

Charity registration number SC016247 (Scotland)

Company registration number SC238297

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	Mr D J Miller Mr P G Davies Mr I D Baikie Dr A F Howie Reverend M McDonald
Secretary	Johnston Smillie Ltd
Manager	Ms S Craik
Charity number (Scotland)	SC016247
Company number	SC238297
Address	Colinton Cottage Homes 4a Redford Road Edinburgh EH13 0AA
Registered office	5 South Gyle Crescent Lane Edinburgh EH12 9EG
Auditor	Thomson Cooper Accountants 3 Castle Court Carnegie Campus Dunfermline KY11 8PB

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

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THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2025

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

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, 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)" (effective 1 January 2019).

Objectives and activities

The objects of the company are of a charitable nature, specifically to prevent or relieve poverty, and to provide relief for those in need by reason of age, ill-health, disability, financial hardship or other disadvantage. The company may support any individuals resident in Scotland (and any individuals who are not resident but have a connection with Scotland) through the provision of retirement housing and related amenities for the benefit of those individuals, and the company may award grants and other forms of payment to such individuals. In order to be eligible for the support of the company an individual shall normally be 65 years of age or older, although the company may support individuals who have not attained 65 years of age if the individuals meet the other criteria set out and if the directors feel it is appropriate in the circumstances for support to be provided. The Society provides a small number of grants in Scotland, but its principal activity is the provision of retirement housing at the Colinton Cottage Homes, Colinton, Edinburgh.

Grant making policy

Grants are distributed half-yearly to the beneficiaries at the rate of £500 per annum.

Achievements and performance

The Society has had another satisfactory year. There have been changes to the Board with the resignation of Jason Rust. The Board would like to thank Jason for his contributions to the successful running of the Society during his time with us.

Throughout the year, the day to day management of Colinton Cottage Homes has been in the hands of our manager who set high professional standards in ensuring the smooth running of the complex and is supported by the assistant manager. The grounds and gardens have also been maintained in good order. All members of the team are held in high regard by our tenants and the directors would like to express their appreciation of the work of the team over the last twelve months.

Grants continue to be paid half yearly to a number of people meeting our eligibility criteria and who would benefit from some additional financial support.

The financial statements show income from donations and legacies, charitable activities and investments increasing from £363,552 to £380,080 reflecting an increase in rental receipts. There have been good occupancy levels. The Board has continued to invest significant sums in the properties at Colinton Cottage Homes with £114,587 (£45,383 in 2024) spent on renovations, upkeep, repairs and cleaning. It is very much part of the Board's ongoing plan to maintain our accommodation at a high standard. Largely due to an increase in investment valuations of £130,747 (increase of £21,503 in 2024), there was a net increase in funds of £100,820 (increase of £17,854 in 2024).

The Balance Sheet as at 31 December 2025 remains in a strong position with net assets of £9,651,112 (£9,550,292 in 2024) reflecting a decrease in the value of the tangible assets at year-end to £7,577,066 (2024: £7,588,202) and an increase of investments to £1,955,635 (2024: £1,829,485). In addition, the provision for the staff pension liability remained at £15,000 (2024: £15,000).

Investment performance of the portfolio which is managed by Rathbone Investment Management Limited is monitored on a quarterly basis and is measured against an agreed benchmark.

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Throughout the year, day to day Secretarial and Treasurer duties of the Society are carried out by our Secretaries and Treasurers, Johnston Smillie Ltd. We would like to thank them for their work and to record our appreciation of the attention they give to matters relating to the Society.

Finally, the Board would like to thank Colinton Parish Church and St Cuthbert's Church for their support given to the society and its tenants over the last twelve months.

Financial review

The Society had an operating deficit of £29,927 for the year (2024: deficit of £4,649). After accounting for a gain on investments of £130,747 (2024: gain £21,503), there was a net surplus of £100,820 (2024: surplus £17,854).

The market value of the investments at the year-end was £1,955,635 (2024: £1,829,485).

It should be noted that the method of accounting for the Defined benefit pension scheme was changed in 2019 as more information became available from the pension provider. The liability is £15,000 in 2025 (£15,000 in 2024).

The funds are all unrestricted and they showed a increase from £9,550,292 to £9,651,112 largely as a result of the investment gains.

