

Charity registration number: SC035799

# Gloag Foundation

Annual Report and Financial Statements  
for the Year Ended 31 December 2023

Morris & Young  
Chartered Accountants  
6 Atholl Crescent  
Perth  
PH1 5JN

## **Gloag Foundation**

### **Contents**

Reference and Administrative Details	1
Trustees' Report	2 to 5
Statement of Trustees' Responsibilities	6
Independent Auditors' Report	7 to 11
Statement of Financial Activities	12
Balance Sheet	13
Cash Flow Statement	14
Notes to the Financial Statements	15 to 29

## **Gloag Foundation**

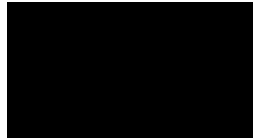
### **Reference and Administrative Details**

**Trustees**



**Charity Registration Number** SC035799

**Principal Office**



**Auditor**

Morris & Young  
Chartered Accountants  
6 Atholl Crescent  
Perth  
PH1 5JN

## Gloag Foundation

### Trustees' Report

The trustees present the annual report together with the financial statements and auditors' report of the charity for the year ended 31 December 2023.

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 trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

#### Objectives and activities

The objectives of the charity as defined in its trust deed are broadly drawn and permit many charitable activities but with an emphasis on the relief of human suffering and deprivation whether in the United Kingdom or abroad.

The trustees' focus in the reporting period and for the foreseeable future is concentrated on:

- providing personnel and financial resource to Kenya Children's Homes (UK) in support of its assistance and provision for Kenya Children's Homes, Nairobi;
- providing personnel and financial resource to Freedom from Fistula Foundation to assist that charity to build capacity for obstetric fistula repair in Africa; and
- providing grant assistance to other charities and to individuals whose circumstances and requirements meet the purposes of the charity.

#### Achievements and performance

In addition to the funding approved in support of the work in Kenya through our associated charities of £45,000 (2022 - £10,000) and in support of Freedom from Fistula Foundation and its related projects of £649,829 (2022 - £768,805), the trustees approved new grants to other charities of £346,631 in the period (2022 - £992,049) and to individuals of £62,893 (2022 - £36,000).

New grants to other charities were spread across the following broad charitable purposes:

#### *New Awards in Year by Sector:*

	2023		2022	
	Amount (£)	%	Amount (£)	%
Health	61,215	18	842,253	85
Relief of poverty	2,300	-	29,300	3
Anti-exploitation and people trafficking	172,872	50	39,104	4
Advancement of Christianity	33,000	10	12,000	1
Others	77,244	22	69,392	7
<b>Total</b>	<b>346,631</b>	<b>100</b>	<b>992,049</b>	<b>100</b>



## **Gloag Foundation**

### **Trustees' Report**

As at 31 December 2023, the amounts of grants approved in principal and expected to be paid in future years amounted to £nil (2022 - £248,061), actual amounts paid vary from expectations, these amounts are included in other creditors in Notes 16. No provision is made in these accounts for any future funding for either Kenya Children's Homes (UK) or Freedom from Fistula Foundation.

#### **Financial review**

Results for the year ended 31 December 2023 are given in the Statement of Financial Activities on page 12. The assets and liabilities are detailed on the Balance Sheet on page 13. The Statement of Financial Activities show an outflow of funds of £509,808 (2022 - £873,794), when deducted from funds brought forward, this gives a surplus to carry forward of £6,081,136 (2022 - £6,590,944). Full details of income and expenditure are set out in notes 2 to 21 of the accounts. At the balance sheet date the charity held reserves of £6,081,136 (2022 - £6,590,944) of which £1,000 (2022 - £1,000) are in respect of restricted reserves and £6,080,136 (2022 - £6,589,944) are in respect of unrestricted reserves.

Reserves are needed to bridge any gap between spending commitments and receiving of income. The charity is dependent on donations from [REDACTED], founder and a trustee. The trustees note that [REDACTED] has made a public commitment under the 'Giving Pledge' to dedicate the majority of her wealth to philanthropy. The trustees are confident that [REDACTED] will continue to support the work of the charity and consider that the reserves of £6.1m as at 31 December 2023 (2022 - £6.6m) are sufficient in the context of future commitments and planned activities.

