LEUCHIE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

COMPANY REGISTRATION NO: SC392721

CHARITY NO: SC042249

WHITELAW WELLS
Chartered Accountants
9 Ainslie Place
Edinburgh EH3 6AT

LEUCHIE

FINANCIAL STATEMENTS

For the year ended 31 December 2024

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LEUCHIE

REPORT OF THE TRUSTEES

For the year ended 31 December 2024

The Trustees are pleased to present their annual Trustees' report together with the financial statements of the Charity for the year ending 31 December 2024 which are also prepared to meet the requirements for a Directors' Report and Accounts for Companies Act purposes.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, 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).

Introduction from the Chair and Chief Executive

In 2024 Leuchie's dedicated team was enhanced through a slow and steady rise in employee numbers. This enabled the organisation to work with more people with neurological conditions and to support more family carers. Guests continued to present with ever-more advanced conditions and again, we observe an increasing rate of decline in the health of many guests. We attribute this to the ability of the NHS and Social Care to respond to the growing need.

Balancing the staffing and resource demands driven by this increased complexity of guests, with a desire to reach as many people as possible has been achieved by a strategy of careful diversification. Our Leuchie at Home service has grown in the local community. Doddie Weir House has been fully occupied and our highly accessible and adapted static caravan came on stream and offers a different way of supporting families to have a break together. Both offer multi-generational families the opportunity for a break together and complements the more intensive service at Leuchie House.

We have evolved our partnerships with the NHS and Universities. In 2024 we began to focus on building stronger, mutually beneficial relationships with the private sector. We have begun to deliver tangible benefit to guests, developed our organisational capabilities and income resilience as a result.

In 2024 Leuchie continued to reach into the deep experience, skill and connections which the organisation has developed, to significantly increase its impact for the growing number of people living with and caring for someone with a complex neurological condition.

This ambition is built on the real talent and commitment of a team of people, including dedicated volunteers, supporters and colleagues in government, partner agencies and the business community, who lend their support to enable us to do more, for more people.

Though remaining fragile, in 2024 the charity focussed on building upon its strengths and hard won stability. 2025 is the final year of the existing 3 year plan and we anticipate significant consideration of the organisation's long term future as we enter 2025, which included the retirement of our previous Chair at the end of his term and the welcoming of our new Chair, Graeme Hartop, who will help to drive an increase in our impact and financial sustainability.

Every one of the people we serve inspires us in our mission to do more. They are our purpose and motivation and we thank the families who use Leuchie for entrusting their care to us.

Graeme Hartop
Chair of the Board of Trustees - Leuchie

Mark Bevan
Chief Executive- Leuchie

OBJECTIVES AND ACTIVITIES

Purpose

The purposes of the company shall be wholly charitable. In particular, the purposes shall be:-

a) To advance health by enhancing the quality of life of people affected by long term physical disability, including carers, through the provision and promotion of respite care or short term breaks for respite purposes, and the provision and promotion of knowledge and understanding of long term conditions and the available services, in order to improve care and support for people affected by long term conditions and their families and carers and otherwise generally to promote the advancement of heath and quality of life amongst people within the United Kingdom; and

b) To promote such similar charitable purposes, objects or institutions and in such proportions and manner as the Trustees shall think fit.

Aims and activities

Leuchie specialises in providing respite breaks for people with long-term neurological conditions, including for example Multiple Sclerosis, Parkinson's, Motor Neurone Disease and Stroke. This activity also supports carers, who are able to take a break from their caring role either at Leuchie or elsewhere, safe in the knowledge that their loved one is receiving excellent care.

