



**SCOTTY'S LITTLE SOLDIERS**

Unit 21 Bergen Way  
King's Lynn  
Norfolk  
PE30 2JG

Dear Supporter.

Thank you for your interest in Scotty's Little Soldiers, the charity for bereaved British Forces Children and Young People.

The day-to-day operations of the charity are conducted by the original Trust which established in 2010. To view the annual report for this charity please search for charity number 1136854.

This Group CIO was established to modernise the charity and provide an organisational structure which would be more suitable for the long term aims of Scotty's Little Soldiers. Once a number of existing lease agreements (for example vehicle leases, a property lease), entered into under the original charity's name, have expired, the original charity will be dissolved and only the newer CIO will continue long term.

What you will find enclosed herein is the Group accounts, which also includes our small trading subsidiary which is wholly owned by the charity and is a vehicle for buying and selling charity branded merchandise. For a more informative report which includes information on the impact of the charity's work please search for the report attached to the charity registered under 1136854.

We anticipate that the original charity will be dissolved at the end of 2021 or 2022, leaving just the CIO.

If you have any questions related to this please feel free to contact us at [hello@scottyslittlesoldiers.co.uk](mailto:hello@scottyslittlesoldiers.co.uk).

Thank you for your support.

**SCOTTY'S LITTLE SOLDIERS**  
**CONSOLIDATED ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

# SCOTTY'S LITTLE SOLDIERS

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Steve Ward Jason Worthy Luke Priestley Megan Harris Simon Millar
<b>Charity number</b>	1170528
<b>Principal address</b>	21 Bergen Way North Lynn Industrial Estate King's Lynn PE30 2JG
<b>Auditor</b>	Mapus-Smith & Lemmon LLP 48 King Street King's Lynn Norfolk PE30 1HE
<b>Bankers</b>	HSBC Bank PLC 19 Minster St Salisbury SP1 1TE
<b>Solicitors</b>	Stone King Thirty Station Road Cambridge Cambridgeshire CB1 2RE

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# SCOTTY'S LITTLE SOLDIERS

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# **SCOTTY'S LITTLE SOLDIERS**

## **TRUSTEE REPORT**

### ***FOR THE YEAR ENDED 31 DECEMBER 2020***

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The Trustees present their report and financial statements for the year ended 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with Scotty's Little Soldiers' (The "CIO") governing document, the Charities Act 2011 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) published on 16 July 2014.

Scotty's Little Soldiers is a Charitable Incorporated Organisation which was set up on 2<sup>nd</sup> December 2016. The original 'Scotty's Little Soldiers (The "Charity" 1136854) was established in 2010 as an unincorporated charity. Following guidance from the Charity Commission the CIO was established and became the sole trustee of the Charity on 27<sup>th</sup> November 2018. The charitable activities will be fully transferred to the CIO and the Charity will be dissolved once all existing lease agreements established by the Charity have expired. This was agreed as the preferred course of action due to the cost and logistical complications of transferring existing leases. This process is expected to be finalised in 2021.

#### **Objectives and activities**

The charity's objects are to provide relief from the effects of bereavement to young people who have suffered the loss of a parent who served with the Armed Forces of the Crown.

#### **Our Promises:**

We want every bereaved Forces child to have:

1. Access to the very best emotional well-being support.
2. Outstanding development opportunities.
3. The chance to smile again.

# SCOTTY'S LITTLE SOLDIERS

## TRUSTEE REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### Review of charitable activities and achievements for the public benefit

Review of charitable activities and achievements for the public benefit

*Relief is delivered through our four Family Programmes:*

Smiles – fun and engagement.

Support – emotional health & well-being.

Strides – education and development.

Springboard – young adults (18-25).

***Each Programme has four guiding principles around which it's activities are focused:***

#### **Smiles:**

- Creating a trusted and supportive community for bereaved Forces children and young people.
- Building support networks and developing friendships.
- Regular engagement throughout the year with fun and exciting opportunities.
- Encouraging bereaved Forces children and young people to smile again.

#### **Support:**

- Resources and information to support bereaved Forces children and young people.
- Guidance for parents and carers to help them support their child from the effects of bereavement.
- Individual bereavement support and referral on to specialised services.
- Bereavement based activities and events to help bereaved Forces children and young people cope with their bereavement and remember their parent.

#### **Strides:**

- Reducing any barriers and disadvantages faced by bereaved Forces children and young people.
- Promoting a positive attitude to education and learning and providing opportunities to develop life skills
- Encouraging bereaved Forces children and young people to develop resilience and thrive.
- Providing opportunities for bereaved Forces children and young people to achieve, succeed and celebrate successes.

#### **Springboard:**

- To provide young adults with opportunities to develop their education and learning, career, volunteering and life skills.
- To encourage, promote and celebrate young adult's achievements.
- Reducing any barriers and disadvantages faced due to their bereavement.
- Providing networking opportunities and help to build connections and friendships.