Reserves policy

The Directors review the need for a reserves policy on a regular basis to ensure that the charity can continue to provide relief through the provision of retirement housing and related amenities, and to award grants and other forms of payment. Funds at the 31 December 2025 were £9,651,112. Of this £7,577,066 was held in assets used by the organisation and its beneficiaries and £1,955,635 in investments used to generate regular income and help ensure longevity of the organisation.

The Directors aim to retain free reserves to meet the costs of its charitable activities and contractual obligations for a period of approx. 6 months. As of the 31 December 2025 this would amount to £205,003. The free reserves can also be used to provide for unforeseen operational costs and repairs bills. Shortfalls in revenues due to a decline in investment income or rentals or any other eventualities that require funding can also be met from reserves or sourced from unrestricted capital funds. The free reserves are the net current assets of the charity and at 31 December 2025 these were £133,411 which is considered adequate given the cash held within the investment portfolio, £184,571 (£183,395 in 2024). All funds are unrestricted.

Risk policy

The directors have assessed the risks to which the Society is exposed, in particular those related to the operations and future of the Society, and are satisfied that systems are in place to mitigate exposure to major risks. The directors consider variability of investment returns as one of the major risks, and therefore the Society used the services of Rathbone Investment Management during the year as investment advisers. The investment policy is designed to produce growth in both capital and income with a medium risk profile. The directors additionally engaged the services of advisers in the matter of staff pensions when required.

Plans for future periods

The Society plans to continue to provide retirement housing and grants in line with its objectives. There is an ongoing plan to continue to upgrade and maintain the houses to the existing high standard.

Structure, governance and management

Incorporation of the Society

The company 'The Aged Christian Friend Society of Scotland', founded as a Friendly Society on 20 December 1889 was incorporated in Scotland and registered on 17 October 2002 as a Private Company Limited by Guarantee (Registration No. SC238297). On 1 January 2003 all the assets and liabilities of the original Friendly Society were transferred to the new company (hereinafter referred to as "the Society"). The Society's governing documents are the Memorandum and Articles of Association.

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

DIRECTORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

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

Mr D J Miller

Mr P G Davies

Mr J G Rust

(Resigned 12 August 2025)

Mr I D Baikie

Dr A F Howie

Reverend M McDonald

Directors' meetings and appointment

New directors are appointed by the existing directors, and are briefed on the Society's aims, objectives, grant making policy and purposes.

At the quarterly directors' meeting, the directors agree the broad strategy and areas of activity for the Society, including budgets, financial matters, consideration of grant making, investment, reserves and risk management policies and performance. Reports are received from the Manager (not a formal director) of the Cottage Homes regarding the day to day running of the Homes, and regarding the fabric of the buildings. The remuneration of the manager is set by the Directors as part of an annual review process. The Society confirms that it has directors and officers indemnity insurance in place.

Share Capital

The Society is a private company limited by guarantee and is without share capital.

Auditor

Thomson Cooper are appointed as auditor of the company.

Disclosure of information to auditor

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The directors' report was approved by the Board of Directors.

Mr D J Miller

Director

25 August 2026

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2025

The directors, who also act as trustees for the charitable activities of The Aged Christian Friend Society of Scotland, are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the directors 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, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the directors 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The directors are responsible for keeping adequate 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 Companies Act 2006. 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 AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS AND DIRECTORS OF THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

Opinion

We have audited the financial statements of The Aged Christian Friend Society of Scotland (the 'charity') for the year ended 31 December 2025 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 charitable company's affairs as at 31 December 2025 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 Companies Act 2006, 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 *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 directors' 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 directors 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 directors 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.

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS AND DIRECTORS OF THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the directors' report.

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

- proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors 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 directors 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 directors 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 directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts 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.

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS AND DIRECTORS OF THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: existence and timing of recognition of income, posting of unusual journals along with complex transactions and non-compliance with laws and regulations. We discussed these risks with management, designed audit procedures to test the timing and existence of revenue and tested a sample of journals to confirm they were appropriate. In addition, we reviewed areas of judgement for indicators of management bias to address these risks.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the officers and other management (as required by the auditing standards).

We reviewed the laws and regulations in areas that directly affect the financial statements including applicable charity and company law and considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.