There are no restrictions on the charity's power to invest. Some of the charity's investments are managed by investment managers to whom decision making is delegated within agreed constraints. Where shares are gifted to the charity and as a result investments are held either directly or indirectly in listed or unlisted vehicles, these investments are reviewed regularly by the trustees in the light of the overall interests and cash requirements of the charity.

The trustees consider the investment performance for the year meets the charity's investment objectives.

#### **Risk management**

The trustees consider that the major risks comprise:

##### ***Financial risk***

In common with many family foundations, the major financial risk for the charity is its dependence on donations from a single individual. The trustees consider that this risk is mitigated in that the principal donor is also a trustee and has pledged in the public domain to dedicate the majority of her wealth to philanthropy.

##### ***Operational risk***

The foundation has very limited exposure to operating risks and such risk arises primarily from the recipients of funding delivering the goals and objectives to which they commit when awards are made. The trustees actively monitor performance against goals of all recipients of material funding awards.

## **Gloag Foundation**

### **Trustees' Report**

#### **Future plans**

The trustees have no plans to materially change the operations and focus of the charity.

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

The trust was established by a charitable trust deed on 19 July 2004. The trust's principal objects are to provide assistance in the relief of human suffering and deprivation within the United Kingdom and abroad.

The trust is a family based charitable foundation established by [REDACTED]. Each trustee is a close relative of the founder and trustees meet formally at least twice per annum and have informal meetings on a regular basis and at least once per month.

The trustees who served during the period from 1 January 2023 to the date the financial statements were approved were:

[REDACTED]

[REDACTED]

The Trustees acting as a management committee have all the powers necessary to conduct the business of the charity. The committee is responsible for appointing new trustees and for ensuring that they are fully aware of their responsibilities as trustees.

#### **Remuneration and pay policy**

No trustee receives any remuneration from the charity. The trustees consider that the senior management team comprise the key management personnel of the charity listed above.

[REDACTED] receives no remuneration from the charity either as a trustee or as an executive. The pay of senior staff is reviewed annually and normally increased in accordance with average earnings. The responsibility for determining the remuneration of senior management is delegated to the Chief Executive.

#### **Requests for funding**

Grant funding applications are considered by invitation only.

## Gloag Foundation

### Trustees' Report

#### Related parties and co-operation with other charities

As noted above, none of the trustees receive remuneration or other benefits from their work with the charity. [REDACTED] a remunerated full time director of the charity is the husband of [REDACTED], a trustee. [REDACTED] is a trustee of Kenya Children's Homes (UK) and Freedom from Fistula Foundation with whom the charity works in close collaboration. [REDACTED] is also a director and member of the board of Mercy Ships International and [REDACTED] is Vice Chair of Mercy Ships UK and a member of the board of Mercy Ships International.

#### Legal Issue

Given the allegations made against individuals connected to the charity, which it is noted the individuals robustly deny, the trustees have taken time to review matters and put in place both conflict and other risk management procedures to mitigate any perceived risk to the organisation. The trustees have informed the Office of the Scottish Charity Regulator of the steps taken and continue to monitor the situation and update the Regulator accordingly.

#### Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 25/09/2024 and signed on its behalf by:

[REDACTED]  
Trustee

## **Gloag Foundation**

### **Statement of Trustees' Responsibilities**

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in 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 enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the constitution. The trustees 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.



## **Gloag Foundation**

### **Independent Auditor's Report to the Trustees of Gloag Foundation**

#### **Opinion**

We have audited the financial statements of Gloag Foundation (the 'charity') for the year ended 31 December 2023, which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement, 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, comprising Charities SORP (FRS 102) and 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) (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 2023 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

## **Gloag Foundation**

### **Independent Auditor's Report to the Trustees of Gloag Foundation**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate 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.

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 6), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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**

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.