During 2020 the charity helped 452 bereaved children and young people.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

# SCOTTY'S LITTLE SOLDIERS

## TRUSTEE REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### Financial review

##### Review of the financial position of the Group and reserves policy

###### *The Charity*

The Trustees are pleased to report that financially the organisation is in good health and ended what was a challenging year for all charities with a surplus of £97,471. COVID19 presented huge challenges and uncertainty for the third sector and a combination of cost reduction, primarily through the cancellation of in-person support events and activities, and phenomenal support from the public, corporate partners and grant funders, meant the charity closed the year in a strong position despite forecasting a potential deficit at the mid-year point. The charity managed to grow its income during 2020 to £857,076 (from £758,311 in 2019) whilst containing planned increases in costs to £759,605 (from £751,459). Costs are expected to rise significantly in 2021 both to meet a large growth in demand for the charity's services and to accommodate the return of face-to-face events. It is therefore imperative that the charity continues its current growth trajectory to meet this.

###### **Reserves Policy**

The Trustee Board have agreed a Reserves policy in line with the organisation objectives that all reserves shall be applied solely towards promotion of the object of the charity. In the event of dissolution of the charity the reserves would be first used for severance payments and winding up costs. The constitution states that any surplus must be either used directly for the objects of the charity, be transferred to another charity with like objects or in any other manner approved by the Charity Commission.

Following several years of operating with around 4 months of operating expenses it has been the aim of the charity to increase its cash reserves to between 6 and 9 months of operational costs. The present level of reserves held is £985,004 (2019 £887,533) which includes £466,979 (2019 £491,264) of tangible assets and £409,034 (2019 £274,528) in cash reserves available to use.

£918,244 (2019 £827,127) of the reserves held are categorised as unrestricted funds, £66,760 (2019 £60,406) are categorised as restricted funds.

###### *Trading subsidiary*

The Trustees continue to value the Trading company for commercial activities handled on behalf of the Charity. Brands such as the Fear Naught range have shown there is a large opportunity for future growth and these product ranges provide an additional way to engage with supporters. The operations of the Charity always take priority but the Trustees are committed to the long term income potential of the Trading company

##### **Principal sources of income and how expenditure meets objectives**

As mass participation fundraising events were largely unable to take place during 2020, including our own annual charity ball, because of the global pandemic, public fundraising declined year on year. The availability of emergency COVID19 related grants, support of existing corporate partners and the innovation of virtual public fundraising opportunities filled the void left by traditional forms of fundraising.

The charity's previous decision to focus more on grant opportunities helped to reduce the risk associated with a potential over reliance on public fundraising events. The creation of a new regular donation programme, called Overwatch, and the further development of the charity's merchandise are further examples of our commitment to diversifying our income streams.

The charity also benefited from its first ever legacy donation of £30,000.

# **SCOTTY'S LITTLE SOLDIERS**

## **TRUSTEE REPORT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 DECEMBER 2020***

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#### **Risk Management**

The Trustees has 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.

The Trustees have a risk management review which comprises

- a continuing review of the risks the Charity may face;
- the establishment of systems and procedures to mitigate those identified risks and
- the implementation of procedures designed to minimise the potential impact on the Charity should those risks materialise.

#### **Plans for the future**

A full-service delivery review will take place at the beginning of 2021 following the recruitment of a highly experienced Families Team Project Manager. Several factors had previously limited the charity's desire to provide direct one-to-one support to young people, rather than refer into external organisations, but during 2020 changes to the external landscape has prompted a review of this decision. These factors included the ending of charity Winston's Wish's bespoke military bereavement support (resulting in no dedicated military related one-to-one bereavement support available to young people), wide variations in the quality of civilian support available depending on geographic locations, the development of the charity's internal expertise, and the take up of remote video calls allowing for direct support to be provided nationally from our Norfolk based HQ.

The service review will include retrospectively assessing all existing activities and ensuring each one has clear and measurable outcomes and fits within the charity's service framework.

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

##### **Governing Document**

The CIO is governed by its Constitution dated 02 December 2016. It was registered as a charity with the Charity Commission on 02 December 2016.

The Charity is governed by its Constitution dated 17 April 2010. It was registered as a charity with the Charity Commission on 13 July 2010.

##### **Trustees**

The Trustees who served during the year were:

###### *CIO*

Mr S Ward  
Mr L Priestley  
Mrs M Harris  
Mr S Millar  
Mr J Worth

###### *Charity*

Scotty's Little Soldiers (CIO)



# SCOTTY'S LITTLE SOLDIERS

## TRUSTEE REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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The senior official to whom the day to day management of the CIO and Charity is delegated by the CIO Trustees is Stuart Robinson and co founder Nikki Scott.