Leuchie breaks offer a true holiday experience, choice and independence with expert care and support. Our mission is a simple one:

> *"To enhance the lives of people with long term conditions, and their carers, through the provision of individualised breaks that improve their quality of life"*

Objectives

Our focus in 2024 was:

1. Deliver Excellence Through Personalisation
2. Improve Health and Wellbeing
3. Combine Technology and Expertise to Enable Independence
4. Improve long term financial sustainability

Charitable activities

We started a partnership with sky for inclusive design research & help with technology at home

We saved the NHS an estimated £500k with our respite service & through early detection & treatment of pressure sores & UTIs

4406 respite nights with round-the-clock specialist care

430 breaks at Leuchie

Welcomed 76 new guests to Leuchie

318 people enjoyed breaks in our two self-catering properties

Financial Support and Sustainability

The Cost of Living rises from 2023 continued throughout 2024 and disproportionately affected the families with whom Leuchie works. There was a consequential impact for the budgets of local authorities, which pay a proportion of the cost of the service Leuchie provides. As a responsible employer Leuchie maintained its commitment to paying the Real Living Wage, as a minimum to colleagues who perform a uniquely physically and emotionally demanding role with great expertise.

Financial Support and Sustainability (cont)

The result was a widening gap between core income and core costs, as it has been for many families, charities and businesses. We are therefore particularly grateful to supporters and donors and to the Scottish Government, for committing to further extend financial support.

FINANCIAL AND OPERATING REVIEW

Leuchie operations produced a deficit for the year of £163,068 (2023 - surplus of £360,525). The year on year movement from surplus to deficit relates to the timing in transfer of £448,454 funds from the Leuchie Forever Fund in the prior year, without this there was an operating deficit of £87,929 in 2023. The total value of funds held at 31 December 2024 amounted to £863,286 (2023 - £1,026,354) comprising £35,100 (2023 - £117,665) of a restricted nature and £828,186 (2023 - £908,689) of an unrestricted nature.

Principal funding sources

Leuchie receives funding from three main sources:

- fees from guests and the NHS for use of the Leuchie service;
- voluntary donations and fundraising; and
- statutory funding.

Reserves policy

In the Trustees' view, reserves should provide the Charity with adequate financial stability and the means for it to meet its charitable objectives for the foreseeable future. To achieve this a policy of £700,000, has been calculated as an appropriate free reserve, this was met at the year end.

Principal risks and uncertainties

Leuchie maintains a comprehensive Risk Register which is the principal tool for the management of risk. The Trustees and senior management team regularly monitor the key risks identified in the Risk Register and adjust where necessary.

There are general risks and challenges in meeting the demand for respite for the group of individuals for whom we care. We manage these risks through a comprehensive quality management system, which has been tested by the Care Inspectorate, our regulator. In addition, as with the whole of the care sector across the UK, there is a labour market shortage in both care and nursing, our largest two staffing groups. Leuchie puts significant effort into a successful staff retention programme and recruitment activity. This was recognised by Scottish Government in their featuring of Leuchie in the national health and social care recruitment campaign in each of the last 2 years.

Leuchie is pleased to have sight of philanthropic income into 2028, a reflection of the support of donors, government and those who need to use the services which the organisation provides.

Rising costs and rising demand has challenged the organisation to do more of what it does well for more people, in a manner which covers the costs and supports the core activity. Diversifying fundraising and other forms of income was a focus in 2024 and will be a focus in future years.

Principal risks and uncertainties (cont)

The specific risks facing the charity are:

Labour Market – shortages in labour supply were mitigated by excellent working conditions and Leuchie achieved full employment in 2024.

Income – we have reviewed costs and determined these to be appropriate. We recognise that increasing fee income is dependent upon increasing staffing. In addition we see the ambition to reach beyond the walls as a means of demonstrating our national value and attracting new sources of statutory, grant and trust and Philanthropic income.

Finally, as we begin to imagine a different future we undertook a review of our governance arrangements, to ensure we have the capabilities we require to deliver our emerging strategy.

The Trustees remain of the view that the actions taken by the charity, combined with the level of reserves available to it, will enable Leuchie to continue to operate as a going concern for the foreseeable future.