## **Gloag Foundation**

### **Independent Auditor's Report to the Trustees of Gloag Foundation**

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

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

#### ***Identifying and assessing potential risks related to irregularities***

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

- the nature of the regulated sector, control environment and understanding of the entity including, but not restricted to, the understanding that the trustees are not remunerated, and the prevalence of fraud in the sector;
- results of our enquiries of trustees about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Charity's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
  - the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities that may exist within the organisation for fraud and identified the greatest potential for irregularities to occur is in relation to revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the charity's own Trust Deed and various charity-specific legislation, including The Charities and Trustee Investment (Scotland) Act 2005.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of Trustees concerning actual and potential litigation and claims;

## **Gloag Foundation**

### **Independent Auditor's Report to the Trustees of Gloag Foundation**

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- tested a sample of income for understatement and consideration given to revenue recognition accounting policies. Also reviewed the minutes of meetings for completeness of income;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

Due 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. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



## **Gloag Foundation**

### **Independent Auditor's Report to the Trustees of Gloag Foundation**

#### **Use of our report**

This report is made solely to the charity's members, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its members as a body, for our audit work, for this report, or for the opinions we have formed.



Morris & Young, Statutory Auditor

6 Atholl Crescent  
Perth  
PH1 5JN

26 September 2024

Morris & Young 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.

## Gloag Foundation

### Statement of Financial Activities for the Year Ended 31 December 2023

	Note	Unrestricted £	Restricted £	Total 2023 £	Total 2022 £
<b>Income and Endowments from:</b>					
Donations and legacies	2	843,575	-	843,575	1,551,787
Investment income	3	<u>162,272</u>	<u>-</u>	<u>162,272</u>	<u>89,321</u>
Total Income		<u>1,005,847</u>	<u>-</u>	<u>1,005,847</u>	<u>1,641,108</u>
<b>Expenditure on:</b>					
Raising funds	4	(40,715)	-	(40,715)	(41,115)
Charitable activities	5	<u>(1,535,283)</u>	<u>-</u>	<u>(1,535,283)</u>	<u>(2,255,183)</u>
Total Expenditure		<u>(1,575,998)</u>	<u>-</u>	<u>(1,575,998)</u>	<u>(2,296,298)</u>
Net gains/(losses) on investments		<u>60,343</u>	<u>-</u>	<u>60,343</u>	<u>(218,604)</u>
Net movement in funds		(509,808)	-	(509,808)	(873,794)
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>6,589,944</u>	<u>1,000</u>	<u>6,590,944</u>	<u>7,464,738</u>
Total funds carried forward	18	<u><u>6,080,136</u></u>	<u><u>1,000</u></u>	<u><u>6,081,136</u></u>	<u><u>6,590,944</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2022 is shown in note 18.

## Gloag Foundation

### (Registration number: SC035799) Balance Sheet as at 31 December 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	12	261,198	261,198
Investments	13	<u>1,391,120</u>	<u>2,280,952</u>
		<u>1,652,318</u>	<u>2,542,150</u>
<b>Current assets</b>			
Debtors	14	8,991	59,754
Cash at bank and in hand	15	<u>4,449,050</u>	<u>4,328,789</u>
		4,458,041	4,388,543
<b>Creditors: Amounts falling due within one year</b>	16	<u>(29,223)</u>	<u>(339,749)</u>
<b>Net current assets</b>		<u>4,428,818</u>	<u>4,048,794</u>
<b>Net assets</b>		<u>6,081,136</u>	<u>6,590,944</u>
<b>Funds of the charity:</b>			
Restricted		1,000	1,000
Unrestricted		<u>6,080,136</u>	<u>6,589,944</u>
<b>Total funds</b>	18	<u>6,081,136</u>	<u>6,590,944</u>

The financial statements on pages 12 to 29 were approved by the trustees, and authorised for issue on 25/09/2024 and signed on their behalf by:

Trustee

## Gloag Foundation

### Cash Flow Statement for the Year Ended 31 December 2023

	Note	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Net cash expenditure		(509,808)	(873,794)
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation	12	-	1,085
Investment income	3	(162,272)	(89,321)
Loss/(profit) on disposal of investments		49,657	49,132
Revaluation of investments		(60,656)	169,472
		<u>(683,079)</u>	<u>(743,426)</u>
<b>Working capital adjustments</b>			
Decrease/(increase) in debtors	14	50,764	(3,169)
Decrease in creditors	16	(310,525)	(351,112)
Net cash flows from operating activities		<u>(942,840)</u>	<u>(1,097,707)</u>
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	3	162,272	89,321
Purchase of investments	13	(102,036)	(113,897)
Sale of investments		1,002,865	1,104,008
Net cash flows from investing activities		<u>1,063,101</u>	<u>1,079,432</u>
Net increase/(decrease) in cash and cash equivalents		120,621	(18,275)
Cash and cash equivalents at 1 January		<u>4,328,789</u>	<u>4,347,064</u>
Cash and cash equivalents at 31 December		<u><u>4,449,050</u></u>	<u><u>4,328,789</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

## **Gloag Foundation**

### **Notes to the Financial Statements for the Year Ended 31 December 2023**

#### **1 Accounting policies**

##### **Statement of compliance**

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 (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

##### **Basis of preparation**

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

The financial statements are presented in sterling (£), which is the functional currency of the charity and are rounded to the nearest £1.

##### **Going concern**

At the time of approving the accounts, and based on an assessment of the cash and investments available to the Foundation, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements. The trustees have not identified any material uncertainties with respect to the charity's financial position and ability to continue as a going concern. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

##### **Critical accounting estimates and judgements**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimated 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 period where the revision affects both current and future periods.

The trustees consider there to be no critical accounting estimates and judgements.



## **Gloag Foundation**

### **Notes to the Financial Statements for the Year Ended 31 December 2023**

#### **Income and endowments**

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

#### **Donations and legacies**

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

#### **Grants receivable**

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

#### **Deferred income**

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

#### **Gifts in kind**

Gifts in kind are included at market value.

#### **Investment income**

Investment income, interest and gains or losses on disposal of investments are recognised on a cash basis; there is no material difference between this basis and the accruals method. Bank interest is included gross of income tax. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

#### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### **Raising funds**

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

## **Gloag Foundation**

### **Notes to the Financial Statements for the Year Ended 31 December 2023**

#### **Charitable activities**

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### **Grant provisions**

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

#### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

#### **Government grants**

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

#### **Tangible fixed assets**

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic lives as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Land and buildings	nil
Fixtures, fittings & equipment	25% straight line

No depreciation charge is made on buildings on the grounds that it would be immaterial because the estimated residual value of the tangible fixed asset is not materially different from the carrying amount of the asset.

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.

## **Gloag Foundation**

### **Notes to the Financial Statements for the Year Ended 31 December 2023**

#### **Impairment of fixed assets**

At each reporting end date, the Trust reviews the carrying amounts of its fixed 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).

#### **Investment properties**

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

#### **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.

Unlisted investments in relation to loan notes are measured at cost less impairment.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Foreign exchange**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

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



## Gloag Foundation

### Notes to the Financial Statements for the Year Ended 31 December 2023

#### Pensions and other post retirement obligations

The Trust contributes to the personal pension plans of certain employees. Contributions are charged in the accounts as they become payable.

#### Financial instruments

The charity only has financial assets and liabilities of a kind that would qualify as basic financial instruments which are recognised at their transaction value and subsequently measured at their settlement value.

#### 2 Income from donations and legacies

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Donations and legacies	843,575	843,575	1,551,487
Government grants - furlough income	-	-	300
	<u>843,575</u>	<u>843,575</u>	<u>1,551,787</u>

#### 3 Investment income

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Interest receivable	119,926	119,926	54,653
Income from listed investments	21,214	21,214	19,266
Rental income	21,132	21,132	15,402
	<u>162,272</u>	<u>162,272</u>	<u>89,321</u>

#### 4 Expenditure on raising funds

##### a) Costs of generating donations and legacies

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Consultancy fees	34,554	34,554	34,600

## Gloag Foundation

### Notes to the Financial Statements for the Year Ended 31 December 2023

#### b) Investment management costs

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Investment management	<u>6,161</u>	<u>6,161</u>	<u>6,515</u>

The cost of raising funds relates primarily to fund raising activities on behalf of Kenya Children's Homes (UK) and Freedom from Fistula Foundation, and not directly to Gloag Foundation.