#### Appointment of new Trustees

The CIO has a formal Trustee Recruitment policy and process. New Trustees positions can be advertised by the CIO or nominations from the management team and the existing Trustees can be put forward. Those nominated and appointed are elected at the first AGM following appointment.

The CIO plans to add further Trustees over the next 2 years to fill gaps in the boards current skill set.

#### Organisation

The Charity is administered by a committee containing no less than 3 Trustees of the CIO. This committee meets 4 times per year.

To facilitate effective operations the Chief Executive Officer has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance and employment. The CEO reports frequently to the Trustees, usually on a monthly basis via written reports and conference calls.

#### Related parties

As a Charity originally founded by family members and close friends the Trustees of Scotty's Little Soldiers have, in association with the Charity Commission, created a 'Conflicts of Interest Policy' which ensures any potential conflicts of interest are highlighted and transparent.

- Mrs Nikki Scott, Mr John Robinson and Mr Stuart Robinson are listed as Directors of the Limited Trading Company Scotty's Little Soldiers Trading Ltd. This company was created to sell merchandise on behalf of the Charity, the profits from which are all donated to the Charity. No dividends or salaries are taken from the Limited Company. The CIO was confirmed by Companies House as the relevant legal entity with significant control of Scotty's Little Soldiers Trading Ltd on 11/01/2019.

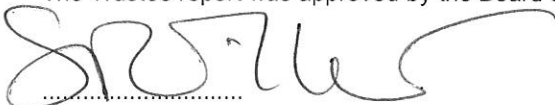
#### Auditor

In accordance with the CIO's governing document, a resolution proposing that Mapus-Smith & Lemmon LLP be reappointed as auditor of the CIO 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 Trustee report was approved by the Board of Trustees.



SIMON MILLAR – CHAIRMAN

Dated: 23-10-21

# **SCOTTY'S LITTLE SOLDIERS**

## **STATEMENT OF TRUSTEE RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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

The law applicable to charities in England and Wales 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 CIO and of the incoming resources and application of resources of the CIO 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 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 sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the CIO and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the CIO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# SCOTTY'S LITTLE SOLDIERS

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF SCOTTYS LITTLE SOLDIERS

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#### Opinion

We have audited the consolidated financial statements of Scotty's Little Soldiers (the 'CIO') and its subsidiaries (the "Group") for the year ended 31 December 2020 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the consolidated statement of cash flows 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 Group's and the parent CIO's affairs as at 31 December 2020 and of the Group's 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 Charities Act 2011.

#### 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee 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 Group'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 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.

# SCOTTY'S LITTLE SOLDIERS

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF SCOTTYS LITTLE SOLDIERS

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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 require us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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 Trustee responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the CIO Charity's and Group'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 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 145 of the Charities Act 2011 and report in accordance with the Act 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.

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

#### **The extent to which the audit was considered capable of detecting irregularities including fraud**

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group, including the Charities Act 2011, taxation legislation, and employment legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

# SCOTTYS LITTLE SOLDIERS

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF SCOTTYS LITTLE SOLDIERS

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We assessed the susceptibility of the Group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journals to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

#### **Other matter**

Your attention is drawn to the fact that the Group has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2016.

# SCOTTY'S LITTLE SOLDIERS

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF SCOTTYS LITTLE SOLDIERS

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#### Use of our report

This report is made solely to the CIO's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the CIO'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 CIO and the CIO's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Sharon Edwards (Senior Statutory Auditor)**

for and on behalf of Mapus-Smith & Lemmon LLP

28/10/2021

**Chartered Accountants**

**Statutory Auditor**

48 King Street  
King's Lynn  
Norfolk  
PE30 1HE

Mapus-Smith & Lemmon LLP is eligible for appointment as auditor of the CIO by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

# SCOTTY'S LITTLE SOLDIERS

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 DECEMBER 2020**

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	As restated Total 2019 £
	Notes				
<b>Income from:</b>					
Restricted donation income	2	592,260	253,956	846,216	742,440
Commercial trading operation		45,921	-	45,921	110,255
<b>Total income received</b>		<u>638,181</u>	<u>253,956</u>	<u>892,137</u>	<u>852,695</u>
<b>Expenditure on:</b>					
Raising funds	3	230,040	-	230,040	239,792
Charitable activities	4	329,580	247,602	577,182	612,219
Taxation	7	(660)	-	(660)	725
<b>Total resources expended</b>		<u>558,960</u>	<u>247,602</u>	<u>806,562</u>	<u>852,736</u>
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		79,221	6,354	85,575	(41)
Fund balances at 1 January 2020		<u>842,043</u>	<u>60,406</u>	<u>902,449</u>	<u>902,490</u>
<b>Fund balances at 31 December 2020</b>		<u><u>921,264</u></u>	<u><u>66,760</u></u>	<u><u>988,024</u></u>	<u><u>902,449</u></u>

