

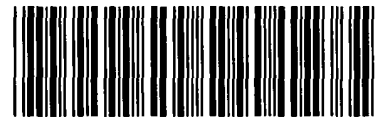
Charity Commission No. 1174691 (England and Wales)  
Office of the Scottish Regulator No. SC048007 (Scotland)  
Company Registration No. 10596645 (England and Wales)



**THE SCOTS GUARDS CHARITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**



TUESDAY



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29/12/2020

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COMPANIES HOUSE

# THE SCOTS GUARDS CHARITY

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Major General CJ Bell CBE (Appointed 11 July 2020) Brigadier (retired) GHFS Nickerson The Rt Hon Sir Iain Duncan Smith PC MP Captain (retired) M Joynson Major (retired) L Kerr MBE Major (retired) AR Wilson (Resigned 22 June 2020) Mrs L Hobbs Lord Fellowes GCB GCVO QSO PC (Resigned 2 May 2020) Captain (retired) PD Vail (Appointed 27 May 2020)
<b>Regimental Adjutant</b>	Major (retired) JR Kelly
<b>Regimental Welfare and Finance Officer</b>	Major (retired) MA Cape (Company Secretary)
<b>Charity number (England and Wales)</b>	1174691
<b>Charity number (Scotland)</b>	SC048007
<b>Company number</b>	10596645
<b>Registered office</b>	Regimental Headquarters Scots Guards Wellington Barracks Birdcage Walk London SW1E 6HQ
<b>Auditor</b>	Alliotts Imperial House 15 Kingsway London WC2B 6UN
<b>Bankers</b>	Lloyds TSB Bank Plc Cox's and King's PO Box 1190 7 Pall Mall London SW1Y 5NA
<b>Investment advisors</b>	Ruffer LLP 80 Victoria Street London SW1E 5JL  AUBREY Capital Management 10 Coates Crescent Edinburgh EH3 7AL

# THE SCOTS GUARDS CHARITY

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[www.CelticQuestCoasteering.com](http://www.CelticQuestCoasteering.com)

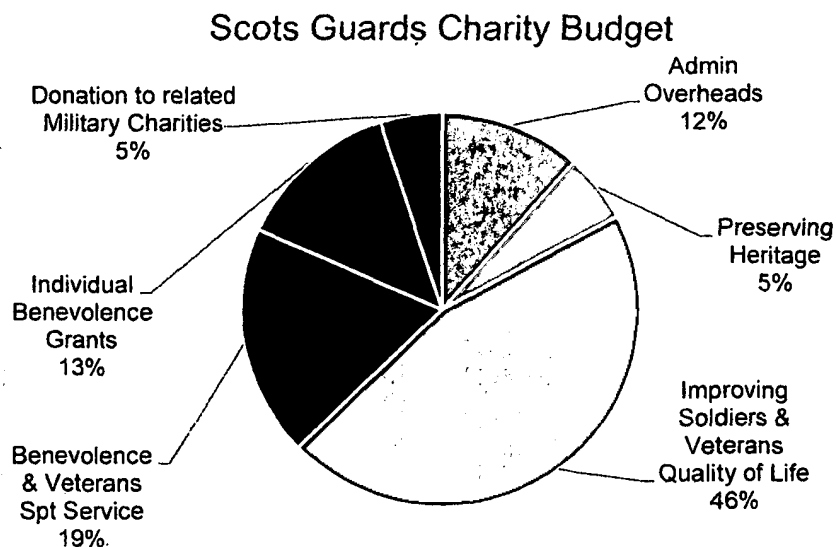
# THE SCOTS GUARDS CHARITY

## SUPPORTING THE REGIMENT

For over 375 years we have had an enviable reputation of looking after our own – on the battlefield and off. The guardsmen have always known that they and their families will be properly cared for under all circumstances. It is critical that future generations of guardsmen continue to have total confidence in the regiment's ability to do this.

With this critical and ambitious aim, we need to put our charity at the core of regimental family and our supporters' charitable giving. We are encouraging them to fund our vital work by increasing donations, ensuring legacies are clear in wills, persuading others to donate or raising money through personal endeavours.

