Charity registration number SC028479

Company registration number SC191841

NANSEN HIGHLAND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

NANSEN HIGHLAND

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	B P M Lafere N M S Walsh B Robertson S L Mackenzie I S Ellison	
Secretary	B P M Lafere	
Senior management	B Robertson B P M Lafere	Chairman Executive Director
Charity number	SC028479	
Company number	SC191841	
Registered office	Redcastle Station Tore Muir of Ord Ross-shire IV6 7RX	
Auditor	MacKenzie Kerr Limited Redwood 19 Culduthel Road Inverness IV2 4AA	
Bankers	Bank of Scotland 2-6 Eastgate Inverness IV2 3NA	

NANSEN HIGHLAND

CONTENTS OF THE FINANCIAL STATEMENTS

The trustees present their annual report and financial statements for the year ended 31 March 2026.

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 Memorandum and Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The charity's objectives and aims include:

- The relief of persons with a learning disability and related disabilities, their families and carers in particular but not exclusively by the provision of support services including services in the support of residential, respite and other suitable forms of care, support, education and work opportunities, and by the promotion of the awareness of the needs of such persons; and
- The promotion of the effective use of charitable resources by the provision of services to organisations involved in the relief of persons with a learning disability, their families and carers.

Achievements and performance

Significant activities and achievements against objectives

Nansen Highland offers a specialised care package to young people with extra needs. These young people may not have the chance to learn the different abilities that people need to find their way in a complex society, such as the abilities to read and write, to understand and work effectively within society's rules and values, to organise one's daily life, and to cope with difficulties at home or at work. The charity aims to offer these young adults the opportunities they deserve to develop them into stable, self-confident and socially minded individuals. With this intention, emphasis is also put on developing job skills, life skills and social skills for their future.

As well as the day centre at Redcastle Station, Tore, the charity runs a residential centre, comprising Fram House, in the village of Beauly, and Tigh Na Cloich, in Muir of Ord. The accommodation is designed for 5 residents at Fram House and 4 residents at Tigh Na Cloich, each having their own bedroom with en-suite facilities. A room in Fram House is designated as a double room for couples only. Shared facilities of a kitchen, lounge and sitting room are available at each property.

The emphasis is on the further development of free-time management, domestic skills, interpersonal and social skills, to enhance their capabilities for progression to supported housing or independent living.

Both the residential and the day care centres run at 100% capacity.

Nansen Highland has operated for a number of years under a block funding agreement for the day services based at Redcastle Station which, for the year ended 31 March 2026, was for £317,240 (2025 - £306,245). This has enabled us to have a smoother, quicker engagement with care management to put in place care packages, and it has helped us to more accurately forecast, budget and manage our cash flow.

The residential centres operate on individual funding packages that need approval by the Resource Allocation Panel.

The charity has continued to develop the SQA units available for the young adults attending the day care service at Redcastle Station.

Nansen Highland also operates housing support services, whereby service users are supported within their own tenancy.

Financial review

Total income for the year rose from £1,129,051 to £1,139,477, with Care and accommodation fees having risen from £747,989 to £777,282 due to an increase in contractual fees.

Total expenditure for the year also increased from £1,066,810 to £1,092,684, mainly due to staff costs having risen from £871,658 to £906,195, the result of salary increases, including for the National Living Wage, plus higher employer National Insurance costs charged by the government. Less was spent this year on the ongoing upkeep of the charity's properties, which has resulted in lower Premises costs of £49,868 compared to £65,035 last year. Works included replacing the windows at Redcastle Station, Tore and the boiler at Tigh Na Cloich, Muir of Ord when last year included significant roof/chimney repairs at Fram House, Beauly and replacing the windows at Tigh Na Cloich, Muir of Ord.

The net effect of the above is that the charity achieved a smaller surplus of £46,793 compared to £62,241 last year.

At 31 March 2026, the charity had total funds of £840,676, an increase on last year's £793,883. Restricted funds comprised £5,932 of total funds compared to £8,461 last year (restricted fund transactions are explained in detail in note 17 on pages 19 and 20).

Reserves policy

Nansen Highland is committed to operating and utilising its finances in a safe and responsible manner. The charity will retain reserves, at any one time, as a financial buffer to operate safely for a minimum period of 3 months. Within these parameters, reserves require to be sufficient, in case of dissolving operations, to cover the following procedures:

- Staff wages to cover 3 months (and redundancies);
- Running cost capital to pay all creditors; and
- Estimated costs to close down the running of the centres, and the charity itself.

