

THE SCOTS GUARDS CHARITY

England & Wales · Charity number 1174691

Details

| | |
|----------------|---|
| Other names | THE SCOTS GUARDS |
| Status | Registered |
| Legal form | Charitable company |
| Company number | 10596645 |
| Registered | 2017-09-18 |
| Register | View on the Charity Commission register |

Contact

| | |
|---------|---|
| Address | Regimental Headquarters Scots Guard Wellington Barracks Birdcage Walk London SW1E 6HQ |
| Phone | 01313105042 |
| Email | finance@scotsguards.org |
| Website | www.scotsguards.org |

Activities

Objects: 3 THE OBJECTS OF THE CHARITY (THE 'OBJECTS') ARE FOR THE PUBLIC BENEFIT:3.1.1 TO ASSIST AND PROVIDE RELIEF TO ANY SERVING OR FORMER SERVING OFFICER, WARRANT OFFICER, NON-COMMISSIONED OFFICER OR GUARDSMAN, 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 REMARRIED) AND CHILDREN, PARENTS OR CARERS OR SIMILAR PERSONS WHO ARE IN HARDSHIP OR DISTRESS OR NEED, WHETHER SUCH NEED IS FINANCIAL OR OTHERWISE;3.1.2 TO SUPPORT FINANCIALLY OR OTHERWISE THOSE CHARITIES, WHETHER THE SAME BE A MILITARY OR CIVIL CHARITY, WHICH IN THE OPINION OF THE TRUSTEES OF THE CHARITY DIRECTLY OR INDIRECTLY BENEFITS THOSE PERSON OR PERSONS REFERRED TO IN 3.1.1 ABOVE OR 3.1.3 BELOW;3.1.3 TO PROMOTE THE EFFICIENCY OF THE REGIMENT OF THE SCOTS GUARDS IN SUCH CHARITABLE WAYS AS THE TRUSTEES SHALL DECIDE; AND3.1.4 TO FURTHER SUCH OTHER EXCLUSIVELY CHARITABLE PURPOSES ACCORDING TO THE LAW OF ENGLAND AND WALES AS THE TRUSTEES IN THEIR ABSOLUTE DISCRETION FROM TIME TO TIME DETERMINE.

Activities: The charities objectives are to assist and provide relief to any serving or former Scots Guardsmen, whether male or female, 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.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Armed Forces/emergency Service Efficiency
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies

Geography

- Scotland
- Throughout England And Wales

Finances

| Period end | Income | Expenditure | Assets | Employees |
|------------|----------|-------------|------------|-----------|
| 2025-03-31 | £331,847 | £449,932 | - | - |
| 2024-03-31 | £301,529 | £428,059 | - | - |
| 2023-03-31 | £509,447 | £479,350 | £7,804,549 | 0 |
| 2022-03-31 | £282,214 | £416,119 | - | - |
| 2021-03-31 | £301,988 | £316,020 | - | - |

Trustees

| Name | Role | Appointed |
|---|-------|------------|
| BRIGADIER GEORGE HENRY FAGAN STEWART NICKERSON | Chair | 2017-02-02 |
| Andrew Dalrymple | | 2025-02-04 |
| Brigadier James Douglas Lowther Leask MBE | | 2021-01-25 |
| John Warden McKimm | | 2026-05-06 |
| Lt Col Neil Alexander McClelland MBE | | 2021-05-10 |
| Michael William Joynson | | 2017-02-02 |
| Paul Dominic Vail | | 2020-05-27 |
| RT HON Sir GEORGE IAIN DUNCAN SMITH MP | | 2017-02-02 |