#### 5 Expenditure on charitable activities

	Note	Unrestricted funds General £	Total 2023 £	Total 2022 £
Grant funding of activities	6	1,112,353	1,112,353	1,819,660
Staff costs	9	333,098	333,098	297,668
Personnel expenses		15,059	15,059	19,914
Travelling expenses		7,579	7,579	25,127
Office expenses		22,520	22,520	21,678
Rent		5	5	-
Electricity		860	860	74
Insurance		396	396	498
Property repairs and maintenance		-	-	794
Property expenses		7,432	7,432	4,001
Bank charges		916	916	535
(Gain)/loss on foreign exchange currency		(7,884)	(7,884)	52,350
Depreciation and impairment		-	-	1,085
Governance costs	7	42,949	42,949	11,799
		<u>1,535,283</u>	<u>1,535,283</u>	<u>2,255,183</u>

## Gloag Foundation

### Notes to the Financial Statements for the Year Ended 31 December 2023

#### 6 Grant making

##### Analysis of grants

	Grants to institutions	
	2023	2022
	£	£
<b>Analysis</b>		
Freedom From Fistula Foundation	649,829	768,805
Open Door Foundation	172,872	39,104
Order of Malta	45,244	44,392
Kenya Children's Homes (UK)	45,000	10,000
Trinity Community Church	25,000	-
Barry Train	22,000	22,000
Mercy Ships International	19,368	830,103
Reynolds Memorial Hospital	15,747	-
Business Beats Cancer	10,000	-
BASMOM	10,000	-
DEBRA	10,000	-
Santa Ponsa Community Church	8,000	-
Orcadia	5,000	-
Alcohol Recovery Scotland	-	11,000
For Women Scotland	-	10,000
Xmas Parcels Appeal	-	8,000
Cost Of Living Crisis Appeal	-	5,000
Sports Chaplaincy Appeal	-	5,000
Empathy International	-	5,000
Theirworld	-	5,000
Oughtbridge Church	-	5,000
Homes For Good	-	(10,000)
Other amounts < £5,000	11,400	25,256
	<u>1,049,460</u>	<u>1,783,660</u>

Grants to individuals during the year ended 31 December 2023 totalled £62,893 (2022 - £36,000). Grants to individuals are primarily amounts paid to support overseas students in further education courses in the UK.

## Gloag Foundation

### Notes to the Financial Statements for the Year Ended 31 December 2023

#### 7 Analysis of governance and support costs

##### Governance costs

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Audit fees	7,117	7,117	7,252
Legal fees	35,832	35,832	4,547
	<u>42,949</u>	<u>42,949</u>	<u>11,799</u>

#### 8 Trustees remuneration and expenses

None of the trustees received any remuneration or reimbursed expenses during the current or previous year.

Further details on related party transactions are disclosed within note 21.

#### 9 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
<b>Staff costs during the year were:</b>		
Wages and salaries	242,321	222,359
Social security costs	24,909	24,494
Pension costs	65,868	50,815
	<u>333,098</u>	<u>297,668</u>

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2023 No.	2022 No.
Administration	<u>6</u>	<u>6</u>

## Gloag Foundation

### Notes to the Financial Statements for the Year Ended 31 December 2023

The number of employees whose emoluments fell within the following bands was:

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
£80,001 - £90,000	1	-
	<u>2</u>	<u>1</u>

#### 10 Auditors' remuneration

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Audit of the financial statements	<u>7,117</u>	<u>7,252</u>