Financial – Leuchie operates within a robust set of financial controls. However, it operates in cyclical and potentially vulnerable markets which need constant monitoring. The Charity has made a significant advance in establishing reserve funds and continues to operate so that financial risks are minimised where possible. It is anticipated that a consequence of Coronavirus will be a draw-down of unrestricted reserves. It is increasingly the case that our guests' funding for a placement falls short of the cost of the placement at Leuchie. An ever larger proportion of the cost of care is being passed on by public authorities to individual guests, against an economic background of wage inflation, increased costs of equipment, food and other running costs due to the general and prevailing economic conditions. To offset these risks, management are working hard towards, and investing in increased capacity for fundraised income and to be more creative in generating income as described in this report.

PLANS FOR THE FUTURE

The Charity plans to provide a broader range of similar services and support in 2025. We are diversifying and expanding. We will offer more service to more guests in house, provide respite in people's own homes and we are growing our self catering offer.

CORPORATE STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Leuchie was incorporated on 2 February 2011. The company is a charitable company limited by guarantee with no share capital. The company's purposes and powers are prescribed by, and it is governed in accordance with, its Memorandum and Articles of Association. The liability of each member in the event of winding up is limited to £1.

The Board operates ad-hoc Sub Committees for Care Quality, Finance and Nominations. The terms of reference for these committees have been updated to best support the organisation to deliver its plans, in particular we have appointed a Board member to support the delivery team to support quality improvement. The Board undertook a governance review in Q1 and Q2 2023 and are satisfied with the governance arrangements.

Recruitment and appointment of new Trustees

The Board of Trustees has a Nominating Committee. The Committee and Board are reviewing their recruitment practice with the intention of demonstrating best practice in recruitment and appointment. The Charity operates a rotation policy in respect of Trustees. Movements in Trustees are shown on page 7.

Induction and training of new Trustees

On appointment new Trustees receive a Trustees Handbook, which covers all aspects of the Charity including Policies and Procedures, OSCR Guidance for Charity Trustees, the latest Care Inspectorate Report and Leuchie's organisation chart. In addition, the new Trustees meet with the Senior Management Team for an induction visit.

Organisational structure

The Board of Trustees considers the Chief Executive of the Charity and the three Senior Managers reporting to him to be responsible for directing and controlling, running and operating the Charity on a day to day basis, subject always to the supervision and approval of the Board. These key management personnel are listed on page 7 and due to staff changes included the CEO, Director of Care and Health, Director of Finance and Resources, Director of Income, Fundraising and Communications and Head of People and Business Support in the year under review.

All Trustees give of their time freely and no Trustee received remuneration in the year.

Key management remuneration

Leuchie House staff, including all key management staff, are contractually entitled to an annual salary review. The salary review looks at equivalent marketplace salaries for each role within Leuchie and assesses where Leuchie staff are against the marketplace average and whether any adjustments to salaries for specific roles are warranted. Where particular roles may be difficult to recruit for due to locality or required skillsets, this may also be a factor influencing increases to salary.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name	Leuchie (also known as "Leuchie House")	
Charity Number	SC042249	
Company Number	SC392721	
Patrons	Princess Anne, Princess Royal	
	Gavin Hastings OBE	
	Mairi O'Keefe MBE	
Trustees	Stephen Pearson	Chair until April 2025 (Resigned 25 April 2025)
	Graeme Hartop	Chair from April 2025 (Appointed 19 December 2024)
	Shona Bell	
	Gordon Davies	(Resigned 25 January 2024)
	Maria Duffy	
	Suzanne Gush	
	Robert Harley	
	Richard Meade	(Resigned 19 December 2024)
	Scott Weddell	
Company Secretary	Heather Kilfara	
Key Management Personnel	Mark Bevan	Chief Executive
	Lana Bambridge	Director of Income, Fundraising and Communications until March 2025
	Emma Jenson	Director of Care and Health
	Adam Dearnley	Director of Finance Resources until September 2024
	Jade Clarke	Head of People and Business Support from September 2024 until March 2025 then Director of People, Finance and Planning
Registered Office and Operational Address	Leuchie House North Berwick East Lothian EH39 5NT	
Senior Statutory Auditor	Kevin Cattanach	
Independent Auditors	Whitelaw Wells 9 Ainslie Place Edinburgh EH3 6AT	
Bankers	Royal Bank of Scotland 32 Court Street, Haddington EH41 3NS	

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees (who are also the Directors of Leuchie for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing the financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure of information to auditors

So far as the Trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each Trustee has taken all the steps he ought to have taken as a Trustee in order to make himself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

A resolution to re-appoint Whitelaw Wells as auditors for the ensuing year will be proposed at the annual general meeting.