THE SCOTS GUARDS CHARITY

England & Wales - Charity number 1174691

Accounts

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 2025



Scots Guards training in Kenya

THE SCOTS GUARDS CHARITY

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|---|--|
| Trustees | Brigadier (retired) G H F S Nickerson Col J D L Leask MBE The Rt Hon Sir Iain Duncan Smith PC MP Lieutenant Colonel N A McClelland MBE Mrs L Hobbs Captain (retired) M Joynson Captain (retired) P D Vail A D Dalrymple Esq |
| Regimental Adjutant | Major (retired) J R Kelly |
| Regimental Welfare and Finance Officer | Major (retired) M A Cape (Company Secretary) |
| Charity number (England and Wales) | 1174691 |
| Charity number (Scotland) | SC048007 |
| Company number | 10596645 |
| Registered office | Regimental Headquarters Scots Guards Wellington Barracks Birdcage Walk London SW1E 6HQ |
| Auditor | Alliotts LLP Manfield House 1 Southampton Street London WC2R 0LR |
| Bankers | Lloyds TSB Bank Plc Cox's and King's PO Box 1190 7 Pall Mall London SW1Y 5NA |
| Investment advisors | Ruffer LLP 80 Victoria Street London SW1E 5JL AUBREY Capital Management 10 Coates Crescent Edinburgh EH3 7AL Asset Risk Consultants (UK) Ltd (ARCUK) 46 Chancery Lane London WC2A 1JE |

THE SCOTS GUARDS CHARITY

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Scots Guards Past and Present gather to remember those that lost their lives in the Falkland Islands during the Battle of Mount Tumbledown.

THE SCOTS GUARDS CHARITY

SUPPORTING THE REGIMENT

FOR THE YEAR ENDED 31 MARCH 2025

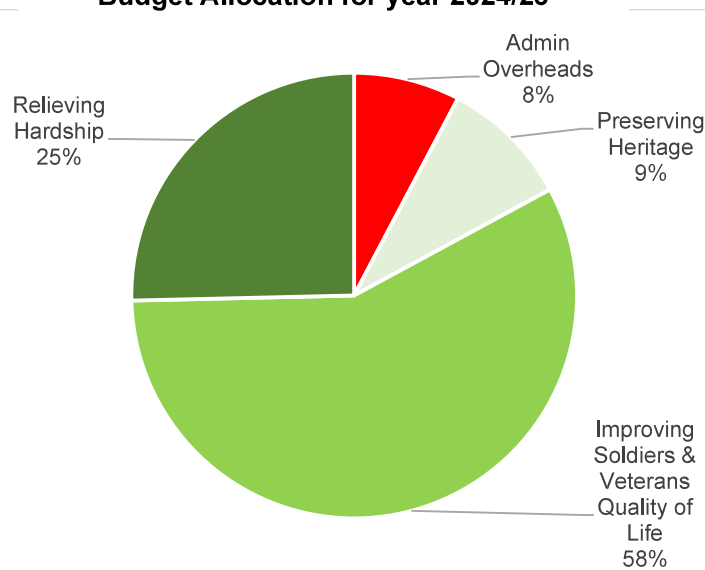
For 383 years we have had an enviable reputation of looking after our own – on the battlefield and off. The guardsmen have always known that they and their families will be properly cared for under all circumstances. It is critical that future generations of guardsmen continue to have total confidence in the regiment's ability to do this.

With this critical and ambitious aim, we need to put our Charitable Fund 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 endeavors.

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 (58%), Relieving Hardship (25%), Administration overheads (8%) and preserving our heritage dating back to 1642 (9%). For relief of hardship, we provide a service for detecting and assessing welfare cases, aided by SSAFA. When we find someone in need, we provide the first tier of benevolence grants while we seek more substantial assistance from the larger service charities or indeed the relevant local authority. In rare cases, where we fail to find external financial assistance, we will consider using our own funds as the charity of last resort. We are therefore proud that nearly all our budget is spent on our charitable aims and our administrative overheads are relatively low.

Budget Allocation for year 2024/25



Our charity gives out financial support based on income generated from investments. Having reviewed our needs, we have been working to raise the profile and add £4M to this investment pot in order to secure the legacy for future generations of the Scots Guards family. A few examples of our work are as follows:



Wounded Soldier receives lifesaving treatment whilst being evacuated by helicopter.

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.

Support to an estranged family. A grant of a £1000 was provided to support a family in need who moved into social housing at short notice which had minimal no furniture. The charity worked alongside other military charities and provided household goods such as a Washing machine, Kettle, Fridge and carpets all needed for the family to feel comfortable in their new home.