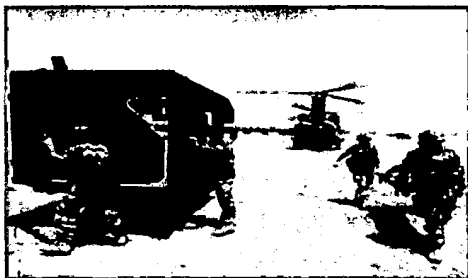
We spend 37% of our budget providing a support service for our veterans in conjunction with SSAFA and other charities. We also provide the first tier of benevolence grants while we seek more substantial assistance from the larger charities or indeed the relevant government authority. 46% is used for improving the quality of life of our soldiers and veterans. 5% is used to preserve our heritage dating back to 1642. The final 12% is used for administrative overheads. We are therefore proud that nearly 90% of our budget is spent on our charitable aims and our administrative overheads are relatively low.



The charity's purpose is to improve the quality of life for Scots Guardsmen and their families, help to overcome injury or hardship and to speed rehabilitation. These needs have increased with the number of tours of duty and the very fact that the weapons used today, such as improvised explosive devices, can be devastating.

Our annual budget is divided into 4 main areas. Improving Soldiers & Veterans Quality of life, Relieving Hardship, Administration overheads and improvements to heritage. We provide a service for detecting and assessing welfare cases, aided by SSAFA, while we seek more substantial assistance from the larger charities or the relevant local authority.

Our charity gives out based on income generated from our investments. Having reviewed our needs, we now aim to raise the profile and add £4M to this investment pot by 2022. Only then will we have secured the legacy for future generations of the Scots Guards family. A few examples of our work are as follows:



**Severely wounded veteran regains his mobility – wounded in action.** Grants of several thousand pounds have been provided to assist with home and car modifications for a Scots Guards Lance Sergeant who lost both legs and an arm to a bomb in Afghanistan. Working with other military charities which specialise in this area, we have given several grants to assist him with mobility and to support his wife and three children. For example, he received a modified fitness suite to help him develop his muscles in order to walk on prosthetic limbs.

**Widow gets boiler in time for winter – housing and homelessness.** A grant of £875 was provided towards the cost of a new boiler for the 73-year-old widow of a Scots Guardsman whose 12 years' service included a tour in Malaya. The lady's old boiler had become so dangerous that she could not use it or the gas fire to which it was linked. The provision of the new boiler gave the lady hot water and heating before the onset of winter.

# THE SCOTS GUARDS CHARITY

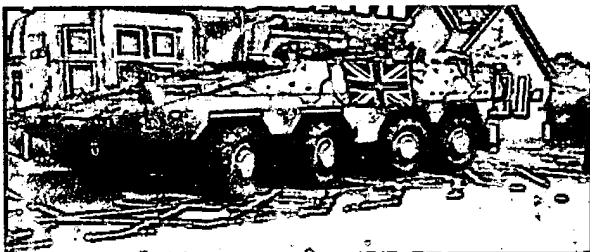
## SUPPORTING THE REGIMENT

**I was able to say goodbye to my wife with dignity – support to families.** A grant towards funeral costs of a wife was made to a 70-year-old former Sergeant in the Scots Guards with 13 years' service. The veteran served in Cyprus, Malaya, Hong Kong and Northern Ireland. The sudden death of his wife and a lack of savings resulted in the former soldier being unable to meet the cost of his wife's funeral.

**Wheelchair bound couple gain access to their garden – mobility, wellbeing and elderly care.** A grant of £2,500 was made to make the garden of the 39-year-old wife of a veteran wheelchair accessible. The former soldier served for 23 years with the Scots Guards and three years with another regiment. The veteran's wife is confined to a wheelchair and is now able to enjoy the outdoors with her husband and children.

**Vulnerable child receives grant for critical education – employment and training.** A grant of £3,450 was made towards the education of a child with special needs, who had been declined support by the local education authorities. The child's father had served for 17 years with the Scots Guards. The need to home tutor their child had prevented the parents from gaining paid work. The educational grant helped the family afford the cost of the specialist school and allowed them time to work.

The charity operates primarily by managing its investments and using the annual income to support beneficiaries. This income is augmented by subscriptions from serving members of the regiment and some charitable donations. When a benevolence case occurs, the charity always provides the first tier of funding before seeking assistance if necessary, from the larger specialist military charities mainly funded by the public, such as The Soldier's Charity and last year they provided, along with other charities, £76,594 to Eighty-Four members of the Scots Guards family in need.