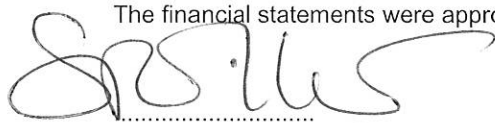
The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

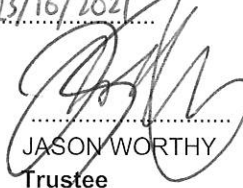
**SCOTTY'S LITTLE SOLDIERS**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

			As restated		
		Group	Group	CIO	CIO
		2020	2019	2020	2019
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10	470,063	493,019	-	-
Investments	11	-	-	3	3
		<u>470,063</u>	<u>493,019</u>	<u>3</u>	<u>3</u>
<b>Current assets:</b>					
Stocks	13	83,440	92,183	-	-
Debtors	14	62,245	65,453	-	-
Cash at bank and in hand		419,064	294,737	-	-
		<u>564,749</u>	<u>452,373</u>	<u>-</u>	<u>-</u>
<b>Creditors: amounts falling due within one year</b>	15	(46,171)	(42,592)	-	-
<b>Net current assets</b>		<u>988,641</u>	<u>409,781</u>	<u>-</u>	<u>-</u>
<b>Provisions for liabilities</b>	16	(617)	(351)	-	-
<b>Total assets less current liabilities</b>		<u>988,024</u>	<u>902,449</u>	<u>3</u>	<u>3</u>
<b>Income funds</b>					
Restricted funds	17	66,760	60,406	-	-
Unrestricted funds		921,264	842,043	3	3
		<u>988,024</u>	<u>902,449</u>	<u>3</u>	<u>3</u>

The financial statements were approved by the Trustees on 13/10/2021



SIMON MILLAR  
Chairman



JASON WORTHY  
Trustee



# SCOTTY'S LITTLE SOLDIERS

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	24		130,890		63,318
Income taxes paid			(785)		(593)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(5,778)		(6,325)	
Cash introduced on acquisitions		-		-	
<b>Net cash used in investing activities</b>			(5,778)		(6,325)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase/(decrease) in cash and cash equivalents</b>			124,327		56,400
Cash and cash equivalents at beginning of year			294,737		238,337
<b>Cash and cash equivalents at end of year</b>			419,064		294,737

# SCOTTY'S LITTLE SOLDIERS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

##### Charity information

Scotty's Little Soldiers is a charitable incorporated organisation (CIO). The principle office for the CIO and its two subsidiaries is 21 Bergen Way, North Lynn Industrial Estate, King's Lynn, Norfolk, PE30 2JG.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the CIO's governing document, the Charities Act 2011 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)" (as amended for accounting periods commencing from 1 January 2016). The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the Group. 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 Basis of accounting and consolidation

These financial statements consolidate the results of the CIO, its unincorporated charitable subsidiary Scotty's Little Soldiers (charity number 1136854) and its trading subsidiary Scotty's Little Soldiers Trading Limited (company number 07667490). The trading subsidiary is a private company limited shares, registered in England and Wales.

A separate statement of financial activities is not presented for the CIO itself following the exemptions available under the Charities SORP.

#### 1.3 Going concern

The trustees consider that there are no material uncertainties about the Group's ability to continue as a going concern.

At the time of approving the financial statements, the trustees have a reasonable expectation that the Group 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. The COVID-19 pandemic does not appear to have affected the finances of the Group to such a degree that going concern is an issue.

#### 1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

The Charity has a restricted income fund to account for situations where a donor or grant provider requires that a donation or grant must be spent on a particular purpose or where funds have been raised for a particular purpose. All other funds are unrestricted income funds.

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

# SCOTTY'S LITTLE SOLDIERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

##### 1.5 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.

Assets for distribution are recognised only when distributed. Assets given for use by the Charity are recognised when receivable. Stocks of undistributed donated goods are not valued for balance sheet purposes.

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.

Grant 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.

##### *Scotty's Little Soldiers Trading Limited*

Turnover represents amounts receivable for goods and services. Turnover also includes amounts received from fund raising events. Amounts receivable from, goods are recognised at despatch of the goods and amounts generated from fund raising events are recognised at the date received.

##### 1.6 Resources expended

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that results in the payment being unavoidable.

- Costs of generating funds are those costs incurred in trading activities that raise funds.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with the constitutional and statutory requirements.

Costs for charitable activities are recognised when the liability is incurred.

##### 1.7 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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

##### Capitalisation of fixed assets

Tangible fixed assets are capitalised at original cost of acquisition. Donated tangible fixed assets which do not have a cost to the Charity are capitalised at their current value at the date of donation.