THE SCOTS GUARDS CHARITY

SUPPORTING THE REGIMENT

Cost of Living Crisis effect on our low income married soldiers. A Winter fuel Grant of £21,900 was awarded to Seventy low-income families of the Scots Guards to supplement the Government Grant of £400. Married soldiers have been suffering due to the increased fuel and energy burden placed on them by ever spiraling energy and at the highest rate of inflation in living memory, for most, if not all.

Medically Discharged Veteran. A Grant of £4,000 was awarded to assist with replacing an old wheelchair. This Scots Guardsman was on active duty in 1972 and was shot by terrorists, confining him to a wheelchair for over 52 years. The Scots Guards Charity agreed that a better, lighter and more maneuverable chair should be provided which will assist in maintaining a more active lifestyle for longer.

Severely wounded veteran receives grant to repair much needed car adaptations and assist with purchasing a Tri ride. Separate grants of over £3,000 were awarded to assist a veteran injured from service in Afghanistan with repairing his specially adapted car, and also to provide a Tri ride attachment which powers his wheelchair, as this will assist with quality time outdoors with his family for longer periods.

I was able to say goodbye to my wife with dignity. A grant towards funeral costs of a wife was made to a former Sergeant in the Scots Guards with 13 years' service. The sudden death of his wife and a lack of savings resulted in the former soldier being unable to meet the costs of his wife's funeral.

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, such as the Soldier's Charity, and last year they provided with other military charities £115,502 to sixty-three members of the Scots Guards family in need.

We aim to grow our investments by £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 won't 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 63 individual welfare grants.



Scots Guards rehearsing their shooting skills

Our trustees tightly control allocation of available funds according to priority and even though we conserve resources by seeking external sources of aid, there is normally a shortfall. As it stands today, we remain reliant upon the generosity of individuals through annual donations to avoid the Regiment having to cut its welfare or welfare-related spending of over £300k 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 investment capital, exacerbating the underlying problem. As such, we are trying to boost the funds under management to a level that is self-supporting; a committee is continuously reviewing what needs to be done, to achieve this goal.

THE SCOTS GUARDS CHARITY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2025

The trustees present their report and financial statements for the year ended 31 March 2025.

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)" (as amended for accounting periods commencing from 1 January 2019)

Objectives and activities

The charities 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 dependents, 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 planning future activities and setting grant making policies.

Financial review

At the year-end there was a total of funds of £7,895,892 with cash funds of £839,209 carried forward. During the year, it has received income of £331,847. We are grateful for some substantial donations this year, such as a bequest from the estate of Ian Stanley Fraser, grants have been received from the Clothworkers Foundation, Scott (Eridine) Trust and John Scott charitable trust. After charitable donations and support costs, total expenditure was £449,932. The net movement in funds was a negative £78,823. The charity's investments are managed by Ruffer LLP and Aubrey Capital Management. The investments 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 £39,262.

Reserve Policy

The charity aims to hold net current assets, or cash reserves, equivalent to at least 6 months operating costs plus £100,000 legal and conflict reserve, reflecting the uncertainties inherent to the regiment and the Armed Forces, which is approximately £324,935. At the year end the 'free reserves' stood at £1,039,875. Fixed asset investments default as designated funds to generate an income return in the longer term and are actively managed by the trustees at each 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 three times a year when policy concerning the charity is discussed and decisions made.

THE SCOTS GUARDS CHARITY

TRUSTEES' REPORT (INCLUDING DIRECTORS REPORT)

FOR THE YEAR ENDED 31 MARCH 2025

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:

Brigadier (retired) G H F S Nickerson
Colonel J D L Leask MBE
The Rt Hon Sir Iain Duncan Smith PC MP
Lieutenant Colonel N A McClelland MBE
Mrs L Hobbs
Captain (retired) M Joynson
Captain (retired) P D Vail
AD Dalrymple (appointed 4 February 2025)

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.

Review of activities

The results of the funds' activities are shown on page 12. The activities of the charity's investments are shown within these financial statements.

During the year funds of £1,114.75 were raised under the initiative known as The Colonel's Fund. This fund will enable the regiment 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.