We aim to raise £4M over the next 5 years for the Scots Guards Charity. Why? The Fund is concerned that given the current and ongoing military commitments, the regiment will not have enough income to continue to support serving and former Scots Guardsmen and their families which, in our view, is of paramount importance. In the last year we made 84 individual welfare grants.

Our trustees tightly control allocation of available funds according to priority and often seek external sources of aid before calling on regimental funds to conserve resources, but there is still a shortfall. As it stands today, we remain reliant upon the generosity of individuals through annual donations to avoid the charity having to cut its welfare or welfare-related spending of over £440k, annually. At the same time, demand for funds is continually increasing, driven by recent heightened military activity, higher survival rates after serious injury, a general increase in life expectancy and inflation. Unexpected costs, like providing legal defence to guardsmen facing investigations arising from their operational service, stretch the funds available even further and can deplete the funds tied up in investments exacerbating the underlying problem. As such, we are trying to boost the funds under management to a level that is self-supporting; a working party is considering what needs to be done, to achieve this goal.



# THE SCOTS GUARDS CHARITY

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2020

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The trustees present their report and financial statements for the year ended 31 March 2020.

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 Articles of Association, the Companies Act 2006, 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 are to assist and provide relief to any serving or former serving officer, warrant officer, non-commissioned officer or guardsmen, whether male or female, of the Regiment of the Scots Guards, or in exceptional circumstances any person associated with the Regiment of the Scots Guards, and their dependants, including but not exclusively, their spouses, partners, widows, widowers and parents (whether or not married) and children, parents or carers or similar persons who are in hardship or distress or need, whether such need is financial or otherwise.

The trustees confirm that they have referred to the guidance contained in the Charity Commission General Guidance on Public Benefit when reviewing the funds' aims and objectives and to planning future activities and setting grant making policies.

#### Financial review

At the year-end there was a total of funds of £6,548,602 with cash funds of £439,634 carried forward. During the year, it has received donations and charitable income of £402,186. Including charitable donations and support costs the net expenditure amounted to £454,236. The net movement in funds was £245,072.

The charity's investments are managed by Ruffer LLP and Aubrey Capital Management. The investment strategy is to protect the investment assets whilst providing a growing income stream for the charity over the medium term. During the year the market value of the investments held increased by £93,538 and a gain on sale of investments of £172,687 was made.

#### Reserve Policy

The charity aims to hold net current assets, or cash reserves, equivalent to at least 6 months operating costs plus £100k legal and conflict reserve, reflecting the uncertainties inherent to the regiment and the Armed Forces, which is approximately £325,000. At the year end the 'free reserves' stood at £446,582.

Fixed asset investments default as designated funds to generate an income return in the longer term and are actively managed by the trustees at every board meeting in response to the demands on the charity.

#### Structure, governance and management



The charity is a company limited by guarantee. It is affiliated to the Confederation of Service Charities which requires a bi-annual report on compliance with governance best practice, tested against their comprehensive review template. The overarching body responsible for efficient management of the charity are the trustees. New trustees are recruited from serving or retired members of the regiment or from supporters with relevant qualifications. Candidates are chosen because they are seen to have skills and experience which complement or reinforce those of existing trustees. Aspiring trustees should serve on one of the sub-committees before joining the main board. The trustees meet twice a year when policy concerning the charity is discussed and decisions made.

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

# **THE SCOTS GUARDS CHARITY**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

**FOR THE YEAR ENDED 31 MARCH 2020**

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Major General CJ Bell CBE (Appointed 11 July 2020)  
Brigadier (retired) GHFS Nickerson  
The Rt Hon Sir Iain Duncan Smith PC MP  
Captain (retired) M Joynton  
Major L Kerr MBE  
Major (retired) AR Wilson (Resigned 22 June 2020)  
Mrs L Hobbs  
Lord Fellowes GCB GCVO QSO PC (Resigned 2 May 2020)  
Captain (retired) PD Vail (Appointed 27 May 2020)

The trustees are supported by the office holders ( the Regimental Adjutant and the Regimental Welfare and Finance Officer) from the registered office in London and from the office at the Castle in Edinburgh.

### **Statement of trustees' responsibilities.**

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

The laws applicable to charities in England & Wales and Scotland require 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;
- 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 Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the provisions of the charity's constitution and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Review of activities**

The trustees have wide discretion to use the fund to enhance the welfare of Scots Guardsmen on operations and that of their families at home and to relieve hardship or distress, either generally or individually, of serving or former members of the regiment and to provide grants to any other charity or charitable organisation associated with the regiment. Furthermore, they will be able to use monies set aside in investments, as well as income if they deem it appropriate.