Lodges	4% straight line basis.
Lodge and office equipment	25% straight line basis
Computers	25% reducing balance basis
Motor vehicles	25% reducing balance basis

##### *Scotty's Little Soldiers Trading Limited*

Fixtures and fittings	15% reducing balance basis
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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.

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# SCOTTY'S LITTLE SOLDIERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **1 Accounting policies**

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

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

#### **1.9 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.

#### **1.10 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.

#### **1.11 Financial instruments**

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

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

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

##### ***Basic financial assets***

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

##### ***Basic financial liabilities***

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

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

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

# SCOTTY'S LITTLE SOLDIERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

##### 1.11 Financial instruments cont:

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

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

##### 1.12 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.

##### 1.13 Retirement benefits

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

##### 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 Taxation

###### *Scotty's Little Soldiers Trading Limited*

The tax expense represents the sum of the tax currently payable and deferred tax.

###### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

###### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# SCOTTY'S LITTLE SOLDIERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 2 Restricted donation income

	Unrestricted funds	Restricted funds	Total	Total
	2020 £	2020 £	2020 £	2019 £
Donations and gifts	557,260	50,000	607,260	560,180
Other general grants	35,000	203,956	238,956	182,260
	<u>592,260</u>	<u>253,956</u>	<u>846,216</u>	<u>742,440</u>
<b>For the year ended 31 December 2019</b>	<u>560,180</u>	<u>182,260</u>		<u>742,440</u>

#### 3 Raising funds

	Unrestricted funds	Total
	2020 £	2019 £
<u>Fundraising and publicity</u>		
Seeking donations, grants and legacies	51,963	62,470
Team costs	65,954	35,701
Support costs	64,506	41,070
	<u>182,423</u>	<u>139,241</u>
Fundraising and publicity		
Commercial trading operation	47,617	90,551
Commercial trading operation – restated	-	10,000
	<u>230,040</u>	<u>239,792</u>

# SCOTTY'S LITTLE SOLDIERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 4 Charitable activities

	Smiles Programme	Strides Programme	Spring Board Programme	Support Programme	Family Programme Activities	Total 2020	Total 2019
	2020	2020	2020	2020	2020		
	£	£	£	£	£	£	£
Team costs	13,767	9,047	7,182	36,199	82,494	148,689	-
Members gifts	53,109	-	-	-	-	53,109	56,558
Member Christmas Event	19,080	-	-	-	-	19,080	55,250
Scotty Breaks	62,422	-	-	-	-	62,422	42,636
Member travel and subsistence	-	-	-	-	-	-	7,959
Scotty Lodge Running Costs	49,530	-	-	-	-	49,530	66,264
Member Costs - IT, Office and Advertising	-	-	-	-	7,882	7,882	22,817
Member Costs - Support	-	-	-	5,992	-	5,992	4,771
Member Costs - Other	3,037	-	-	-	698	3,735	283
Family Communications	-	-	-	-	7,571	7,571	49,000
Springboard Communications	-	-	394	-	-	394	-
Smiles Communications	-	809	-	-	-	809	-
	<u>200,945</u>	<u>9,856</u>	<u>7,576</u>	<u>42,191</u>	<u>98,645</u>	<u>359,213</u>	<u>305,538</u>
Grant funding of activities (see note 5)	-	26,190	-	-	-	26,190	29,938
Share of support costs (see note 6)	28,189	-	-	-	150,474	178,663	266,027
Share of governance costs (see note 6)	-	-	-	-	13,116	13,116	10,716
	<u>229,134</u>	<u>36,046</u>	<u>7,576</u>	<u>42,191</u>	<u>262,235</u>	<u>577,182</u>	<u>612,219</u>
<b>Analysis by fund</b>							
Unrestricted funds	140,737	26,631	5,857	4,322	152,033	329,580	466,002
Restricted funds	88,397	9,415	1,719	37,869	110,202	247,602	146,217
	<u>229,134</u>	<u>36,046</u>	<u>7,576</u>	<u>42,191</u>	<u>262,235</u>	<u>577,182</u>	<u>612,219</u>