Principal funding sources

The principal funding source is NHS Highland. Fees received are split according to the services provided.

Major risks

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for future periods

The aims for the next financial year include the following:

- Improve the facilities at Redcastle Station;
- Explore the development of the Nansen-Online service; and
- Workforce planning for future challenges.

Structure, governance and management

Nansen Highland is a charitable company, registered in Scotland. The charity was incorporated on 10 December 1998 as a company limited by guarantee. The charity was established under a Memorandum of Association, which established its powers and objects, and it is governed under its Articles of Association; both of these were updated on 22 January 2024. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

B P M Lafere
N M S Walsh
B Robertson
S L Mackenzie
I S Ellison

Recruitment and appointment of trustees
The Board members' background experience is diverse. Collectively, they have expertise in the fields of employment law, education, social work and social care.

Organisational structure
The Executive Committee, comprising the trustees (executive and non-executive directors), oversees the general running of the charity.

The Management Team, comprising the Executive Director, B P M Lafere, Project Co-ordinator, and Senior Support Workers, oversees, organises and executes the day-to-day running of the organisation. The four Senior Support Workers are responsible for the services the charity provides, with these being at Fram House, Beauly, and Tigh Na Cloich, Muir of Ord (two residential homes), along with Redcastle Station, Tore, where both the day care service and Nansen Housing Support, our latest service delivering care in the client's home, are run.

Induction and training of trustees
When new trustees are recruited, they receive an induction pack. The induction pack explains what the charity is about, its philosophy, aims and objectives. The pack also describes the responsibilities and duties of charity trustees as explained by the Office of the Scottish Charity Regulator (OSCR).

Non-executive directors (trustees) are recruited for a specific area of expertise of social work, health, employment and human resources. When such an appointment ends, the Board looks for a successor related to the vacancy in the area of expertise. The Board suggests possible individuals, who may have specific skills, and explores further to determine whether the individual would have an active interest in our organisation.

A meeting is set up with the potential non-executive director (trustee) and existing trustees to explore issues further, and to give a more thorough explanation/induction. If all goes well, the person is invited to the next non-executive meeting, where they are officially welcomed and signed onto the non-executive Board.

Risk management
Risk assessment and management is important in the daily work of the charity. In partnership with local authorities, Nansen Highland carries out individual risk assessments for the service users it caters for. Organisational risk management is part of the quarterly trustees' meetings.

Statement of trustees' responsibilities
The trustees, who are also the directors of Nansen Highland for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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, including the income and expenditure, of the charitable company for that year.

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

In accordance with the company's articles, a resolution proposing that MacKenzie Kerr Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

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

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

B P M Lafere
Trustee

12 September 2026

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS AND TRUSTEES OF NANSEN HIGHLAND

Opinion

We have audited the financial statements of Nansen Highland (the 'charity') for the year ended 31 March 2026 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2026 and of its incoming resources and application of resources, including 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 24 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

<u>Identifying and assessing risks related to irregularities:</u>

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include The Companies Act 2006, UK Tax legislation, and the quality of care regularly inspected by The Care Inspectorate.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the Responsible Individual (RI) drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the RI's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

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

Rhona Wilson, BA, FCCA (Senior Statutory Auditor)
For and on behalf of MacKenzie Kerr Limited
Chartered Accountants and Statutory Auditor
Redwood
19 Culduthel Road
Inverness
IV2 4AA

12 September 2026

MacKenzie Kerr Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	Unrestricted funds 2026 £	Restricted funds 2026 £	Total 2026 £	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
Income and endowments from:							
Donations and legacies	2	3,641	4,196	7,837	3,320	4,150	7,470
Charitable activities	3	1,112,136	-	1,112,136	1,108,709	-	1,108,709
Investments	4	4,905	-	4,905	5,826	-	5,826
Other income	5	14,599	-	14,599	7,046	-	7,046
Total income		1,135,281	4,196	1,139,477	1,124,901	4,150	1,129,051
Expenditure on:							
Charitable activities	6	1,085,959	6,725	1,092,684	1,062,167	4,643	1,066,810
Total expenditure		1,085,959	6,725	1,092,684	1,062,167	4,643	1,066,810
Net income/(expenditure) and movement in funds		49,322	(2,529)	46,793	62,734	(493)	62,241
Reconciliation of funds:							
Fund balances at 1 April 2025		785,422	8,461	793,883	722,688	8,954	731,642
Fund balances at 31 March 2026		834,744	5,932	840,676	785,422	8,461	793,883