Amalgamation With the London Scottish Regiment

During the last reorganization of the Army, the Scots Guards took command of A (London Scottish) Company of the London Regiment who have been renamed G (Messines) Company Scots Guards. The regimental family of the former London Scottish Regiment are beneficiaries of a series of charities within a scheme, including the London Scottish Headquarters Trust which owns London Scottish House. The Scots Guards Charity has been continuing to work for a second year with the Trustees of the various London Scottish charities. The Ministry of Defence has ceased to occupy London Scottish House as a reservist barracks and an ambitious plan to diversify its use had run into financial difficulties under their previous trustees. The Scots Guards Charity provided a loan to the London Scottish Headquarters Trust, which is repayable on demand but is intended to buy time to identify whether the building can be made financially viable. A loan agreement and a restriction has been entered on the title of the property, and a charge has been raised over the property. Meanwhile, the Trustees of the London Scottish Headquarters Trust exercised their discretion to declare the Scots Guards as the successor unit to the London Scottish Regiment, meaning that the Regiment has become the main beneficiary of that Trust. Discussions are continuing over streamlining the other London Scottish charities and closer cooperation with the Scots Guards Charity including the options for a merger.

TRUSTEES' REPORT (INCLUDING DIRECTORS REPORT) FOR THE YEAR ENDED 31 MARCH 2025

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 exposure of the charity has increased 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, the pressure on our funds is steadily increasing. The Charity is also tracking the rapidly developing cost of living crisis which may cause hardship for the families, serving personnel and veterans. The charity has strengthened its structure with a fund-raising committee working alongside the investment committee to attract donations to augment the investment income. Our campaign to improve the culture of charitable giving among our potential beneficiaries continues to show strong results with a significant increase in self-motivated fund-raising activities including a ski insertion to a remote Greenland location before establishing a base camp to then attempt to summit several previously unclimbed peaks. To support this and other activities, the charity is in a major effort to modernize its information technology to enhance outreach, harness support and manage donations. The review of investment policy and the initiative to raise funds by charitable donations is likely to become a continuous cycle.

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, those related to the operations and finances of the Charity and are satisfied those systems are in place to mitigate our exposure to the major risks.

The charity relies partly on its investment returns 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 portfolio and by ensuring that the portfolio is sufficiently liquid to meet obligations in the event of a down-turn in financial markets and/or default.



Brigadier (retired) Nickerson (Nov 12, 2025,
11:52am)

Brigadier (retired) G H F S Nickerson
Trustee

Dated: 12 Nov 2025

THE SCOTS GUARDS CHARITY

TRUSTEES' DECLARATION ON UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

In relation to the financial statements which comprise the statement of financial activities, the balance sheet and the related notes:

- The trustees approve these financial statements and confirm that they are responsible for them, including selecting the appropriate accounting policies, applying them consistently and making, on a reasonable and prudent basis, the judgments underlying them. They have been prepared on the going concern basis on the grounds that the charity will continue in operation.
- The trustees confirm that they have made available to Alliot's LLP, all the charity's accounting records and provided all the information necessary for the compilation of the financial statements.
- The trustees confirm that to the best of their knowledge and belief, the accounting records reflect all transactions of the charity for the year ended 31 March 2025.

On behalf of the board



Brigadier (retired) Nickerson (Nov 12, 2025,
Brigadier (retired) G H F S Nickerson
Trustee

12 Nov 2025
.....

THE SCOTS GUARDS CHARITY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2025

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.

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. 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

Opinion

We have audited the financial statements of The Scots Guards Charity (the 'charity') for the year ended 31 March 2025 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 2025 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The 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.

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 requires 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 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.

THE SCOTS GUARDS CHARITY

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE SCOTS GUARDS CHARITY

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 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.

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 charitable company through discussions with Trustees and other management, and from our knowledge and experience of the sector;
- 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 charitable company, including the Companies Act 2006, the Charities Act 2011, the Charities SORP, the Charities and Trustee Investment (Scotland) Act 2005 and 8 of the Charities Accounts (Scotland) Regulations 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety 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.

We assessed the susceptibility of the charitable company'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.