# SCOTTY'S LITTLE SOLDIERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 4 Charitable activities (continued)

For the year ended 31 December 2019

	Smiles Programme	Strides Programme	Support Programme	Family Programme Activities	Total 2019
	£	£	£	£	£
Members gifts	56,558	-	-	-	56,558
Member Christmas Event	55,250	-	-	-	55,250
Scotty Breaks	42,636	-	-	-	42,636
Member travel and subsistence	7,959	-	-	-	7,959
Scotty Lodge Running Costs	66,264	-	-	-	66,264
Member Costs - IT, Office and Advertising	-	-	-	22,817	22,817
Member Costs - Support	-	-	4,771	-	4,771
Member Costs - Other	283	-	-	-	283
Family Communications	-	-	-	49,000	49,000
	<u>228,950</u>	<u>-</u>	<u>4,771</u>	<u>71,817</u>	<u>305,538</u>
Grant funding of activities (see note 5)	-	29,938	-	-	29,938
Share of support costs (see note 6)	30,021	-	-	236,006	266,027
Share of governance costs (see note 6)	-	-	-	10,716	10,716
	<u>258,971</u>	<u>29,938</u>	<u>4,771</u>	<u>318,539</u>	<u>612,219</u>
<b>Analysis by fund</b>					
Unrestricted funds	208,481	29,938	827	226,756	466,002
Restricted funds	50,490	-	3,944	91,783	146,217
	<u>258,971</u>	<u>29,938</u>	<u>4,771</u>	<u>318,539</u>	<u>612,219</u>



# SCOTTY'S LITTLE SOLDIERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 5 Grants payable

	2020 £	2019 £
Grants to individuals:		
Members allowances	11,779	15,388
Members grants	14,411	14,550
	<u>26,190</u>	<u>29,938</u>

#### 6 Support costs

	Support costs £	Governance costs £	2020 £	2019 £
Team costs	132,828	-	132,828	187,225
Depreciation	28,189	-	28,189	30,020
Other office costs	36,252	-	36,252	34,745
Premises expenses	609	-	609	5,465
Marketing	41,090	-	41,090	41,070
Insurance	-	-	-	533
Legal and professional fees	-	-	-	5,659
Subscriptions	3,113	-	3,113	1,044
Bank charges	712	-	712	440
Training and other costs	376	-	376	896
Accountancy	-	13,116	13,116	10,716
	<u>243,169</u>	<u>13,116</u>	<u>256,285</u>	<u>317,813</u>
Analysed between				
Fundraising	64,506	-	64,506	41,070
Charitable activities	178,663	13,116	191,779	276,743
	<u>243,169</u>	<u>13,116</u>	<u>256,285</u>	<u>317,813</u>

Governance costs includes payments to the auditors of £8,500 (2019- £7,500) for audit fees, and £4,616 (2019 - £3,216) for non-audit fees.

# SCOTTY'S LITTLE SOLDIERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 7 Taxation

	Group 2020 £	Group 2019 £	CIO 2020 £	CIO 2019 £
UK Corporation tax charge on profit for the year	(926)	785	-	-
Origination and reversal of timing differences	266	(60)	-	-
	<u>(660)</u>	<u>725</u>	<u>-</u>	<u>-</u>

#### 8 Trustees

None of the trustees of the CIO or group (or any persons connected with them) other than set out below received any remuneration during the year.

During the year, the following expenses were paid to the following trustees or those closely connected to trustees:

\*Simon Millar - training courses £339 (2019 - NIL)

\* - Simon Millar is a trustee of the CIO parent entity. The arrangement with Simon Millar was agreed by all the trustees of the CIO and approved in a trustees meeting, along Stuart Robinson as CEO via reference to the charity's governing documents.

#### 9 Employees

##### Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
	<u>12</u>	<u>9</u>
<b>Employment costs</b>	<b>2020 £</b>	<b>2019 £</b>
Wages and salaries	314,943	200,238
Social security costs	25,665	14,940
Other pension costs	6,863	7,748
	<u>347,471</u>	<u>222,926</u>

# SCOTTY'S LITTLE SOLDIERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 9 Employees (continued)

The key management personnel of Scotty's Little Soldiers comprise the Trustees and the Executive Team. The total remuneration including benefits in kind, employers pension contributions, employers National Insurance contributions and termination payments paid to and on behalf of the Executive Team amounted to £102,617 (2019: £96,308).

The number of employees whose annual remuneration was £60,000 or more were:

	2020 Number	2019 Number
£60,001 - £70,000	1	1

#### 10 Tangible fixed assets GROUP

	Lodges	Equipment, fixtures & fittings	Computers	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2020	620,352	17,342	7,866	9,825	655,385
Additions	-	1,874	3,904	-	5,778
Disposals	-	-	-	-	-
At 31 December 2020	620,352	19,216	11,770	9,825	661,163
<b>Depreciation and impairment</b>					
At 1 January 2020	138,084	15,389	3,213	5,680	162,366
Depreciation charged in the period	24,815	744	2,139	1,036	28,734
Eliminated on disposals	-	-	-	-	-
At 31 December 2020	162,899	16,133	5,352	6,716	191,100
<b>Carrying amount</b>					
At 31 December 2020	457,453	3,083	6,418	3,109	470,063
At 31 December 2019	482,268	1,953	4,653	4,145	493,019

The CIO did not hold any tangible fixed assets as at 31 December 2020.