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

NANSEN HIGHLAND

BALANCE SHEET

AS AT 31 MARCH 2026

	Notes	2026 £	2026 £	2025 £	2025 £
Fixed assets					
Tangible assets	12		383,402		375,093
Current assets					
Debtors	13	25,080		31,118	
Cash at bank and in hand		554,215		524,052	
		579,295		555,170	
Creditors: amounts falling due within one year	14	(95,975)		(98,190)	
Net current assets			483,320		456,980
Total assets less current liabilities			866,722		832,073
Creditors: amounts falling due after more than one year	15		(26,046)		(38,190)
Net assets			840,676		793,883
The funds of the charity					
Restricted income funds	17		5,932		8,461
Unrestricted funds	18		834,744		785,422
			840,676		793,883

The financial statements were approved by the trustees on 12 September 2026

B P M Lafere
Trustee

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £	£	2025 £	£
Cash flows from operating activities					
Cash generated from operations	22		66,235		56,661
Investing activities					
Purchase of tangible fixed assets		(33,904)		(1,983)	
Proceeds from disposal of tangible fixed assets		4,500		-	
Investment income received		4,905		5,826	
Net cash (used in)/generated from investing activities			(24,499)		3,843
Financing activities					
Repayment of bank loans		(11,573)		(11,056)	
Net cash used in financing activities			(11,573)		(11,056)
Net increase in cash and cash equivalents			30,163		49,448
Cash and cash equivalents at beginning of year			524,052		474,604
Cash and cash equivalents at end of year			554,215		524,052

1 Accounting policies

Charity information

Nansen Highland is a private company limited by guarantee incorporated in Scotland. The registered office is Redcastle Station, Tore, Muir of Ord, Ross-shire IV6 7RX.

1.1 Basis of preparation

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Charitable funds

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

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

1.4 Income

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

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

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Revenue grants are recognised in the Statement of Financial Activities in the accounting period to which they relate and are intended to meet revenue expenditure. In accordance with the SORP, grants received towards capital expenditure are recognised as restricted funds income and a depreciation charge is allocated against restricted funds expenditure to reduce the grant over the estimated useful life of the asset concerned. Compliance with the SORP means that there is non-compliance with FRS 102, which requires capital grants to be treated as deferred income in the balance sheet.

1 Accounting policies (Continued)

1.5 Expenditure

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

1.6 Tangible fixed assets

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

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

Freehold property	Over 50 years on a straight line basis
Office and computer equipment, furniture and fittings	Over 3 to 20 years on a straight line basis
Motor vehicles	On a 25% reducing balance basis

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

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

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

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

Basic financial assets

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

1 Accounting policies (Continued)

Basic financial liabilities

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

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

1.10 Taxation

The charity is exempt from Corporation Tax on its charitable activities.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.12 Retirement benefits

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

1.13 VAT

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

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to income are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

2 Income from donations and legacies

	Unrestricted funds 2026 £	Restricted funds 2026 £	Total 2026 £	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
Donations and gifts	3,641	-	3,641	3,320	-	3,320
Grants	-	4,196	4,196	-	4,150	4,150
	3,641	4,196	7,837	3,320	4,150	7,470

3 Income from charitable activities

	Unrestricted funds 2026 £	Unrestricted funds 2025 £
Care, accomm. and housing support		
Care and accommodation fees	777,282	747,989
Disability Living Allowance mobility fees	10,970	11,957
Housing support fees	323,104	346,423
First aid training		
First aid training	780	2,340
	1,112,136	1,108,709

4 Income from investments

	Unrestricted funds 2026 £	Unrestricted funds 2025 £
Interest receivable	4,905	5,826

5 Other income

	Unrestricted funds 2026 £	Unrestricted funds 2025 £
Net gain on disposal of tangible fixed assets	2,172	-
Other income	12,427	7,046
	14,599	7,046