The report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the Board of Trustees on 24 June 2025 and signed on its behalf by:-

.....

Suzanne Gush, Trustee

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2024

Opinion

We have audited the financial statements of Leuchie for the year ended 31 December 2024, which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS102 '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 December 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs UK) and applicable law. Our responsibilities under those standards are further described in the 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 UK, including the FRC's Ethical Standard, and we have fulfilled our 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' (who are also the directors of the company for company law purposes) 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 company'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 in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility to is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements 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.

Opinions on matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records; or
- Certain disclosures of trustees' renumeration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees 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, included within report of the trustees, and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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:

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error.

From enquiries of those charged with governance, it was determined that the risk of material misstatement from fraud was low with little scope for fraud to occur. Our audit testing is designed to detect material misstatements from fraud where there is not high level collusion.

Our audit testing was designed to detect material misstatements from other irregularities that result from error where there is not high level concealment of the error. In this regard the following audit work was undertaken: applicable laws and regulations were considered, reviewed and discussed with management; senior management meeting minutes were reviewed; internal controls were reviewed; and journals were reviewed. From this audit testing it was determined that the risk of material misstatement in this regard was low.

We performed income and expenditure testing which was designed to identify any irregularities as a result of mistakes or human error. From this audit testing it was determined that the risk of material misstatement in this regard was low.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2024

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and the trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Kevin Cattanach
Senior Statutory Auditor
for and on behalf of Whitelaw Wells, Statutory Auditor
Whitelaw Wells is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
9 Ainslie Place
Edinburgh EH3 6AT

24 June 2025

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STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 December 2024

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £	Total Funds 2023 £
Income and Endowments from:					
Donations and legacies					
Grants and donations	2	1,232,632	215,042	1,447,674	1,953,599
Legacies	2	2,575	-	2,575	27,260
Charitable activities					
Short break care	3	1,197,027	-	1,197,027	1,021,225
Other trading activities	4	323,165	-	323,165	113,802
Investment income		12,885	-	12,885	8,049
Other income					
Renewable heat incentive		28,604	-	28,604	21,299
Total		2,796,888	215,042	3,011,930	3,145,234
Expenditure on:					
Raising funds		397,649	-	397,649	288,704
Charitable activities		2,483,792	293,557	2,777,349	2,496,005
Total	6	2,881,441	293,557	3,174,998	2,784,709
Net (Expenditure)/ income	7	(84,553)	(78,515)	(163,068)	360,525
Transfer between funds	14	4,050	(4,050)	-	-
Net movement in funds		(80,503)	(82,565)	(163,068)	360,525
Reconciliation of Funds					
Total Funds Brought Forward		908,689	117,665	1,026,354	665,829
Total Funds Carried Forward		828,186	35,100	863,286	1,026,354

The results for the year derive from continuing activities.
There are no gains or losses other than those shown above.
The notes on pages 16 – 28 form part of these financial statements.

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BALANCE SHEET

As at 31 December 2024

	Note	£	2024 £	£	2023 £
Fixed Assets					
Tangible assets	10		165,256		189,213
Current Assets					
Debtors	11	245,571		218,221	
Cash at bank and in hand		683,951		844,033	
		929,522		1,062,254	
Creditors: Amounts falling due within one year	12	(231,492)		(225,113)	
Net Current Assets			698,030		837,141
Net Assets			863,286		1,026,354
Funds	14				
Unrestricted funds			828,186		908,689
Restricted funds			35,100		117,665
Total Funds			863,286		1,026,354

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

These financial statements were approved by the Board of Trustees on 24 June 2025 and were signed on its behalf by:

Graeme Hartop
Trustee

Suzanne Gush
Trustee

Company Registration No: SC392721

The notes on pages 16 - 28 form part of these financial statements.