THE SCOTS GUARDS CHARITY

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE SCOTS GUARDS CHARITY

Audit response to risks identified

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed all transactions listed;
- 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; 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity'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 charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Alliotts

Alliotts LLP (Nov 12, 2025, 1:34pm)
Alliotts LLP

12 Nov 2025
.....

**Chartered Accountants
Statutory Auditor**

Manfield House
1 Southampton Street
London
WC2R 0LR

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

THE SCOTS GUARDS CHARITY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

| | | Unrestricted funds | Restricted funds | Total | Unrestricted funds | Restricted funds | Total |
|---|-------|-----------------------|---------------------|------------------|-----------------------|---------------------|------------------|
| | Notes | 2025 £ | 2025 £ | 2025 £ | 2024 £ | 2024 £ | 2024 £ |
| Income from: | | | | | | | |
| Donations and legacies | 3 | 238,401 | - | 238,401 | 204,645 | - | 204,645 |
| Charitable activities | 4 | 33,430 | - | 33,430 | 41,146 | - | 41,146 |
| Other trading activities | 5 | 14,010 | - | 14,010 | 6,593 | - | 6,593 |
| Investments | 6 | 46,006 | - | 46,006 | 49,145 | - | 49,145 |
| Total income | | <u>331,847</u> | <u>-</u> | <u>331,847</u> | <u>301,529</u> | <u>-</u> | <u>301,529</u> |
| Expenditure on: | | | | | | | |
| Raising funds | 7 | 7,062 | - | 7,062 | 63,852 | - | 63,852 |
| Charitable activities | 8 | 442,870 | - | 442,870 | 349,207 | - | 349,207 |
| Other expenditure | 13 | - | - | - | 15,000 | - | 15,000 |
| Total expenditure | | <u>449,932</u> | <u>-</u> | <u>449,932</u> | <u>428,059</u> | <u>-</u> | <u>428,059</u> |
| Net gains/(losses) on investments | 14 | 39,262 | - | 39,262 | 296,696 | - | 296,696 |
| Net income/(expenditure) and movement in funds | | <u>(78,823)</u> | <u>-</u> | <u>(78,823)</u> | <u>170,166</u> | <u>-</u> | <u>170,166</u> |
| Reconciliation of funds: | | | | | | | |
| Fund balances at 1 April 2024 | | 7,972,701 | 2,014 | 7,974,715 | 7,802,535 | 2,014 | 7,804,549 |
| Fund balances at 31 March 2025 | | <u>7,893,878</u> | <u>2,014</u> | <u>7,895,892</u> | <u>7,972,701</u> | <u>2,014</u> | <u>7,974,715</u> |

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

THE SCOTS GUARDS CHARITY

BALANCE SHEET

AS AT 31 MARCH 2025

| | Notes | 2025 | | 2024 | |
|---|-------|------------------|------------------|------------------|------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Intangible assets | 17 | | 1,536 | | 2,496 |
| Tangible assets | 18 | | 52,423 | | 52,423 |
| Investments | 19 | | 6,800,044 | | 6,752,966 |
| | | | <u>6,854,003</u> | | <u>6,807,885</u> |
| Current assets | | | | | |
| Stocks | 20 | 13,240 | | 13,487 | |
| Debtors | 21 | 200,000 | | 200,000 | |
| Cash at bank and in hand | | 839,209 | | 968,175 | |
| | | <u>1,052,449</u> | | <u>1,181,662</u> | |
| Creditors: amounts falling due within one year | 22 | | (10,560) | | (14,832) |
| Net current assets | | | <u>1,041,889</u> | | <u>1,166,830</u> |
| Total assets less current liabilities | | | <u>7,895,892</u> | | <u>7,974,715</u> |
| The funds of the charity | | | | | |
| Restricted income funds | | | 2,014 | | 2,014 |
| Unrestricted funds | | | 7,893,878 | | 7,972,701 |
| | | | <u>7,895,892</u> | | <u>7,974,715</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 2025.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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.

12 Nov 2025

The financial statements were approved by the trustees on



Brigadier (retired) Nickerson (Nov 12, 2025,
Brigadier (retired) G H F S Nickerson
Trustee

Company registration number 10596645 (England and Wales)

THE SCOTS GUARDS CHARITY

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2025

1 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.

2 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.

2.1 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.

2.2 Going concern

At the time of approving the financial statements, the trustees have considered their position and 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.