During the year funds of £13,718 were raised under the initiative known as The Colonel's Fund. This fund will enable the charity to provide:

- Support to the families of those killed in action by promptly responding to problems of bereavement and hardship,
- Support those wounded or injured on operations, particularly those who have had to leave the Army; to assist in finding them new employment and to help them become active family and community members,
- Support the families of those seriously wounded or injured in prolonged recovery situations.

The activities of the charity during the year are detailed in the Supporting the Regiment section of these accounts.

# THE SCOTS GUARDS CHARITY

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

**FOR THE YEAR ENDED 31 MARCH 2020**

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### **Preserving Regimental Heritage**

The charity owns and preserves a collection of regimental heritage accumulated since the Regiment's formation in 1642, which is managed by a committee of volunteers. This includes the historical archive which is regulated and inspected by the National Archive. An arrangement with FindMyPast has enabled the public to access many of the regimental records online and many other items of historical interest are displayed in the Guards Museum.

### **Plans for Future Periods**

The demands on the charity are increasing due to the large number of operational tours in recent decades. Sadly, these have resulted in some grievous physical injuries causing immediately visible needs. Psychological injuries may take longer to materialise and since operations are continuing with the Regiment due to deploy again next year, the pressure on our funds is steadily increasing. The charity has strengthened its structure with a fundraising committee working alongside the investment committee to attract donations to augment the investment income. A campaign to improve the culture of charitable giving among our potential beneficiaries is showing strong results with a significant increase in self-motivated fund-raising activities including an expedition to attempt a successful ascent of Mount Denali (6194m), the highest peak in North America and the coldest mountain on earth. To support these activities, the charity is in the process of modernising its information technology in order to enhance outreach, harness support and manage donations. It is anticipated that this will be complete by the end of 2020, but the review of investment policy and the initiative to raise funds by charitable donations will continue beyond then.

The current COVID pandemic has reduced our ability to fundraise effectively, including impacting on expedition planning, and a broad swathe of activities are on hold until restrictions have been lifted. The recent upgrade of IT has enabled minimum disruption to the charity's business end, especially delivering benevolence grants to those in need. It is anticipated that there will be an increase in welfare requests once the reality of the damage caused by the pandemic unfolds which has been factored into next year's budget.

A professional fundraiser is not employed by the charity which relies on fundraising by trustees, office holders and volunteers.

### **Risk Management**

The trustees have regard for the principal areas of the charity's operations and the major risks which may arise in these areas. In their opinion, the charity has established resources and review systems which, under normal conditions, should allow the risks identified by them to be mitigated to an acceptable level in its day-to-day operations.

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems are in place to mitigate our exposure to the major risks.

The charity relies partly on its investment returns in order to meet its financial commitments, therefore one of the principal risks lies in the performance of its investments. The trustees have mitigated this by the appointment of professional investment managers to advise them, by having a balanced investment strategy, having a diversified

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



Major General CJ Bell CBE  
Trustee

Dated: 14.12.20



# **THE SCOTS GUARDS CHARITY**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 MARCH 2020***

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The trustees, who are also the directors of The Scots Guards Charity 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 (as amended). They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# THE SCOTS GUARDS CHARITY

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF THE SCOTS GUARDS CHARITY

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#### Opinion

We have audited the financial statements of The Scots Guards Charity (the 'charity') for the year ended 31 March 2020 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### 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 we do not express any form of assurance conclusion thereon.

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.

# THE SCOTS GUARDS CHARITY

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE SCOTS GUARDS CHARITY

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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, 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 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 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.