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CASH FLOW STATEMENT

As at 31 December 2024

	Notes	2024 £	2023 £
Cash flows from operating activities			
Net cash (used in) / provided by operating activities	17	(140,754)	352,330
Cash flows from investing activities			
Interest received		12,885	8,049
Purchase of property, plant and equipment		(32,213)	(146,011)
Net cash used in investing activities		(19,328)	(137,962)
Change in cash and cash equivalents in the reporting period		(160,082)	214,368
Cash and cash equivalents at the beginning of the year		844,033	629,665
Cash and cash equivalents at the end of the year	18	683,951	844,033

The notes on pages 16 - 28 form part of these financial statements.

1. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparing the financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Leuchie meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recorded at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Preparation of the accounts on a going concern basis

The Trustees continue to adopt the going concern basis of accounting.

The charity reported a net deficit of £163,068 in the year and an decrease in total funds from £1,026,354 to £863,286. The Trustees have prepared budgets and projections for the twenty four months to December 2026 and these indicate that the charity should be in a position to honour debts and obligations as they arise, assuming that grant income is received in a timely manner.

The Trustees are continuing to work hard and with success to secure a stable funding position for the Charity. This includes working towards the stated aim of holding six month's net operating expenditure in reserves, currently c. £700K, which has been achieved.

The Scottish Government funding has moved from a 5 year fixed term arrangement to a year by year negotiation with full funding awarded for the 2025/26 year. Aligned with this extended commitment from Scottish Government, Trustees have received a similar extension of an existing commitment from a major donor.

The gap between cost of delivery of Leuchie's services and fee income is met through donations. Trustees have approved a management plan to expand fundraising resource and effort into corporate fundraising and to appeal to high net worth individual/ philanthropy, with plans in 2025/26 to expand further into community fundraising in other localities. The organisation has made encouraging, early steps into these new areas of fundraising.

The management and organisation has proven to be resilient, as tested by COVID and evidenced by strengthening financial performance year on year in spite of COVID. The effects of COVID remain evident in the more complex health care of guest who have deteriorated at a faster rate than pre-covid. This has the effect of increasing the cost to provide their necessary health care.

The charity has in place funding which will enable it to continue for at least 12 months from the date of signing and continues to have confidence and reliance on strong demand for its services, guests fee income and measured expectations of successful funding applications in order to continue beyond that date. The Trustees have reasonable expectation that new funding will be obtained and have therefore continued to prepare the financial statements on a going concern basis.

1. Accounting Policies (cont)

Income

All income is included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Donations and legacies are included in full in the Statement of Financial Activities when receivable. Income from activities for generating funds is recognised as earned, as the related services are provided.
- Investment income is included when receivable.
- Grants, where entitlement is not conditional on the delivery of a specific performance by the Charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Income from service level agreements, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.
- Income is only deferred where entitlement conditions have not been met or related services have not been provided as at the year end.
- The Charity is grateful for volunteers and donations-in-kind, which are not recognised in the accounts as the benefit to the Charity cannot be reasonably quantified.

Expenditure and irrecoverable VAT

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the direct costs of fundraising activities together with associated support costs.
- Expenditure on charitable activities includes the costs of providing all aspects of the activities undertaken to further the purposes of the Charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

The Charity has been registered for VAT since 1 June 2024 and, accordingly, expenditure is shown gross of irrecoverable VAT, which is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support costs

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in the notes to the accounts.

Provisions

Provisions are recognised when the charity has a present obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

1. Accounting Policies (cont)

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:-

Plant and machinery	20% straight line
Fixtures and fittings	25% straight line
Computer equipment	33.33% straight line
Leasehold improvements	20% straight line
Motor Vehicles	20% straight line
Caravan	6.66% straight line

Items of equipment are capitalised where the purchase price exceeds £750.

Taxation

The Charity is exempt from corporation tax on its charitable activities.