6 Charitable activity expenditure

	Care, accomm. and housing support 2026 £	First aid training 2026 £	Total 2026 £	Care, accomm. and housing support 2025 £	First aid training 2025 £	Total 2025 £
Direct costs						
Staff costs	906,195	-	906,195	871,658	-	871,658
Depreciation and impairment	23,267	-	23,267	19,218	-	19,218
Training, recruitment and agency staff	2,993	-	2,993	2,791	-	2,791
Training materials and costs	16,636	219	16,855	12,392	589	12,981
Trainee accommodation costs	15,677	-	15,677	15,434	-	15,434
Motor and travel expenses	14,891	-	14,891	19,541	-	19,541
Premises costs	49,868	-	49,868	65,035	-	65,035
Office costs	13,099	-	13,099	11,625	-	11,625
Heat and light	18,879	-	18,879	18,432	-	18,432
Miscellaneous	12,194	-	12,194	10,798	-	10,798
Bank loan interest	2,081	-	2,081	2,600	-	2,600
Bank charges	447	-	447	449	-	449
	1,076,227	219	1,076,446	1,049,973	589	1,050,562
Share of support and governance costs (see note 7)						
Support	16,238	-	16,238	16,248	-	16,248
	1,092,465	219	1,092,684	1,066,221	589	1,066,810
Analysis by fund						
Unrestricted funds	1,085,740	219	1,085,959	1,061,578	589	1,062,167
Restricted funds	6,725	-	6,725	4,643	-	4,643
	1,092,465	219	1,092,684	1,066,221	589	1,066,810

7 Support costs allocated to activities

	2026	2025
	£	£
Governance costs	16,238	16,248
Analysed between:		
Care, accomm. and housing support	16,238	16,248

Governance costs comprise:	2026 £	2025 £
Audit fees	6,270	6,090
Accountancy	5,179	4,944
Legal and professional	4,789	5,214
	16,238	16,248

8 Net movement in funds

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

	2026 £	2025 £
Fees payable for the audit of the charity's financial statements	6,270	6,090
Depreciation of owned tangible fixed assets	23,267	19,218
Profit on disposal of tangible fixed assets	(2,172)	-

9 Trustees

During the year, trustee B P M Lafere received remuneration and employer payments of pension contributions for the post of Executive Director totalling £53,936 (2025 - £47,612).

There were no trustees' expenses paid for the year ended 31 March 2026 nor for the year ended 31 March 2025.

10 Employees

The average monthly number of employees during the year was:

	2026 Number	2025 Number
Executive Director	1	1
Care and training	26	28
Administration	2	2
Total	29	31

Employment costs	2026 £	2025 £
Wages and salaries	791,149	783,596
Social security costs	97,578	71,487
Other pension costs	17,468	16,575
	906,195	871,658

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

Remuneration of key management personnel

The charity considers the total employment benefits of key management personnel, being trustee/Executive Director B P M Lafere and Project Co-ordinator S Lafere, to be £96,955 (2025 - £87,709).

S Lafere, the wife of trustee/Executive Director B P M Lafere, is employed by the charity as a Project Co-ordinator. Along with all staff, the salaries of B P M Lafere and S Lafere are independently approved by the Board of trustees.

11 Retirement benefit schemes

Defined contribution schemes	2026 £	2025 £
Charge to profit or loss in respect of defined contribution schemes	17,468	16,575

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

12 Tangible fixed assets

	Freehold property	Office and computer equipment, furniture and fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2025	528,329	72,893	43,627	644,849
Additions	-	1,909	31,995	33,904
Disposals	-	(3,840)	(20,629)	(24,469)
At 31 March 2026	528,329	70,962	54,993	654,284
Depreciation and impairment				
At 1 April 2025	179,943	51,345	38,468	269,756
Depreciation charged in the year	9,264	7,536	6,467	23,267
Eliminated in respect of disposals	-	(3,840)	(18,301)	(22,141)
At 31 March 2026	189,207	55,041	26,634	270,882
Carrying amount				
At 31 March 2026	339,122	15,921	28,359	383,402
At 31 March 2025	348,386	21,548	5,159	375,093

13 Debtors

	2026	2025
Amounts falling due within one year:	£	£
Trade debtors	3,594	7,794
Other debtors	21,486	23,324
	25,080	31,118

14 Creditors: amounts falling due within one year

	Notes	2026	2025
		£	£
Bank loans	16	12,144	11,573
Other taxation and social security		16,792	14,939
Trade creditors		1,350	2,990
Other creditors		65,689	68,688
		95,975	98,190

Other creditors include £10,623 (2025 - £12,609) of income received in advance from NHS Highland and The Highland Council.