2.3 Charitable funds

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

2.4 Income

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

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

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

2 Accounting policies

(Continued)

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.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

2.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

| | |
|--------------------|--------------|
| Information system | over 5 years |
|--------------------|--------------|

2.7 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.

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 the statement of financial activities.

2.8 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.

2.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible 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).

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

2 Accounting policies

(Continued)

2.10 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.

2.11 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.

2.12 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.

Derecognition of financial liabilities

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

2.13 Employee benefits

The charity has no employees but pays honoraria at the discretion of the trustees.

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

2 Accounting policies (Continued)

2.14 Retirement benefits

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

2.15 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.

3 Income from donations and legacies

| | Unrestricted funds 2025 £ | Unrestricted funds 2024 £ |
|---------------------|------------------------------------|------------------------------------|
| Donations and gifts | 204,463 | 166,629 |
| Grants | 33,938 | 38,016 |
| | <u>238,401</u> | <u>204,645</u> |

4 Income from charitable activities

| | Unrestricted funds 2025 £ | Unrestricted funds 2024 £ |
|------------------------------|------------------------------------|------------------------------------|
| Charitable activities | | |
| Sale of goods | 33,430 | 41,146 |
| | <u>33,430</u> | <u>41,146</u> |

5 Income from other trading activities

| | Unrestricted funds 2025 £ | Unrestricted funds 2024 £ |
|-------------|------------------------------------|------------------------------------|
| Shop income | 14,010 | 6,593 |
| | <u>14,010</u> | <u>6,593</u> |

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

6 Investments

| | Unrestricted funds | Unrestricted funds |
|---------------------|-------------------------------|-----------------------|
| | 2025 | 2024 |
| | £ | £ |
| Investment income | 14,878 | 38,925 |
| Interest receivable | 31,128 | 10,220 |
| | <u>46,006</u> | <u>49,145</u> |
| | <u><u>46,006</u></u> | <u><u>49,145</u></u> |

7 Raising funds

| | Unrestricted funds | Unrestricted funds |
|----------------------------------|-------------------------------|-----------------------|
| | 2025 | 2024 |
| | £ | £ |
| <u>Fundraising and publicity</u> | | |
| Other fundraising costs | - | 18,034 |
| | <u>7,062</u> | <u>45,818</u> |
| Investment managers' fees | 7,062 | 45,818 |
| | <u>7,062</u> | <u>63,852</u> |
| | <u><u>7,062</u></u> | <u><u>63,852</u></u> |

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

8 Expenditure on charitable activities

| | Grants payable 2025 £ | Grants payable 2024 £ |
|---|--------------------------------------|--------------------------------------|
| Direct costs | | |
| Depreciation and impairment | 960 | 960 |
| Charitable expenditure | 179,079 | 110,791 |
| | <u>180,039</u> | <u>111,751</u> |
| | | |
| Grant funding of activities and donations (see note 10) | 98,345 | 85,179 |
| | | |
| Share of support and governance costs (see note 9) | | |
| Support | 148,814 | 140,409 |
| Governance | 15,672 | 11,868 |
| | <u>442,870</u> | <u>349,207</u> |
| | | |
| Analysis by fund | | |
| Unrestricted funds | <u>442,870</u> | <u>349,207</u> |

