RESERVES POLICY

As stated, the main expense for the home is the staff wages. For the coming year, a wage budget of £3,620,057 has been allocated. The Trust's reserve policy is to have the equivalent of at least four months wages in free reserves. This would require reserves of at least £1,206,692 based on the 2026/27 budget. On the 31st of March 2026, the free reserves were over £2,000,000. Therefore, the Trust is meeting its reserves policy. Further reserves are also required to cover depreciation costs and the planned maintenance.

NORTHCOTE LODGE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2026

FUTURE DEVELOPMENTS

It was agreed to install a further staff toilet on the ground floor. Flooring in the kitchen and some bathrooms has been replaced. Some internal doors are being replaced this year.

As energy costs spiral it was agreed to look into the possibility of solar panels.

ACC has requested that Care Homes prepare for Electricity Grid failure. A sub committee has been set up to look at planning for such a catastrophe. Installation of a generator large enough to maintain activities in the home is well advanced.

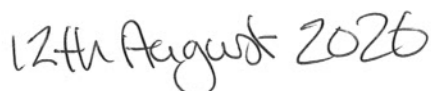
The outer main door causes problems for wheelchair users. It has been altered to make it more wheelchair friendly.

Subsequent to the year end, Dr A Cannon advised the Board of Trustees of her decision to resign as a Trustee. The Board of Trustees are very grateful to Dr Cannon for her outstanding contribution to the work of the Trust over the last 20 years and is working with her to ensure a smooth and orderly transition of her responsibilities.

Approved by order of the members of the board of Trustees and signed on their behalf by:

.....

Dr A Cannon
Trustee

Date: 

NORTHCOTE LODGE TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2026

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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Charity's transactions and 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.

Approved by order of the members of the board of Trustees and signed on its behalf by:



.....
Dr A Cannon

Trustee

Date:

12th August 2026

NORTHCOTE LODGE TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTHCOTE LODGE TRUST

Opinion

We have audited the financial statements of Northcote Lodge Trust (the 'charity') for the year ended 31 March 2026 which comprise the statement of financial activities, the balance sheet, the 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 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 31 March 2026 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.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 auditors' report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

NORTHCOTE LODGE TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTHCOTE LODGE TRUST (CONTINUED)

Matters on which we are required to report by exception

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

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- proper 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, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 auditors' 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.

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

We obtained an understanding of the legal and regulatory frameworks within which the charitable trust operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Trustee Investment (Scotland) Act 2005, together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable trust's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable trust for fraud. The laws and regulations we considered in this context for the UK operations were Anti-fraud, bribery and corruption legislation, Health and safety legislation and Charity regulations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

NORTHCOTE LODGE TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTHCOTE LODGE TRUST (CONTINUED)

We identified the greatest risk of material impact on the financial statements from irregularities including fraud to be:

- Management override of controls to manipulate the company's key performance indicators to meet targets;
- Timing and completeness of revenue recognition; and
- Compliance with relevant laws and regulations which directly impact the financial statements.

Our audit procedures to respond to these risks included:

- Testing of journal entries and other adjustments for appropriateness;
- Reviewing judgements made by management in their calculation of accounting estimates for potential management bias;
- Enquiries of management about litigation and claims and inspection of relevant correspondence; and
- Reviewing regulatory correspondence with the Office of the Scottish Charity Regulator and reading minutes of meetings of those charged with governance.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

AAB Audit & Accountancy Limited

AAB Audit & Accountancy Limited

Statutory Auditor
Kingshill View
Prime Four Business Park
Kingswells
Aberdeen
AB15 8PU

Date: *19 August 2026*

AAB Audit & Accountancy Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

NORTHCOTE LODGE TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2026

	Note	Unrestricted funds 2026 £	Total funds 2026 £	Total funds 2025 £
Income from:				
Donations and legacies	3	6,849	6,849	7,060
Charitable activities	4	4,309,441	4,309,441	3,861,689
Other trading activities	5	3,097	3,097	44
Investments	6	50,293	50,293	56,726
Total income		4,369,680	4,369,680	3,925,519
Expenditure on:				
Raising funds	7	430	430	377
Charitable activities	8	4,284,554	4,284,554	4,051,254
Total expenditure		4,284,984	4,284,984	4,051,631
Other movements on investments		162,870	162,870	(41,404)
Net movement in funds		247,566	247,566	(167,516)
Reconciliation of funds:				
Total funds brought forward		8,859,489	8,859,489	9,027,005
Net movement in funds		247,566	247,566	(167,516)
Total funds carried forward		9,107,055	9,107,055	8,859,489

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

The notes on pages 14 to 27 form part of these financial statements.