With the exception of any known or possible non-compliance with relevant and significant laws and regulations, and as required by the auditing standards, our work in respect of these was limited to enquiry of the officers and management of the charity.

We communicated identified laws and regulations and potential fraud risks throughout our team and remained alert to any indications of non-compliance or fraud throughout the audit. However the primary responsibility for the prevention and detection of fraud rests with the directors.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company'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 charitable company's members and 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 charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS AND DIRECTORS OF THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

Fiona Haro (Senior Statutory Auditor)
for and on behalf of Thomson Cooper Accountants

27 August 2026

Chartered Accountants
Statutory Auditor

3 Castle Court
Carnegie Campus
Dunfermline
KY11 8PB

Thomson Cooper Accountants 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.

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Income from:			
Donations and legacies	3	10,650	10,400
Charitable activities	4	294,288	275,811
Investments	5	75,142	77,341
Total income		380,080	363,552
Expenditure on:			
Raising funds	6	11,748	12,799
Charitable activities	7	398,259	355,402
Total expenditure		410,007	368,201
 Net gains on investments	 14	 130,747	 21,503
Net income/(expenditure)		100,820	16,854
Other recognised gains and losses:			
Actuarial gains on defined benefit pension schemes		-	1,000
Net movement in funds		100,820	17,854
Reconciliation of funds:			
Fund balances at 1 January 2025		9,550,292	9,532,438
Fund balances at 31 December 2025		9,651,112	9,550,292

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

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

BALANCE SHEET

AS AT 31 DECEMBER 2025

		2025	2024
	Notes	£	£
Fixed assets			
Tangible assets	16	7,577,066	7,588,202
Investments	17	1,955,635	1,829,485
		<u>9,532,701</u>	<u>9,417,687</u>
Current assets			
Debtors	18	9,381	9,894
Cash at bank and in hand		155,056	173,306
		<u>164,437</u>	<u>183,200</u>
Creditors: amounts falling due within one year	19	(31,026)	(35,595)
Net current assets		<u>133,411</u>	<u>147,605</u>
Total assets less current liabilities		<u>9,666,112</u>	<u>9,565,292</u>
Provisions for liabilities	20	(15,000)	(15,000)
Net assets excluding pension liability		<u>9,651,112</u>	<u>9,550,292</u>
Net assets		<u><u>9,651,112</u></u>	<u><u>9,550,292</u></u>
The funds of the charity			
Unrestricted funds		<u>9,651,112</u>	<u>9,550,292</u>
		<u><u>9,651,112</u></u>	<u><u>9,550,292</u></u>

These accounts have been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

The financial statements were approved by the directors on 25 August 2026

Mr D J Miller
Director

Company registration number SC238297 (Scotland)

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash absorbed by operations	25		(95,867)		(66,807)
Investing activities					
Purchase of tangible fixed assets		(2,122)		(9,861)	
Purchase of investments		(633,786)		(549,355)	
Proceeds from disposal of investments		639,559		577,775	
Investment income received		75,142		77,341	
Net cash generated from investing activities			78,793		95,900
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(17,074)		29,093
Cash and cash equivalents at beginning of year			356,701		327,608
Cash and cash equivalents at end of year			339,627		356,701

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

Charity information

The Aged Christian Friend Society of Scotland is a private company limited by guarantee incorporated in Scotland. The contribution of the members is restricted to a maximum of £1. The registered office is 5 South Gyle Crescent Lane, Edinburgh, EH12 9EG.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, 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 with items recognised at cost or transaction value unless otherwise stated in the relevant note to these accounts.

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the directors in furtherance of their charitable objectives.

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

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

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.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected.

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest which are measured at fair value, generally the transaction value. These are included when receivable and the amount can be measured reliably.

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

(Continued)

1.5 Expenditure

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

Expenditure is classified by activity under the following activity headings:

- Costs of raising funds comprise the investment management fee.
- Expenditure on charitable activities which include all support and governance costs.
- The charity considers that they only have one charitable activity and therefore no allocation of support costs is required.
- Other expenditure represents the interest on the unwinding of the pension deficit discount.

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.

The Society's policy is to capitalise all fixed assets with a value greater than £500.