#### 11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

#### 12 Tangible fixed assets

	<b>Land and Buildings</b>	<b>Furniture and equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 January 2023	261,198	21,348	282,546
At 31 December 2023	<u>261,198</u>	<u>21,348</u>	<u>282,546</u>
<b>Depreciation</b>			
At 1 January 2023	-	21,348	21,348
At 31 December 2023	<u>-</u>	<u>21,348</u>	<u>21,348</u>
<b>Net book value</b>			
At 31 December 2023	<u>261,198</u>	<u>-</u>	<u>261,198</u>
At 31 December 2022	<u>261,198</u>	<u>-</u>	<u>261,198</u>

## Gloag Foundation

### Notes to the Financial Statements for the Year Ended 31 December 2023

#### 13 Fixed asset investments

	2023 £	2022 £
Investment properties	433,647	433,647
Other investments	957,473	1,847,305
	<u>1,391,120</u>	<u>2,280,952</u>

#### Investment properties

	Investment properties £
<b>Cost or Valuation</b>	
At 1 January 2023	433,647
<b>Net book value</b>	
At 31 December 2023	<u>433,647</u>

There has been no valuation of investment property by an independent valuer.

#### Other investments

	Listed investments £	Unlisted investments £	Total £
<b>Cost or Valuation</b>			
At 1 January 2023	863,737	983,568	1,847,305
Revaluation	60,656	-	60,656
Additions	102,036	-	102,036
Disposals	(68,956)	(983,568)	(1,052,524)
At 31 December 2023	<u>957,473</u>	<u>-</u>	<u>957,473</u>
<b>Net book value</b>			
At 31 December 2023	<u>957,473</u>	<u>-</u>	<u>957,473</u>
At 31 December 2022	<u>863,737</u>	<u>983,568</u>	<u>1,847,305</u>



## Gloag Foundation

### Notes to the Financial Statements for the Year Ended 31 December 2023

#### 14 Debtors

	2023 £	2022 £
Prepayments	2,721	2,544
Other debtors	6,270	57,210
	<u>8,991</u>	<u>59,754</u>

#### 15 Cash and cash equivalents

	2023 £	2022 £
Cash on hand	118	126
Cash at bank	4,448,932	4,328,663
	<u>4,449,050</u>	<u>4,328,789</u>

#### 16 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	(42)	2,238
Other taxation and social security	6,771	6,581
Other creditors	11,956	321,078
Accruals	7,095	6,429
Deferred income	3,443	3,423
	<u>29,223</u>	<u>339,749</u>

	2023 £	2022 £
Deferred income at 1 January 2023	3,423	1,205
Resources deferred in the period	3,443	3,423
Amounts released from previous periods	(3,423)	(1,205)
Deferred income at 31 December 2023	<u>3,443</u>	<u>3,423</u>

Deferred income represents rental income received in advance.

## **Gloag Foundation**

### **Notes to the Financial Statements for the Year Ended 31 December 2023**

#### **17 Pension and other schemes**

##### **Defined contribution pension scheme**

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £65,868 (2022 - £50,815).

Contributions totalling £9,173 (2022 - £7,375) were payable to the scheme at the end of the year and are included in creditors.



## Gloag Foundation

### Notes to the Financial Statements for the Year Ended 31 December 2023

#### 18 Funds

	Balance at 1 January 2023 £	Incoming resources £	Resources expended £	Other recognised gains/(loss) £	Balance at 31 December 2023 £
<b>Unrestricted funds</b>					
<b>General</b>					
Unrestricted Fund	6,589,944	1,005,847	(1,575,998)	60,343	6,080,136
<b>Restricted funds</b>					
Disaster Relief - Sierra Leone	1,000	-	-	-	1,000
	<u>6,590,944</u>	<u>1,005,847</u>	<u>(1,575,998)</u>	<u>60,343</u>	<u>6,081,136</u>
	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Other recognised gains/(loss) £	Balance at 31 December 2022 £
<b>Unrestricted funds</b>					
<b>General</b>					
Unrestricted Fund	7,463,738	1,641,108	(2,296,298)	(218,604)	6,589,944
<b>Restricted funds</b>					
Disaster Relief - Sierra Leone	1,000	-	-	-	1,000
<b>Total funds</b>	<u>7,464,738</u>	<u>1,641,108</u>	<u>(2,296,298)</u>	<u>(218,604)</u>	<u>6,590,944</u>

The specific purposes for which the funds are to be applied are as follows:

The Disaster Relief - Sierra Leone Fund represents donations made from Blythwood Care towards mosquito nets and to help families surviving disasters.