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

9 Support costs

| | Support costs | Governance costs | 2025 | Support costs | Governance costs | 2024 |
|--|----------------|------------------|----------------|----------------|------------------|----------------|
| | £ | £ | £ | £ | £ | £ |
| Honorarium | 48,389 | - | 48,389 | 45,617 | - | 45,617 |
| Archives | 10,652 | - | 10,652 | 5,419 | - | 5,419 |
| Magazine, Diary and Christmas cards | 20,267 | - | 20,267 | 17,914 | - | 17,914 |
| Postage | 7,865 | - | 7,865 | 7,291 | - | 7,291 |
| Flowers and wreaths | 448 | - | 448 | 978 | - | 978 |
| Fees and insurance | 15,765 | - | 15,765 | 15,069 | - | 15,069 |
| Events and Gifts | 3,490 | - | 3,490 | 13,688 | - | 13,688 |
| Travel costs | 853 | - | 853 | 1,419 | - | 1,419 |
| Regimental stock | 15,805 | - | 15,805 | 17,809 | - | 17,809 |
| Regimental Headquarters costs | 12,614 | - | 12,614 | 15,205 | - | 15,205 |
| IT Improvement costs | 12,666 | - | 12,666 | - | - | - |
| Audit fees - current year | - | 9,975 | 9,975 | - | 9,500 | 9,500 |
| Audit fees - prior year under accrual | | 5,697 | 5,697 | | 2,368 | 2,368 |
| | <u>148,814</u> | <u>15,672</u> | <u>164,486</u> | <u>140,409</u> | <u>11,868</u> | <u>152,277</u> |
| Analysed between Charitable activities | <u>148,814</u> | <u>15,672</u> | <u>164,486</u> | <u>140,409</u> | <u>11,868</u> | <u>152,277</u> |

Governance costs includes payments to the auditors of £15,672 (2024 - £11,868) for audit fees.

10 Grants payable

| | Grants payable | Grants payable |
|--|----------------|----------------|
| | 2025 | 2024 |
| | £ | £ |
| Grants to institutions: | | |
| Clothworker's Grant - Awarded to 1st Battalion & 'F' company Scots Guards Regiment | 28,300 | 28,000 |
| Scots Guards Regiment - Command officer, 'F' & 'K' companies and Band Grants | 36,550 | 16,050 |
| | <u>64,850</u> | <u>44,050</u> |
| Grants to individuals | 33,495 | 41,129 |
| | <u>98,345</u> | <u>85,179</u> |

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

| | | |
|--|-------------------|-------------------|
| 11 Net movement in funds | 2025 | 2024 |
| | £ | £ |
| The net movement in funds is stated after charging/(crediting): | | |
| Fees payable for the audit of the charity's financial statements | 15,672 | 11,868 |
| Loss on disposal of tangible fixed assets | - | 15,000 |
| Amortisation of intangible assets | 960 | 960 |
| | <u> </u> | <u> </u> |

12 Trustees

None of the trustees (or any connected persons with them) received any remuneration or benefits from the charity during the year except for £447 (2024: £292) being paid on behalf of trustees for subsistence.

13 Other expenditure

| | Unrestricted funds 2025 £ | Unrestricted funds 2024 £ |
|---|------------------------------------|------------------------------------|
| Net loss on disposal of tangible fixed assets | - | 15,000 |
| | <u> </u> | <u> </u> |

14 Gains and losses on investments

| | Unrestricted funds 2025 £ | Unrestricted funds 2024 £ |
|----------------------------|------------------------------------|------------------------------------|
| Gains/(losses) arising on: | | |
| Revaluation of investments | 14,266 | 262,976 |
| Sale of investments | 24,996 | 33,720 |
| | <u> </u> | <u> </u> |
| | 39,262 | 296,696 |
| | <u> </u> | <u> </u> |

15 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

16 Honoraria

There were 2 individuals in receipt of honoraria payments

| | 2025 Number | 2024 Number |
|--|-------------------|-------------------|
| | 2 | 2 |
| | <u> </u> | <u> </u> |

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

| 16 Honoraria | (Continued) | |
|-----------------|---------------|---------------|
| Honoraria costs | 2025 | 2024 |
| | £ | £ |
| Honoraria | 46,237 | 44,704 |
| Pension | 2,152 | 913 |
| | <u>48,389</u> | <u>45,617</u> |

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

| 17 Intangible fixed assets | Information system |
|------------------------------------|--------------------|
| | £ |
| Cost | |
| At 1 April 2024 and 31 March 2025 | 4,800 |
| Amortisation and impairment | |
| At 1 April 2024 | 2,304 |
| Amortisation charged for the year | 960 |
| At 31 March 2025 | <u>3,264</u> |
| Carrying amount | |
| At 31 March 2025 | <u>1,536</u> |
| At 31 March 2024 | <u>2,496</u> |