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:

Plant and equipment	15% Reducing balance
Fixtures and fittings	15% Reducing balance

Depreciation is not provided on heritable properties. The directors consider that the residual value of the properties is not less than the carrying value. The valuation is considered by the directors each year and is professionally valued once every five years.

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

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

The shares were acquired in accordance with the powers given to the directors in the Articles of Association and are all quoted on the UK Stock Exchange with the exception of the shares in Edinburgh Crematorium Ltd. which are unquoted.

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 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.

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

(Continued)

1.10 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.

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.

1.11 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.

1.12 Retirement benefits

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

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

(Continued)

The charitable company participates in the Scottish Housing Associations' Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 150 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2024. This valuation revealed a deficit of £79.5m. A Recovery Plan to address this deficit restarts from 1 April 2026.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme.

For financial years ending on or before 28 February 2019, it was not possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme. For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year ends from the following 31 March to 28 February inclusive. The latest accounting valuation was carried out with an effective date of 30 September 2024. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2025 to 28 February 2026 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

As this is a multi-employer scheme which provides benefits to some 150 non associated employers the directors consider it highly improbable that such a liability will ever fall to the Society.

The Society now contributes to a defined contribution multi-employer pension scheme. Contributions to the scheme are charged to the Statement of Financial Activities in the year in which they become payable.

1.13 VAT

The Society is not registered for VAT and accordingly expenditure includes VAT where appropriate.

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the directors 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.

As noted above, the charity has an obligation to pay pension contributions to a defined benefit pension scheme. The cost of these benefits and the present value of the obligation depend on a number of factors including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management seeks advice of third party actuaries to provide estimates of these factors in determining the net pension obligation in the financial statements. The assumptions reflect historical experience and current trends. See note 21 for disclosure of the defined benefit scheme.

3 Income from donations and legacies

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Donations	10,650	10,400

4 Income from charitable activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Rents and charges	294,288	275,811

5 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Dividends and interest	71,698	73,542
Interest receivable	3,444	3,799
	<u>75,142</u>	<u>77,341</u>

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

6 Expenditure on raising funds

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Investment management costs	11,748	12,799

7 Expenditure on charitable activities

	2025 £	2024 £
Direct costs		
Staff costs	80,323	75,111
Depreciation and impairment	13,258	14,745
Garden upkeep	22,193	20,328
Property upkeep, repairs and cleaning	114,587	45,383
Telephone & computer costs	9,398	10,341
Heat, light & power	69,921	93,373
Rates and insurance	19,742	21,698
Printing, postage & stationery	1,249	1,322
Secretarial fees and expenses	46,494	44,280
Sundries	3,775	4,804
Audit fee	6,949	6,615
Professional fees	5,870	12,902
	393,759	350,902
Grant funding of activities (see note 9)	4,500	4,500
	398,259	355,402
Analysis by fund		
Unrestricted funds	398,259	355,402

8 Description of charitable activities

All expenditure relates to the one charitable activity of the society, that of relieving the needs of the elderly. Included in the expenditure detailed above is the Audit fee which is the only governance cost.

9 Grants payable

	2025 £	2024 £
Grants to individuals	4,500	4,500

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

9 Grants payable (Continued)

Grants are awarded to individuals and are recognised upon award, which is normally upon payment. Grants were paid at the rate of £500 per annum.

10 Net movement in funds

	2025 £	2024 £
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The net movement in funds is stated after charging/(crediting):

Depreciation of owned tangible fixed assets	13,258	14,745
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11 Auditor's remuneration

	2025 £	2024 £
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For audit services

Audit of the financial statements of the charity	6,949	6,615
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No other services have been provided by the auditor during the year (2024: none)

12 Directors

None of the directors (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:

	2025 Number	2024 Number
	3	3

Employment costs

	2025 £	2024 £
Wages and salaries	74,690	69,783
Social security costs	610	338
Employer's Pension Contributions	5,023	4,990
	80,323	75,111

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

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

13 Employees

(Continued)

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2025 £	2024 £
Aggregate compensation	33,276	33,219

The directors consider the manager to be "key management personnel". The manager's remuneration was £36,318 (2024: £33,219) which included employer's pension contributions of £1,861 (2024: £2,002)