# SCOTTY'S LITTLE SOLDIERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 11 Fixed asset investments

	2020 £	2019 £
Investments in trading subsidiaries	3	3

#### Movements in fixed asset investments

	Shares £
<b>Cost or valuation</b>	
As at 1 January 2020	3
At 31 December 2020	3
<b>Carrying amount</b>	
At 31 December 2020	3
At 31 December 2020	3

Details of the group's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Country of incorporation or residency	Nature of business	Class of shareholding	% Held	DirectIndirect
Scotty's Little Soldiers Trading Limited	United Kingdom	Trading company	Ordinary	100.00	-
Scotty's Little Soldiers	United Kingdom	Unincorporated charity	N/A		

A summary of the subsidiaries performance and assets is shown below:

	Trading 2020 £	Charity 2020 £	Trading 2019 £	Charity 2019 £
Income	45,921	857,076	110,255	758,311
Expenditure	(57,817)	(759,605)	(107,147)	(751,459)
Restatement – See note 23	-	-	(10,000)	-
Surplus/(deficit)	(11,896)	97,471	(6,892)	6,852
Net assets	3,021	985,004	14,917	887,533

# SCOTTY'S LITTLE SOLDIERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

<b>12</b>	<b>Financial instruments</b>			<b>2020</b>	<b>2019</b>
				<b>£</b>	<b>£</b>
	<b>GROUP</b>				
	<b>Carrying amount of financial assets</b>				
	Debt instruments measured at amortised cost			423,354	312,386
	<b>Carrying amount of financial liabilities</b>				
	Measured at amortised cost			46,171	41,665
	<b>CIO</b>				
	<b>Carrying amount of financial assets</b>				
	Debt instruments measured at amortised cost			-	-
	Equity instruments measured at cost less impairment			3	3
	<b>Carrying amount of financial liabilities</b>				
	Measured at amortised cost			-	-
<b>13</b>	<b>Stocks</b>				
		<b>Group</b>	<b>Group</b>	<b>CIO</b>	<b>CIO</b>
		<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	Finished goods and goods for resale	83,440	92,183	-	-
		83,440	92,183	-	-
<b>14</b>	<b>Debtors</b>				
		<b>Group</b>	<b>Group</b>	<b>CIO</b>	<b>CIO</b>
		<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	<b>Amounts falling due within one year:</b>				
	Trade debtors	8,923	19,458	-	-
	Other debtors	4,864	500	-	-
	Prepayments and accrued income	48,458	45,495	-	-
		62,245	65,453	-	-
<b>15</b>	<b>Creditors: amounts falling due within one year</b>				
		<b>Group</b>	<b>Group</b>	<b>CIO</b>	<b>CIO</b>
		<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	Trade creditors	9,175	21,172	-	-
	Corporation Tax	-	926	-	-
	Other creditors	10,751	7,340	-	-
	Accruals and deferred income	26,245	13,154	-	-
		46,171	42,592	-	-

# SCOTTY'S LITTLE SOLDIERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**16 Provisions for liabilities**

	Group 2020 £	Group 2019 £	CIO 2020 £	CIO 2019 £
Deferred taxation	617	351	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	617	351	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

# SCOTTY'S LITTLE SOLDIERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 January 2019	Incoming resources	Resources expended	Balance at 1 January 2020	Incoming resources	Resources expended	Balance at 31 December 2020
	£	£	£	£	£	£	£
Royal British Legion	3,900	-	(3,900)	-	-	-	-
Veterans Foundation	10,000	20,000	(20,000)	10,000	77,658	(77,658)	10,000
The Oakland Raiders	5,742	-	(5,742)	-	-	-	-
Lest we forget Association	2,800	14,960	(17,760)	-	20,450	(20,450)	-
Donation - pledged restricted	1,921	-	(1,921)	-	-	-	-
Annington Homes	-	50,000	(19,594)	30,406	50,000	(54,146)	26,260
Tesco Groundworks	-	49,000	(49,000)	-	7,000	(7,000)	-
ABF - Armys National Charity	-	10,000	(10,000)	-	-	-	-
The MacRobert Trust	-	10,000	(10,000)	-	-	-	-
Lloyds Patriotic Fund	-	10,000	-	10,000	-	-	10,000
Royal Air Force Benevolent Fund	-	3,300	(3,300)	-	6,000	(500)	5,500
Royal Navy and Marines Charity	-	5,000	(5,000)	-	15,000	(10,000)	5,000
The Big Salute	-	10,000	-	10,000	-	-	10,000
National Lottery Community	-	-	-	-	9,250	(9,250)	-
Intelligent Corps Association	-	-	-	-	598	(598)	-
Local Community Foundation Grants	-	-	-	-	8,000	(8,000)	-
Armed Forces Covenant	-	-	-	-	60,000	(60,000)	-
	<u>24,363</u>	<u>182,260</u>	<u>(146,217)</u>	<u>60,406</u>	<u>253,956</u>	<u>(247,602)</u>	<u>66,760</u>

# SCOTTY'S LITTLE SOLDIERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 17 Restricted funds cont.

Veterans Foundation: This funding is being used to fund our Family Programmes.