NORTHCOTE LODGE TRUST

BALANCE SHEET AS AT 31 MARCH 2026

	Note	2026 £	2025 £
Fixed assets			
Tangible assets	13	5,863,804	5,996,034
Investments	14	2,810,958	2,502,541
		<u>8,674,762</u>	<u>8,498,575</u>
Current assets			
Stocks	15	6,710	6,495
Debtors	16	131,423	176,969
Cash at bank and in hand		443,708	330,139
		<u>581,841</u>	<u>513,603</u>
Creditors: amounts falling due within one year	17	(149,548)	(152,689)
Net current assets		<u>432,293</u>	<u>360,914</u>
Total assets less current liabilities		<u>9,107,055</u>	<u>8,859,489</u>
Total net assets		<u><u>9,107,055</u></u>	<u><u>8,859,489</u></u>
Charity funds			
Restricted funds	18	-	-
Unrestricted funds	18	9,107,055	8,859,489
Total funds		<u><u>9,107,055</u></u>	<u><u>8,859,489</u></u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

.....

Dr A Cannon

Trustee

Date:

12th August 2026

The notes on pages 14 to 27 form part of these financial statements.

NORTHCOTE LODGE TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2026

	2026 £	2025 £
Cash flows from operating activities		
Net cash used in operating activities	452,372	(61,327)
Cash flows from investing activities		
Proceeds from the sale of tangible fixed assets	-	17,000
Purchase of tangible fixed assets	(35,134)	(73,470)
Net movement in investments	(308,416)	(108,729)
Interest received	4,747	6,596
Net cash used in investing activities	(338,803)	(158,603)
Cash flows from financing activities		
Repayments of finance leases	-	(14,347)
Net cash provided by/(used in) financing activities	-	(14,347)
Change in cash and cash equivalents in the year	113,569	(234,277)
Cash and cash equivalents at the beginning of the year	330,139	564,416
Cash and cash equivalents at the end of the year	443,708	330,139

The notes on pages 14 to 27 form part of these financial statements

NORTHCOTE LODGE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

1. General information

Northcote Lodge Trust is a charity trust registered in Scotland. The Trust's registered office is at 191 Craighton Road, Aberdeen, AB15 7UB.

The principal activities of the Trust is the provision within the Roman Catholic Diocese of Aberdeen of care, nursing, and general physical, mental and spiritual welfare of any persons requiring such care, nursing and welfare including the foregoing generality, the infirm, aged and poor and other charitable matters.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

2.2 Going concern

The trustees, having made due and careful enquiry, are of the opinion that the trust has adequate working capital to execute its operations over the next 12 months. The trustees, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future.

Despite the pandemic still being ongoing, the trustees remain confident that the Trust can continue to operate as a going concern. This assessment is based on the understanding that the Trust will continue to trade over the coming months. This, along with the level of retained reserves will allow the Trust to continue to meet its obligations as they fall due and operate as a going concern.

As a result, the trustees have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

2.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

NORTHCOTE LODGE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

2. Accounting policies (continued)

2.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

NORTHCOTE LODGE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2%
Plant and machinery	-	20%
Motor vehicles	-	25%
Fixtures and fittings	-	20%

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the statement of financial activities.

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.9 Taxation

The Trust is exempt from tax on its charitable activities.

2.10 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.12 Cash at bank and in hand

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

NORTHCOTE LODGE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

2. Accounting policies (continued)

2.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the statement of financial activities as a finance cost.

2.14 Pensions

The charity contributes to a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

3. Income from donations and legacies

	Unrestricted funds 2026 £	Total funds 2026 £	Total funds 2025 £
Donations	6,849	6,849	7,060
	<u>6,849</u>	<u>6,849</u>	<u>7,060</u>
Total 2025	7,060	7,060	
	<u>7,060</u>	<u>7,060</u>	

4. Income from charitable activities

	Unrestricted funds 2026 £	Total funds 2026 £	Total funds 2025 £
Provision of care services	4,309,441	4,309,441	3,861,689
	<u>4,309,441</u>	<u>4,309,441</u>	<u>3,861,689</u>
Total 2025	3,861,689	3,861,689	
	<u>3,861,689</u>	<u>3,861,689</u>	

NORTHCOTE LODGE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

5. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2026 £	Total funds 2026 £	Total funds 2025 £
Other Income	3,097	3,097	44
	<u> </u>	<u> </u>	<u> </u>
Total 2025	44	44	
	<u> </u>	<u> </u>	