14 Gains and losses on investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Gains/(losses) arising on:		
Revaluation of investments	147,693	5,725
Sale of investments	(16,946)	15,778
	<u>130,747</u>	<u>21,503</u>

15 Taxation

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

16 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2025	7,500,000	275,473	6,857	7,782,330
Additions	-	2,122	-	2,122
	<u>7,500,000</u>	<u>277,595</u>	<u>6,857</u>	<u>7,784,452</u>
At 31 December 2025	7,500,000	277,595	6,857	7,784,452
Depreciation and impairment				
At 1 January 2025	-	189,993	4,135	194,128
Depreciation charged in the year	-	12,849	409	13,258
	<u>-</u>	<u>202,842</u>	<u>4,544</u>	<u>207,386</u>
At 31 December 2025	-	202,842	4,544	207,386
Carrying amount				
At 31 December 2025	<u>7,500,000</u>	<u>74,753</u>	<u>2,313</u>	<u>7,577,066</u>
At 31 December 2024	<u>7,500,000</u>	<u>85,480</u>	<u>2,722</u>	<u>7,588,202</u>

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

16 Tangible fixed assets

(Continued)

The properties were valued at £7,500,000. This is the assessment of the Trustees based on the revaluation carried out on 25 March 2024 by DHKK Chartered Surveyors.

In line with the policy on fixed assets, the properties are professionally revalued every five years.

At 31 December 2025, had the revalued assets been carried at historic cost, their carrying amount would have been approximately £2,459,995 (2024 - £2,459,995)

17 Fixed asset investments

	Listed investments £	Other investments £	Cash in portfolio £	Total £
Cost or valuation				
At 1 January 2025	1,545,672	100,418	183,395	1,829,485
Additions	633,786	-	-	633,786
Valuation changes	138,177	9,516	-	147,693
Disposals	(656,505)	-	1,176	(655,329)
At 31 December 2025	1,661,130	109,934	184,571	1,955,635
Carrying amount				
At 31 December 2025	1,661,130	109,934	184,571	1,955,635
At 31 December 2024	1,545,672	100,418	183,395	1,829,485

18 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Other debtors	1,589	125
Prepayments and accrued income	7,792	9,769
	9,381	9,894

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

19 Creditors: amounts falling due within one year

	2025 £	2024 £
Other taxation and social security	2,302	2,072
Trade creditors	7,440	11,440
Other creditors	405	275
Accruals and deferred income	20,879	21,808
	<u>31,026</u>	<u>35,595</u>

20 Provisions for liabilities

	Note	2025 £	2024 £
Retirement benefit obligations	21	15,000	15,000
		<u>15,000</u>	<u>15,000</u>

21 Retirement benefit schemes

Defined contribution schemes

The charge to profit or loss in respect of defined contribution schemes was £5,023 (2024 - £4,990).

Staff Pension Liability

The charity participates in the Scottish Housing Association's Pension Scheme ('the Scheme'). This is a multi-employer scheme which provides benefits to over 150 non-associated employers. The Scheme is a defined benefit scheme in the UK. See note 1.12.

It is now possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme.

The net defined benefit liability relating to the scheme at 31 December 2025 was £15,000 (2024: £15,000). Made up of the fair value of plan assets of £121,000 (2024: £124,000) less the present value of the defined benefit obligation of £136,000 (2024: £139,000).

During the year £599 (2024: £497) was paid to the defined benefit scheme, in scheme expenses.

There was no gain arising from the change in the liability of the pension scheme (2024: gain £1,000) this can be seen in other recognised gains and losses. This takes into account the movement in plan assets, movement in defined benefit obligation and payments made in the year.

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

21 Retirement benefit schemes (Continued)

Defined Benefit Obligation reconciliation

	2025 (£ 000s)	2024 (£ 000s)
Defined benefit obligation at start of period	139	148
Interest expense	7	7
Actuarial losses (gains) due to scheme experience	2	1
Actuarial losses (gains) due to changes in demographic assumptions	-	(1)
Actuarial losses (gains) due to changes in financial assumptions	(1)	(6)
Benefit paid and expenses	(11)	(10)
Defined benefit obligation at end of period	136	139

Fair Value of Assets reconciliation

	2025 (£ 000s)	2024 (£ 000s)
Fair value of plan assets at start of period	124	132
Interest income	6	6
Experience on plan assets (excluding amounts in interest income)	2	(4)
Contributions by the employer	-	-
Benefits paid and expenses	(11)	(10)
Fair value of plan assets at end of period	121	124

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 December 2025 was £8,000 (2024: £2,000).