Fund accounting

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

Designated funds. These are the funds set aside by the Trustees out of unrestricted general funds for future purposes or projects.

Restricted funds can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

2. Income from Grants and Donations

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £	Total Funds 2023 £
Donations	803,645	30,370	834,015	832,525
Donation from LFF	-	-	-	448,454
Gift Aid	42,687	-	42,687	65,352
Grants (note 5)	386,300	184,672	570,972	607,268
Legacies	2,575	-	2,575	27,260
	1,235,207	215,042	1,450,249	1,980,859

Income from donations was £1,450,249 (2023: £1,980,859) of which £1,235,207 (2023: £1,738,465) was unrestricted and £215,042 (2023: £242,394) was restricted.

3. Income from Charitable Activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £	Total Funds 2023 £
Short break care:				
Fees	1,091,739	-	1,091,739	946,736
Expenses recharged to guests	11,795	-	11,795	15,044
Staff meal income	(3,147)	-	(3,147)	(2,101)
Carers fees	20,163	-	20,163	15,738
Doddie Weir House Income	61,863	-	61,863	41,973
Glen View Income	14,614	-	14,614	3,835
	1,197,027	-	1,197,027	1,021,225

Income from charitable activities was £1,197,027 (2023: £1,021,225) of which £1,197,027 (2023: £1,021,225) was unrestricted and £Nil (2023: £Nil) was restricted.

4. Other Trading Activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £	Total Funds 2023 £
Fundraising events	310,438	-	310,438	105,843
Residents shop income & other sales	12,727	-	12,727	7,959
	323,165	-	323,165	113,802

Income from charitable activities was £323,165 (2023: £113,802) of which £323,165 (2023: £113,802) was unrestricted and £Nil (2023: £Nil) was restricted.

5. **Grants**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £	Total Funds 2023 £
The Scottish Government	300,000	-	300,000	300,000
Britford Bridge Trust	-	15,000	15,000	-
Foundation Scotland	5,000	5,000	10,000	-
The James Weir Foundation	-	5,000	5,000	-
The Hugh Fraser Foundation	-	20,000	20,000	5,000
The Renaissance Club Charitable Foundation	17,500	-	17,500	30,000
The R S Macdonald Charitable Trust	-	-	-	23,519
Myfifident Foundation	20,000	-	20,000	10,000
G C Gibson Charitable Trust	6,000	-	6,000	6,000
Christina Mary Hendrie Trust	-	10,000	10,000	-
The Oldhurst Trust	5,000	-	5,000	5,000
The Martin Charitable Trust	-	-	-	5,000
National Lottery Community Fund	-	-	-	41,015
The Alastair and Margaret Miller Charitable Trust	10,000	-	10,000	10,000
East Lothian Council	-	51,991	51,991	43,658
Derek Stewart Charitable Trust	-	13,000	13,000	13,000
The Misses Robinson Charitable Trust	10,000	-	10,000	10,000
The Plum Trust	5,000	-	5,000	5,000
Alexander Amos Charitable Trust	-	-	-	13,500
J Macdonald Menzies Charitable Trust	-	-	-	5,000
Queensberry House Trust	-	-	-	10,000
The Blythe Family Trust	-	-	-	12,000
The Edward Gostling Foundation	-	-	-	7,788
The Lyndal Tree Foundation	-	-	-	5,000
The Morrison Foundation	-	-	-	8,780
The Netherton Charitable Trust	-	-	-	5,000
North Berwick Trust	-	15,636	15,636	-
Other grants (individually less than £5,000)	7,800	49,045	56,845	33,008
	386,300	184,672	570,972	607,268

6. Expenditure

	Raising Funds £	Short Break Care £	Total Funds 2024 £	Total Funds 2023 £
Direct costs				
Staff costs	220,840	1,418,731	1,639,571	1,413,583
Other overheads	176,809	146,460	323,269	289,821
Support costs				
Staff costs	-	642,691	642,691	604,173
Finance costs	-	5,586	5,586	4,850
Property costs	-	233,392	233,392	217,571
Other overheads	-	257,101	257,101	194,123
Depreciation	-	55,982	55,982	47,730
Loss on disposal	-	188	188	-
Governance costs				
Accountancy fees	-	2,569	2,569	-
Auditor fees	-	10,873	10,873	8,758
Legal fees	-	3,776	3,776	4,100
	397,649	2,777,349	3,174,998	2,784,709

Expenditure was £3,174,998 (2023: £2,784,709) of which £2,881,441 (2023: £2,584,711) was unrestricted and £293,547 (2023: £199,998) was restricted.