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

# THE SCOTS GUARDS CHARITY

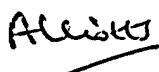
## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE SCOTS GUARDS CHARITY

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#### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Alliotts LLP

22/12/20  
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Chartered Accountants  
Statutory Auditor

Friary Court  
13-21 High Street  
Guildford  
Surrey  
GU1 3DL

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

# THE SCOTS GUARDS CHARITY

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2020

		Unrestricted funds	Unrestricted funds
		2020	2019
	Notes	£	£
<b><u>Income from:</u></b>			
Donations and legacies	3	302,727	6,870,906
Charitable activities	4	89,404	83,361
Other trading activities	5	10,054	3,085
Investments	6	30,898	36,708
<b>Total income</b>		<b>433,083</b>	<b>6,994,060</b>
<b><u>Expenditure on:</u></b>			
Charitable activities	7	454,236	323,400
<b>Net gains/(losses) on investments</b>	12	<b>266,225</b>	<b>(367,130)</b>
<b>Net movement in funds</b>		<b>245,072</b>	<b>6,303,530</b>
Fund balances at 1 April 2019		6,303,530	-
<b>Fund balances at 31 March 2020</b>		<b>6,548,602</b>	<b>6,303,530</b>

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# THE SCOTS GUARDS CHARITY

## BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	13	52,423		52,423	
Investments	14	6,049,597		5,833,538	
		<u>6,102,020</u>		<u>5,885,961</u>	
<b>Current assets</b>					
Stocks	15	15,603		17,379	
Debtors	16	50		-	
Cash at bank and in hand		439,634		400,190	
		<u>455,287</u>		<u>417,569</u>	
<b>Creditors: amounts falling due within one year</b>	17	(8,705)		-	
Net current assets			446,582		417,569
<b>Total assets less current liabilities</b>			<u>6,548,602</u>		<u>6,303,530</u>
<b>Income funds</b>					
<u>Unrestricted funds</u>					
Designated funds	18	6,049,597		5,833,538	
General unrestricted funds		499,005		469,992	
		<u>6,548,602</u>		<u>6,303,530</u>	
			<u>6,548,602</u>		<u>6,303,530</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2020, although an audit has been carried out under section 144 of the Charities Act 2011.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 14.12.20.



Major General CJ Bell CBE  
Trustee

Company Registration No. 10596645

# THE SCOTS GUARDS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2020

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#### 1 Accounting policies

##### Charity information

The Scots Guards Charity is a private company limited by guarantee incorporated in England and Wales. The registered office is Regimental Headquarters Scots Guards, Wellington Barracks, Birdcage Walk, London, SW1E 6HQ.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, 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)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The comparative, 2019, period relates to 8 months activity from 1 August 2018 when the predecessor charity was merged into this entity.

#### 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.

#### 1.4 Incoming resources

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.

# THE SCOTS GUARDS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

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#### 1 Accounting policies

(Continued)

##### 1.5 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:

Fixtures and fittings	over 4 years
Chattels	not depreciated

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 net income/(expenditure) for the year.

##### 1.6 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.

##### 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 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

##### 1.9 Cash and cash equivalents

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

##### 1.10 Financial instruments

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

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

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



# THE SCOTS GUARDS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

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

#### **Basic financial liabilities**

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

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### **1.11 Employee benefits**

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

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.12 Retirement benefits**

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

### 2 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 estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

# THE SCOTS GUARDS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2020**

### 3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Donations and gifts	275,587	135,582
Grants	27,140	6,400
Other	-	6,728,924
	<u>302,727</u>	<u>6,870,906</u>

Other donations comprises the transfer of net assets from the predecessor charity, 'Charities administered in Connection with The Scots Guards' charity on 31 July 2018. It comprises fixed assets, investments, stock, and bank balances.

### 4 Charitable activities

	2020	2019
	£	£
Charitable income	<u>89,404</u>	<u>83,361</u>

### 5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Shop income	<u>10,054</u>	<u>3,085</u>

# THE SCOTS GUARDS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 6 Investments

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
Investment income	29,834	36,130
Interest receivable	1,064	578
	<u>30,898</u>	<u>36,708</u>

### 7 Charitable activities

	2020 £	2019 £
Charitable expenditure	186,898	153,911
Grant funding of activities (see note 8)	108,762	70,403
Share of support costs (see note 9)	140,121	93,913
Share of governance costs (see note 9)	18,455	5,173
	<u>454,236</u>	<u>323,400</u>

### 8 Grants payable

	2020 £	2019 £
Grants to institutions:		
1st Battalion Scots Guards	23,000	15,000
Grants to individuals	85,762	55,403
	<u>108,762</u>	<u>70,403</u>