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

21 Retirement benefit schemes

(Continued)

Assets

	31 Dec 2025 (£ 000s)	31 Dec 2024 (£ 000s)
Global equity	15	15
Absolute Return	-	-
Distressed Opportunities	-	-
Credit Relative Value	-	-
Alternative Risk Premia	-	-
Liquid Alternatives	21	22
Emerging Markets Debt	-	-
Risk Sharing	-	-
Insurance-Linked Securities	-	1
Property	6	6
Infrastructure	-	-
Real Assets	14	14
Private Debt	-	-
Opportunistic Illiquid Credit	-	-
Private Credit	16	16
Credit	5	5
Investment grade Credit	6	5
High Yield	-	-
Opportunistic Credit	-	-
Cash	-	1
Corporate Bond Fund	-	-
Liquid Credit	-	-
Long Lease Property	-	-
Secured Income	3	3
Liability Driven Investment	34	36
Over 15 Year Gilts	-	-
Currency Hedging	-	-
Net Current Assets	1	-
Total assets	121	124

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

Key assumptions

	2025 %	2024 %
Discount rate	5.24	5.33
Expected rate of salary increases	3.45	3.79
Inflation (RPI)	2.85	3.26
Inflation (CPI)	2.45	2.79

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

21 Retirement benefit schemes

(Continued)

Mortality assumptions

The mortality assumptions adopted at 31 December 2025 imply the following life expectancies:

	2025 Years	2024 Years
Retiring today		
- Males	20.2	20.2
- Females	22.7	22.7
Retiring in 20 years		
- Males	21.5	21.4
- Females	24.2	24.1

22 Unrestricted funds

The unrestricted funds of the charity comprises 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.

The Fund consists of cottages providing sheltered housing for men and women, together with investments and bank deposits which provide for the upkeep and maintenance of the cottages and the payment of grants and the general administration of the Society. There are no restricted funds.

	At 1 January 2025	Incoming resources	Resources expended	Gains and losses	At 31 December 2025
	£	£	£	£	£
General funds	9,550,292	380,080	(410,007)	130,747	9,651,112
Previous year:	At 1 January 2024	Incoming resources	Resources expended	Gains and losses	At 31 December 2024
	£	£	£	£	£
General funds	9,532,438	363,552	(368,201)	22,503	9,550,292

23 Contingent Liability

The charity has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Scottish Housing Association's Pension Scheme based on the financial position of the Scheme as at 30 September 2025 which is the most recent information. As of this date the estimated employer debt for the charity was £31,396 (2024: £39,251).

The Directors confirm that the Society has no intention of withdrawing from the scheme at this time; however, the Society has moved to the defined contribution scheme, provided by the Scottish Housing Association's Pension Scheme, as from 1 October 2013, thereby limiting employer obligations from that date to the amount of employer pension contributions.

THE AGED CHRISTIAN FRIEND SOCIETY OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

24 Related party transactions

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

25 Cash generated from operations	2025 £	2024 £
Surplus for the year	100,820	17,854
Adjustments for:		
Investment income recognised in statement of financial activities	(75,142)	(77,341)
Loss/(gain) on disposal of investments	16,946	(15,778)
Fair value gains and losses on investments	(147,693)	(5,725)
Depreciation and impairment of tangible fixed assets	13,258	14,745
Movements in working capital:		
Decrease/(increase) in debtors	513	(1,277)
(Decrease)/increase in creditors	(4,569)	1,715
(Decrease)/increase in provisions	-	(1,000)
Cash absorbed by operations	(95,867)	(66,807)

26 Analysis of changes in net funds

There are no borrowings, obligations under finance leases or loans. The movement on net debt is therefore the movement on cash and cash equivalents and can be seen in the Statement of Cash Flows.

27 Cash and cash equivalents	2025 £	2024 £
Cash in bank and hand	155,056	173,306
Cash held in investments	184,571	183,395
Total cash and cash equivalents	339,627	356,701