## Gloag Foundation

### Notes to the Financial Statements for the Year Ended 31 December 2023

#### 19 Analysis of net assets between funds

	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total funds at 31 December 2023 £</b>
Tangible fixed assets	261,198	-	261,198
Fixed asset investments	1,391,120	-	1,391,120
Current assets	4,457,041	1,000	4,458,041
Current liabilities	(29,223)	-	(29,223)
Total net assets	<u>6,080,136</u>	<u>1,000</u>	<u>6,081,136</u>

	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total funds at 31 December 2022 £</b>
Tangible fixed assets	261,198	-	261,198
Fixed asset investments	2,280,952	-	2,280,952
Current assets	4,387,543	1,000	4,388,543
Current liabilities	(339,749)	-	(339,749)
Total net assets	<u>6,589,944</u>	<u>1,000</u>	<u>6,590,944</u>

#### 20 Analysis of net funds

The Trust had no debt during the year.

## Gloag Foundation

### Notes to the Financial Statements for the Year Ended 31 December 2023

#### 21 Related party transactions

During the year the charity made the following related party transactions:

##### Kenya Children's Homes (UK)

(The trustees [REDACTED] are also trustees of Kenya Children's Homes (UK))

During the year donations of £45,000 (2022 - £10,000) made from Gloag Foundation. An inter company account was also operated between Gloag Foundation and Kenya Children's Homes (UK). At the balance sheet date the amount due from Kenya Children's Homes (UK) was £95 (2022 - £2,166).

##### Freedom from Fistula Foundation

[REDACTED] is also a trustee of Freedom from Fistula Foundation)

During the year grants of £649,829 (2022 - £768,805) were made from Gloag Foundation. An inter company account was also operated between Gloag Foundation and Freedom from Fistula Foundation. At the balance sheet date the amount due to Freedom from Fistula Foundation was £172 (2022 - £10,982 due from Freedom from Fistula Foundation).

##### Highland and Universal Management Limited

[REDACTED] is also a director of Highland and Universal Management Limited)

During the year donations of £nil (2022 - £679,536) were made by the company to Gloag Foundation. An inter company account was also operated between Gloag Foundation and Highland and Universal Management Limited. At the balance sheet date the amount due from Highland and Universal Management Limited was £943 (2022 - £943).

##### Gloag Investment Properties Limited

[REDACTED] is also a director of Gloag Investment Properties Limited)

During the year donations of £nil (2022 - £38,450) were made by the company to Gloag Foundation.

[REDACTED]  
(Director of Operations and Human Resources)

[REDACTED] is married to the trustee [REDACTED]. During the period he received remuneration of £50,844 (2022 - £49,010) and pension contributions of £7,626 (2022 - £7,352).

[REDACTED]  
(Trustee of Gloag Foundation)

During the year Dame [REDACTED] made personal donations of £208,375 (2022 - £833,501) to Gloag Foundation. At the balance sheet date the amount due from [REDACTED] was £nil (2022 - £5,652).

##### Mercy Ships International

[REDACTED] is a director and member of the board of Mercy Ships International)

During the year donations of £19,368 (2022 - £830,103) were made by Gloag Foundation to Mercy Ships International. At the balance sheet date the amount due to Mercy Ships International was £nil (2022 - £228,061).

##### Appindale Limited

[REDACTED] is also a director of Appindale Limited)

During the year donations of £630,631 (2022 - £nil) were made by the company to Gloag Foundation.

##### Trinity Community Trust

[REDACTED] are also trustees of Trinity Community Trust)

During the year donations of £25,000 (2022 - £nil) were made from Gloag Foundation.