6. Investment income

	Unrestricted funds 2026 £	Total funds 2026 £	Total funds 2025 £
Deposit account interest	4,747	4,747	6,596
Net income from investments	45,546	45,546	50,130
	<u> </u>	<u> </u>	<u> </u>
	50,293	50,293	56,726
	<u> </u>	<u> </u>	<u> </u>
Total 2025	56,726	56,726	
	<u> </u>	<u> </u>	

7. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2026 £	Total funds 2026 £	Total funds 2025 £
Costs of raising voluntary income	430	430	377
	<u> </u>	<u> </u>	<u> </u>
Total 2025	377	377	
	<u> </u>	<u> </u>	

NORTHCOTE LODGE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2026 £	Total 2026 £	Total 2025 £
Provision of care services	4,284,554	4,284,554	4,051,254
	<u>4,284,554</u>	<u>4,284,554</u>	
Total 2025	<u>4,051,254</u>	<u>4,051,254</u>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2026 £	Support costs 2026 £	Total funds 2026 £	Total funds 2025 £
Provision of care services	3,846,515	438,039	4,284,554	4,051,254
	<u>3,846,515</u>	<u>438,039</u>	<u>4,284,554</u>	
Total 2025	<u>3,631,389</u>	<u>419,865</u>	<u>4,051,254</u>	

NORTHCOTE LODGE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Provision of care service 2026 £	Total funds 2026 £	Total funds 2025 £
Staff costs	3,015,693	3,015,693	2,808,508
Depreciation	166,822	166,822	164,892
Food, provisions and medical supplies	220,848	220,848	208,598
Rates and water	23,346	23,346	22,474
Heat & Light	96,255	96,255	116,452
Travel	219	219	56
Repairs and maintenance	4,368	4,368	4,285
Printing and stationery	10,239	10,239	12,175
Telephone	411	411	481
Premises expenses	77,751	77,751	79,080
Equipment hire	19,424	19,424	17,928
Recruitment expenses	268	268	198
Subscriptions	162	162	140
Loss / (gain) on disposal of fixed assets	542	542	(12,335)
Sensory garden expenses	6,874	6,874	5,992
Motor expenses	4,831	4,831	5,498
Insurance	64,930	64,930	62,892
Sundry expenses	6,649	6,649	4,496
Consultancy fees	15,240	15,240	25,457
Cleaning	51,619	51,619	53,174
Database costs	20,443	20,443	17,713
Computer expenses	39,581	39,581	33,235
	<u>3,846,515</u>	<u>3,846,515</u>	<u>3,631,389</u>
Total 2025	<u>3,631,389</u>	<u>3,631,389</u>	

NORTHCOTE LODGE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Provision of care service 2026 £	Total funds 2026 £	Total funds 2025 £
Staff costs	404,371	404,371	376,025
Bank charges	1,898	1,898	1,795
Governance costs	31,770	31,770	42,045
	<u>438,039</u>	<u>438,039</u>	<u>419,865</u>
Total 2025	<u>419,865</u>	<u>419,865</u>	

10. Auditors' remuneration

	2026 £	2025 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	<u>19,200</u>	<u>15,300</u>

11. Other movements in investments

	2026 £	2025 £
Unrealised gain/(loss) on investments	570,429	294,874
Management charges	(18,850)	(17,642)
Loss on disposal of investments	(388,709)	(318,636)
	<u>162,870</u>	<u>(41,404)</u>

NORTHCOTE LODGE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

12. Staff costs

	2026 £	2025 £
Wages & Salaries	2,956,894	2,821,581
Social security costs	349,567	254,794
Contribution to defined contribution pension schemes	113,603	108,158
	<u>3,420,064</u>	<u>3,184,533</u>

The average number of persons employed by the Charity during the year was as follows:

	2026 No.	2025 No.
Management	7	7
Operational	96	101
	<u>103</u>	<u>108</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2026	2025
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	1	1

During the year, no Trustees received any remuneration (2025 - £nil).

During the year, no Trustees received any benefits in kind (2025 - £nil).

During the year, one Trustee received reimbursed expenses totalling £162 (2025 - £nil).

The key management personnel of the charity comprise the care home management team. The total employee benefits of the key management personnel were £404,371 (2025 - £376,025).