Lest We Forget: This funding was used as part of our Smiles Programme.

Annington Homes: This funding is being used for our Support Programme.

Tesco Groundworks: This funding was to provide for support costs from Tesco's initiatives for various charitable projects. It has been used as part of our Family Programmes.

The Lloyds Patriotic Fund: This is funding for a Therapeutic Retreat Project to be spent by its members in future years.

Royal Air Force Benevolent Fund: This is funding in respect to RAF members and to assist with the operating costs of the various programmes.

Royal Navy & Royal Marines Charity: This is funding in respect to Royal Navy and Royal Marine members and to assist with the operating costs of the various programmes.

The Big Salute: This funding is being used to fund our Family Programmes.

National Lottery Community: This was funding granted for supporting mental health and wellbeing of at risk bereaved forces members.

Intelligent Corps Association: This is funding used to secure a laptop for a son of a former military fallen individual who served in the Intelligent Corps.

Local Community Foundation Grants: This was funding granted to support bereaved children in local constituencies during Lockdown.

Armed Forces Covenant: This was funding granted to assist members with operating costs affected during the Covid-19 pandemic.

#### 18 Analysis of net assets between funds

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:				
Tangible assets	468,435	1,628	470,063	493,019
Current assets/(liabilities)	452,829	65,132	517,961	409,430
	<u>921,264</u>	<u>66,760</u>	<u>988,024</u>	<u>902,449</u>

#### 19 Operating lease commitments

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

	2020 £	2019 £
Within one year	7,078	20,540
Between two and five years		6,030
	<u>7,078</u>	<u>26,570</u>



# SCOTTY'S LITTLE SOLDIERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 20 Related party transactions

Scotty Little Soldiers Trading Limited paid for expenses on behalf of Scotty's Little Soldiers (Charity) totalling £3,014 during the period ended 31 December 2020 (2019 - £5,871). These expenses mainly related to office running costs for the charity's operations and have been treated as a donation to the charity by Scotty's Little Soldiers Trading Limited.

Scotty Little Soldiers Trading Limited also organised some charitable events on behalf of Scotty's Little Soldiers totalling £7,846. The proceeds from these were directly paid as a charitable donation to Scotty's Little Soldiers.

As at 31 December 2020, Scotty's Little Soldiers Trading Limited owed Scotty's Little Soldiers £37,173 (2019- £37,173) in respect of a loan provided for the purchase of merchandise.

21 Capital commitments	2020 £	2019 £
At 31 December 2020 the Charity had capital commitments as follows:		
Contracted for but not provided in the financial statements:		
Acquisition of property, plant and equipment	11,988	-

The charity had entered into a commitment to pay the remaining 50% of Salesforce website and bespoke software installation costs, upon completion of the project.

#### 22 Thank you

We would like to take this opportunity to thank the people and organisations who make our vital work possible by generously giving their time and money.

Particular thanks goes to our partners and people who have made significant contributions throughout the year:

Estate - Ernst Tuck Deceased  
City Veterans Network  
Yorkshire Indian Society  
Piers Morgan - Who wants to be a Millionaire  
Veterans Foundation  
Lest We Forget Association  
National Lottery Community  
Tesco Groundwork Scheme  
Royal Navy and Royal Marines Charity  
Intelligent Corps Association  
Lloyds Patriotic Fund  
Annington Trust

# SCOTTY'S LITTLE SOLDIERS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 23 Prior period adjustment

##### Reconciliation of changes in reserves

	1 January 2019 £	31 December 2019 £
<b>Adjustments to prior year</b>		
Adjustment for stock overstated as at 31 December 2019	-	(10,000)
Reserves as previously reported	902,490	912,449
Reserves as adjusted	902,490	902,449

##### Analysis of the effect upon reserves

Statement of Financial Activities	-	(10,000)
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##### Reconciliation of changes in surplus/(deficit) for the previous financial period

	2019 £
<b>Adjustments to prior year</b>	
Adjustment for stock overstated as at 31 December 2019 in trading subsidiary	(10,000)
Surplus as previously reported	9,959
Deficit as adjusted	(41)

#### 24 Cash generated from operations

	2020 £	2019 £
Surplus for the year	85,575	(41)
Adjustments for:		
Taxation (credited)	(660)	725
Depreciation and impairment of tangible fixed assets	28,734	30,696
Loss on disposal of tangible fixed assets	-	426
Movements in working capital:		
(Increase)/decrease in stock	8,743	2,773
(Increase) in debtors	3,994	(1,256)
Increase/(decrease) in creditors	4,504	29,995
<b>Cash generated from/(absorbed by) operations</b>	<b>130,890</b>	<b>63,318</b>