Further analysis of the charitable activities is not provided as the Trustees believe the Charity only has one main activity. Cost of Raising Funds is allocated on the basis of staff time.

7. Net income/(expenditure) for the year

This is stated after charging:

	2024 £	2023 £
Auditor's remuneration – audit fees	6,498	7,018
Auditor's remuneration – payroll fees	4,767	5,280
Auditor's remuneration – Other fees	4,375	1,740
Depreciation – owned assets	55,982	47,730
Other operating leases – service charge	40,000	40,000

8. Trustees' Remuneration and Benefits

There was no Trustee' remuneration or other benefits for the year ended 31 December 2024 nor for the year ended 31 December 2023.

8. Trustees' Remuneration and Benefits (cont)

Trustees' expenses
No Trustees were reimbursed expenses in the year (2023: no Trustees).

Donations from Trustees
During the year, Trustees donated a total of £19,988 (2023: £11,780) to the Charity.

9. Staff Costs

	2024 £	2023 £
Wages and salaries	2,070,464	1,847,679
Social security costs	161,866	124,439
Other pension costs	49,932	45,638
	2,282,262	2,017,756

One employee received emoluments between £90,000 and £100,000 in the current year (2023: one employee).

Key management personnel remuneration
The key management personnel are considered to be the Trustees and the Chief Executive, Director of Care and Health, Director of Income, Fundraising and Communications, Director of Finance Resources and Head of People and Business Support. The total of key management remuneration was £279,144 (2023: £274,801).

The average monthly number of employees during the year was as follows:-

	2024 Number	2023 Number
Senior management	5	5
Administration and support	6	6
Service providers	84	77
	95	88

10. Tangible Fixed Assets

	Improvements to Property £	Computer Equipment £	Plant & Machinery £	Motor Vehicles £	Fixtures & Fittings £	Total £
Cost						
At 1 January 2024	136,355	143,301	353,598	37,856	46,060	717,170
Additions	4,755	1,399	8,087	-	17,972	32,213
Disposals	-	-	(832)	-	-	(832)
At 31 December 2024	141,110	144,700	360,853	37,856	64,032	748,551
Depreciation						
At 1 January 2024	136,355	137,838	199,412	29,996	24,356	527,957
Charge for year	600	3,336	34,023	7,571	10,452	55,982
Disposals	-	-	(644)	-	-	(644)
At 31 December 2024	136,955	141,174	232,791	37,567	34,808	583,295
Net book value						
At 31 December 2024	4,155	3,526	128,062	289	29,224	165,256
At 31 December 2023	-	5,463	154,186	7,860	21,704	189,213

11. Debtors: amounts falling due within one year

	2024 £	2023 £
Trade debtors	64,834	49,652
Other debtors	6,355	5,428
Prepayments and accrued income	174,382	163,141
	245,571	218,221

12. Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	44,924	67,662
Social Security and other taxes	44,800	40,414
Other creditors	6,532	10,583
Accruals and deferred income	124,000	96,465
Pension	11,236	9,989
	231,492	225,113

Included within accruals and deferred income is deferred income which comprises:

	£
Brought forward	(78,902)
Released to income in the year	78,902
Deferred in year	103,796
Carried forward	103,796

Deferred income consists of receipts in advance for short breaks of £103,796 (2023: £78,902).