NORTHCOTE LODGE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

13. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and Fittings £	Total £
Cost or valuation					
At 1 April 2025	7,551,191	119,043	106,095	678,699	8,455,028
Additions	-	21,382	-	13,752	35,134
Disposals	-	(15,500)	-	(41,853)	(57,353)
At 31 March 2026	<u>7,551,191</u>	<u>124,925</u>	<u>106,095</u>	<u>650,598</u>	<u>8,432,809</u>
Depreciation					
At 1 April 2025	1,645,076	102,918	59,750	651,250	2,458,994
Charge for the year	134,292	7,108	14,260	11,162	166,822
On disposals	-	(15,500)	-	(41,311)	(56,811)
At 31 March 2026	<u>1,779,368</u>	<u>94,526</u>	<u>74,010</u>	<u>621,101</u>	<u>2,569,005</u>
Net book value					
At 31 March 2026	<u>5,771,823</u>	<u>30,399</u>	<u>32,085</u>	<u>29,497</u>	<u>5,863,804</u>
At 31 March 2025	<u>5,906,115</u>	<u>16,125</u>	<u>46,345</u>	<u>27,449</u>	<u>5,996,034</u>

14. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2025	2,502,541
Additions	145,546
Disposals	(388,709)
Revaluations	551,580
At 31 March 2026	<u>2,810,958</u>
Net book value	
At 31 March 2026	<u>2,810,958</u>
At 31 March 2025	<u>2,502,541</u>

NORTHCOTE LODGE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

15. Stocks

	2026 £	2025 £
Consumables	6,710	6,495

16. Debtors

	2026 £	2025 £
Due within one year		
Trade debtors	28,555	94,914
Other debtors	3,000	-
Prepayments and accrued income	99,868	82,055
	<u>131,423</u>	<u>176,969</u>

17. Creditors: Amounts falling due within one year

	2026 £	2025 £
Trade creditors	22,230	28,435
Other taxation and social security	66,859	54,097
Accruals and deferred income	60,459	70,157
	<u>149,548</u>	<u>152,689</u>

NORTHCOTE LODGE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

18. Statement of funds

Statement of funds - current year

	Balance at 1 April 2025 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2026 £
Unrestricted funds					
General Funds - all funds	8,859,489	4,369,680	(4,284,984)	162,870	9,107,055
	<u>8,859,489</u>	<u>4,369,680</u>	<u>(4,284,984)</u>	<u>162,870</u>	<u>9,107,055</u>

Statement of funds - prior year

	Balance at 1 April 2024 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2025 £
Unrestricted funds					
General Funds - all funds	9,027,005	3,925,519	(4,051,631)	(41,404)	8,859,489
	<u>9,027,005</u>	<u>3,925,519</u>	<u>(4,051,631)</u>	<u>(41,404)</u>	<u>8,859,489</u>

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2026 £	Total funds 2026 £
Tangible fixed assets	5,863,804	5,863,804
Fixed asset investments	2,810,958	2,810,958
Current assets	581,841	581,841
Creditors due within one year	(149,548)	(149,548)
Total	<u>9,107,055</u>	<u>9,107,055</u>

NORTHCOTE LODGE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	5,996,034	5,996,034
Fixed asset investments	2,502,541	2,502,541
Current assets	513,603	513,603
Creditors due within one year	(152,689)	(152,689)
Total	8,859,489	8,859,489

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2026 £	2025 £
Net income/expenditure for the year (as per Statement of Financial Activities)	247,566	(167,516)
Adjustments for:		
Depreciation charges	166,822	164,893
(Profit)/Loss on the sale of fixed assets	542	(12,336)
Decrease/(increase) in stocks	(215)	342
Decrease/(increase) in debtors	50,688	(23,664)
(Decrease)/Increase in creditors	(6,631)	(16,450)
Interest receivable	(4,747)	(6,596)
Net cash provided by/(used in) operating activities	454,025	(61,327)

21. Analysis of cash and cash equivalents

	2026 £	2025 £
Cash in hand	443,708	330,139
Total cash and cash equivalents	443,708	330,139

NORTHCOTE LODGE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

22. Analysis of changes in net debt

	At 1 April 2025	Cash flows	At 31 March 2026
	£	£	£
Cash at bank and in hand	330,139	113,569	443,708
	<u>330,139</u>	<u>113,569</u>	<u>443,708</u>

23. Pension commitments

The charity contributes to a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year. The amount contributed during the year was £113,603 (2025 - £108,158). At the year end there is a balance of £nil (2025 - £nil) to be paid into the pension scheme.

24. Operating lease commitments

At 31 March 2026 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2026 £	2025 £
Not later than 1 year	15,962	17,280
Due 1-2 years	5,443	17,280
Due 2-5 years	9,786	8,526
	<u>31,191</u>	<u>43,086</u>

25. Related party transactions

Control

During the year the Trust was controlled by the trustees.

Transactions

Through the running of the Charity the Trustees may occasionally require to pay expenses in relation to the running of the Charity which will be reimbursed. During the year, one Trustees received £162 reimbursement of expenses in relation to expenses incurred personally through their positions as a Trustee (2025 - none).