# THE SCOTS GUARDS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 9 Support costs

	Support costs	Governance costs	2020	Support costs	Governance costs	2019
	£	£	£	£	£	£
Honoraria costs	56,207	-	56,207	37,909	-	37,909
Archives	7,759	-	7,759	4,241	-	4,241
Magazine, Diary and Christmas cards	19,835	-	19,835	21,935	-	21,935
Postage	10,439	-	10,439	4,543	-	4,543
Flowers and wreaths	805	-	805	790	-	790
Fees and insurance	8,805	-	8,805	352	-	352
Events and Gifts	14,512	-	14,512	4,877	-	4,877
Travel costs	2,468	-	2,468	2,987	-	2,987
Regimental stock	4,028	-	4,028	5,040	-	5,040
Regional Headquarters costs	15,263	-	15,263	11,239	-	11,239
Audit/accountancy fees - current year		8,705	8,705			
Audit/accountancy fees - prior year	-	8,400	8,400	-	-	-
Auditors - Other services		390	390			
Previous auditor - other services	-	960	960	-	-	-
Previous auditors 2018 final costs	-	-	-	-	5,173	5,173
	<u>140,121</u>	<u>18,455</u>	<u>158,576</u>	<u>93,913</u>	<u>5,173</u>	<u>99,086</u>
Analysed between Charitable activities	<u>140,121</u>	<u>18,455</u>	<u>158,576</u>	<u>93,913</u>	<u>5,173</u>	<u>99,086</u>

Governance costs includes payments to the auditors of £5,600 (2019 - £5,400) for audit fees.

The prior period of expenditure relates to 8 months of activity in the charitable company.

### 10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

# THE SCOTS GUARDS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 11 Honoraria

There were 2 individuals in receipt of honoraria payments.

	2020 Number	2019 Number
	2	2
	<u>2</u>	<u>2</u>
<b>Honoraria costs</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Honoraria Payments	50,200	32,878
Social security costs	4,036	3,978
Other pension costs	1,971	1,053
	<u>56,207</u>	<u>37,909</u>

No one individual received annual remuneration of £60,000 or more.

### 12 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Revaluation of investments	93,538	(183,018)
Gain/(loss) on sale of investments	172,687	(184,112)
	<u>266,225</u>	<u>(367,130)</u>

# THE SCOTS GUARDS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2020**

### 13 Tangible fixed assets

	Fixtures and fittings £	Chattels £	Total £
<b>Cost</b>			
At 1 April 2019	21,587	52,423	74,010
At 31 March 2020	21,587	52,423	74,010
<b>Depreciation and impairment</b>			
At 1 April 2019	21,587	-	21,587
At 31 March 2020	21,587	-	21,587
<b>Carrying amount</b>			
At 31 March 2020	-	52,423	52,423
At 31 March 2019	-	52,423	52,423

# THE SCOTS GUARDS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 14 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
<b>Cost or valuation</b>			
At 1 April 2019	4,119,966	1,713,572	5,833,538
Additions	3,222,992	-	3,222,992
Valuation changes	266,225	-	266,225
Disposals	(1,894,741)	(1,378,417)	(3,273,158)
At 31 March 2020	5,714,442	335,155	6,049,597
<b>Carrying amount</b>			
At 31 March 2020	5,714,442	335,155	6,049,597
At 31 March 2019	4,119,966	1,713,572	5,833,538

### 15 Stocks

	2020 £	2019 £
Raw materials and consumables	15,603	17,379

### 16 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Other debtors	50	-

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

	2020 £	2019 £
Accruals and deferred income	8,705	-

# THE SCOTS GUARDS CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

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#### 18 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2019	Revaluations, gains and losses	Balance at 31 March 2020
	£	£	£
Investment Fund	5,833,538	216,059	6,049,597
	<u>5,833,538</u>	<u>216,059</u>	<u>6,049,597</u>

The Investment Fund represents the fixed asset investments of the charity which are managed with the aim to generate an income return to support the charity in the longer term, whilst at the same time protecting the underlying investment base.

#### 19 Events after the reporting date

Since the year end, the worldwide outbreak of the coronavirus pandemic (Covid-19) has caused extensive disruptions to organisations globally with major implications for operations as well as finances. The trustees acknowledge and recognise, as set out in the trustees' report, the impact of the Covid-19 pandemic on the operations of the charity, its beneficiaries, partners, stakeholders and on the wider society, and have ensured that both resources and processes are in place to mitigate any disruption to the operations. As a result, the impact of Covid-19 pandemic does not warrant any adjustments to these financial statements.

#### 20 Related party transactions

There were no disclosable related party transactions during the year, other than the grants to the Regiment, which are disclosed in these accounts.