13. Operating Lease Commitments

Minimum lease payments under non-cancellable leases fall due as follows:-

	Equipment 2024 £	Property 2024 £	Equipment 2023 £	Property 2023 £
Within one year	1,965	40,050	1,965	40,050
Between one and five years	6,720	160,200	8,640	162,890
In more than five years	-	265,020	-	302,380
	8,685	465,270	10,605	505,320

14. Funds

	Balance at 1 January 2024 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2024 £
Unrestricted funds					
General Fund	756,277	2,796,888	(2,841,177)	(28,154)	683,834
Designated Funds					
Fixed assets	152,412	-	(40,264)	32,204	144,352
	908,689	2,796,888	(2,881,441)	4,050	828,186
Restricted funds					
Fixed assets	37,029	-	(15,929)	-	21,100
Staff costs	41,828	138,091	(179,919)	-	-
Other restricted funds	38,808	76,951	(97,709)	(4,050)	14,000
	117,665	215,042	(293,557)	(4,050)	35,100
Total Funds	1,026,354	3,011,930	(3,174,998)	-	863,286

The above funds at the end of the year represent:-

Purposes of Designated Funds

Fixed asset

A designated fund has been set up to represent the balance of unrestricted fixed assets to which depreciation will be charged.

14. Funds (cont)

Restricted Fixed assets: the net book value of fixed assets purchased with restricted donations. Transfers in the previous year represent funds used to assist in the purchase of assets in the year.

Staff costs: funds received towards specific staff costs.

Other restricted funds: These represent various donations made to the Charity for various restricted purposes (other than the funds above). The Charity maintains a detailed register of the donations including their purpose and use of the funds. The transfers in the year represent funds used to assist in the purchase of assets were there are no longer any restrictions in place.

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2023 £
Unrestricted funds					
General Fund	520,474	2,902,840	(2,554,057)	(112,980)	756,277
Designated Funds					
Fixed assets	70,526	-	(30,654)	112,540	152,412
	591,000	2,902,840	(2,584,711)	(440)	908,689
Restricted funds					
Fixed assets	20,645	32,103	(16,159)	440	37,029
Staff costs	41,828	120,774	(120,774)	-	41,828
Other restricted funds	12,356	89,517	(63,065)	-	38,808
	74,829	242,394	(199,998)	440	117,665
Total Funds	665,829	3,145,234	(2,784,709)	-	1,026,354

15. Pension Commitments

During the year the Charity operated personal pension plans for all employees. The charge for the year was £49,932 (2023: £45,638) of which £11,236 (2023: £9,989) was outstanding at the balance sheet date.

16. Analysis of Net Assets Between Funds

Analysis for 2024	Unrestricted £	Restricted £	Total Funds £
Tangible fixed assets	144,352	20,904	165,256
Current assets	915,326	14,196	929,522
Current liabilities	(231,492)	-	(231,492)
	828,186	35,100	863,286

Analysis for 2023	Unrestricted £	Restricted £	Total Funds £
Tangible fixed assets	152,412	36,801	189,213
Current assets	981,390	80,864	1,062,254
Current liabilities	(225,113)	-	(225,113)
	908,689	117,665	1,026,354

17. Cashflow from Operating Activities

	2024 £	2023 £
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(163,068)	360,525
Adjustments for:		
Depreciation charges	55,982	47,730
Interest received	(12,885)	(8,049)
(Increase)/decrease in debtors	(27,350)	(47,254)
Increase/(decrease) in creditors	6,379	(622)
Loss on disposal	188	-
Net cash (used)/provided by operating activities	(140,754)	352,330

18. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	615	627
Instant access bank deposits	683,336	843,406
Total cash and cash equivalents	683,951	844,033

19. Capital commitment

As at the year end the charity had no capital commitments.

20. Related party disclosure

Transactions relating to related parties are disclosed in Note 8.

Donations totalling £Nil (2023: £400,619) was receivable from the Leuchie Forever Fund a charity, which agreed to support the charity and has previously had one common trustee. During the current year Leuchie received income of £Nil (2023: £400,619) and paid expenses of £Nil (2023: £nil) on behalf of the Leuchie Forever Fund. At the year end £Nil (2023: £nil) was due to Leuchie Forever Fund.