15 Creditors: amounts falling due after more than one year

	Notes	2026 £	2025 £
Bank loans	16	26,046	38,190

16 Loans and overdrafts

	2026 £	2025 £
Bank loans	38,190	49,763
Payable within one year	12,144	11,573
Payable after one year	26,046	38,190

The Bank of Scotland loan, which was taken out to purchase the charity's residential accommodation at Tigh Na Cloich, Ord Road, Muir of Ord, has an interest rate of 4.68% and is expected to be repaid in full on 21 March 2029, is secured, in favour of the bank, by way of a standard security over the property to which it relates and the other property owned by the charity, Fram House, High Street, Beauly. The bank also has a bond and floating charge over the whole of the assets owned by the charity.

17 Restricted funds

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

	At 1 April 2025 £	Incoming resources £	Resources expended £	At 31 March 2026 £
Fixed assets fund	7,189	-	(1,765)	5,424
NHS Highland Wellbeing Fund grant	1,272	-	(1,272)	-
RS MacDonald Trust defibrillator and first aid training grant	-	4,196	(3,688)	508
	8,461	4,196	(6,725)	5,932

Previous year:	At 1 April 2024 £	Incoming resources £	Resources expended £	At 31 March 2025 £
Fixed assets fund	8,954	-	(1,765)	7,189
NHS Highland Wellbeing Fund grant	-	4,150	(2,878)	1,272
	8,954	4,150	(4,643)	8,461

17 Restricted funds (Continued)

Fixed assets fund:
This includes grants or donations received towards specific fixed asset purchases. Depreciation is being charged against this fund to reduce the grants or donations over the estimated useful life of the asset concerned. At 31 March 2026, the balance of this fund was £5,424 (2025 - £7,189), comprising the balance of £3,893 from £5,000 received from The Forbes Charitable Foundation in 2014/15 towards the refurbishment of the charity's Muir of Ord property and the balance of £1,531 from £5,000 received from NHS Highland in 2023/24 towards computer equipment.

NHS Wellbeing grant:
Restricted funds also includes £Nil (2025 - £1,272), being the balance of an NHS Highland Wellbeing Fund grant of £4,150 to residents of the charity in 2024/25.

RS MacDonald Trust grant:
Restricted funds also includes £508 (2025 - £Nil), being the balance of an RS MacDonald Trust grant of £4,196 towards a defibrillator and first aid training, which will be spent in 2026/27.

18 Unrestricted funds

	At 1 April 2025	Incoming resources	Resources expended	At 31 March 2026
	£	£	£	£
General funds	785,422	1,135,281	(1,085,959)	834,744

Previous year:	At 1 April 2024	Incoming resources	Resources expended	At 31 March 2025
	£	£	£	£
General funds	722,688	1,124,901	(1,062,167)	785,422

19 Analysis of net assets between funds

	Unrestricted funds 2026	Restricted funds 2026	Total 2026
	£	£	£
At 31 March 2026:			
Tangible assets	377,978	5,424	383,402
Current assets/(liabilities)	482,812	508	483,320
Long term liabilities	(26,046)	-	(26,046)
	834,744	5,932	840,676

19 Analysis of net assets between funds (Continued)

	Unrestricted funds 2025	Restricted funds 2025	Total 2025
	£	£	£
At 31 March 2025:			
Tangible assets	367,904	7,189	375,093
Current assets/(liabilities)	455,708	1,272	456,980
Long term liabilities	(38,190)	-	(38,190)
	785,422	8,461	793,883

20 Operating lease commitments

Lessee

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

	2026	2025
	£	£
Within one year	10,472	10,472
Between two and five years	39,269	41,887
In over five years	-	7,854
	49,741	60,213

21 Related party transactions

Three of the trustees of the charity, N Walsh, S Mackenzie and I Ellison, are parents of day trainees attending Nansen Highland.

22 Cash generated from operations

	2026	2025
	£	£
Surplus for the year	46,793	62,241
Adjustments for:		
Investment income recognised in statement of financial activities	(4,905)	(5,826)
Gain on disposal of tangible fixed assets	(2,172)	-
Depreciation and impairment of tangible fixed assets	23,267	19,218
Movements in working capital:		
Decrease/(increase) in debtors	6,038	(10,126)
(Decrease) in creditors	(2,786)	(8,846)
Cash generated from operations	66,235	56,661

23 Analysis of changes in net funds

	At 1 April 2025	Cash flows	At 31 March 2026
	£	£	£
Cash at bank and in hand	524,052	30,163	554,215
Loans falling due within one year	(11,573)	(571)	(12,144)
Loans falling due after more than one year	(38,190)	12,144	(26,046)
	474,289	41,736	516,025

24 Non-audit services provided by auditor

In common with many businesses of our size and nature we use our auditor to assist with the preparation of the financial statements.