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

18 Tangible fixed assets

| | Fixtures and fittings £ | Chattels £ | Total £ |
|------------------------------------|----------------------------|---------------|------------|
| Cost or valuation | | | |
| At 1 April 2024 | 21,587 | 52,423 | 74,010 |
| At 31 March 2025 | 21,587 | 52,423 | 74,010 |
| Depreciation and impairment | | | |
| At 1 April 2024 | 21,587 | - | 21,587 |
| At 31 March 2025 | 21,587 | - | 21,587 |
| Carrying amount | | | |
| At 31 March 2025 | - | 52,423 | 52,423 |
| At 31 March 2024 | - | 52,423 | 52,423 |

19 Fixed asset investments

| | Listed investments £ | Cash in portfolio £ | Total £ |
|--------------------------|-------------------------|------------------------|------------|
| Cost or valuation | | | |
| At 1 April 2024 | 6,746,190 | 6,776 | 6,752,966 |
| Additions | 151,158 | - | 151,158 |
| Valuation changes | 39,262 | 548,894 | 588,156 |
| Dividends (reinvested) | - | 14,878 | 14,878 |
| Fees | - | (7,062) | (7,062) |
| Disposals | (700,052) | - | (700,052) |
| At 31 March 2025 | 6,236,558 | 563,486 | 6,800,044 |
| Carrying amount | | | |
| At 31 March 2025 | 6,236,558 | 563,486 | 6,800,044 |
| At 31 March 2024 | 6,746,190 | 6,776 | 6,752,966 |

20 Stocks

| | 2025 £ | 2024 £ |
|-------------------------------|-----------|-----------|
| Raw materials and consumables | 13,240 | 13,487 |

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

21 Debtors

| | 2025 | 2024 |
|--------------------------------------|----------------|----------------|
| Amounts falling due within one year: | £ | £ |
| Other debtors | 200,000 | 200,000 |
| | <u>200,000</u> | <u>200,000</u> |

The debtor balance relates to a balance repayable on demand for which there is a legal charge over the debtor's property.

22 Creditors: amounts falling due within one year

| | 2025 | 2024 |
|------------------------------------|---------------|---------------|
| | £ | £ |
| Other taxation and social security | - | 1,612 |
| Other creditors | - | 2,241 |
| Accruals and deferred income | 10,560 | 10,979 |
| | <u>10,560</u> | <u>14,832</u> |

23 Retirement benefit schemes

| | 2025 | 2024 |
|--|--------------|------------|
| Defined contribution schemes | £ | £ |
| Charge to the Statement of Financial Activities in respect of defined contribution schemes | 2,152 | 913 |
| | <u>2,152</u> | <u>913</u> |

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

24 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

| | At 1 April 2024 | Incoming resources | Resources expended | Transfers | Gains and losses | At 31 March 2025 |
|-----------------|--------------------|-----------------------|-----------------------|-----------|---------------------|---------------------|
| | £ | £ | £ | £ | £ | £ |
| Investment Fund | 6,752,966 | - | - | 47,078 | - | 6,800,044 |
| General funds | 1,219,735 | 331,847 | (449,932) | (47,078) | 39,262 | 1,093,834 |
| | <u>7,972,701</u> | <u>331,847</u> | <u>(449,932)</u> | <u>-</u> | <u>39,262</u> | <u>7,893,878</u> |

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

24 Unrestricted funds (Continued)

| Previous year: | At 1 April 2023 | Incoming resources | Resources expended | Transfers | Gains and losses | At 31 March 2024 |
|--------------------|--------------------|-----------------------|-----------------------|-----------|---------------------|---------------------|
| | £ | £ | £ | £ | £ | £ |
| Investment Fund | 7,263,165 | - | - | (510,199) | - | 6,752,966 |
| General funds | 539,370 | 301,529 | (428,059) | 510,199 | 296,696 | 1,219,735 |
| | <u>7,802,535</u> | <u>301,529</u> | <u>(428,059)</u> | <u>-</u> | <u>296,696</u> | <u>7,972,701</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.

25 Analysis of net assets between funds

| | Unrestricted funds 2025 £ | Restricted funds 2025 £ | Total 2025 £ |
|------------------------------|------------------------------------|----------------------------------|--------------------|
| At 31 March 2025: | | | |
| Intangible fixed assets | 1,536 | - | 1,536 |
| Tangible assets | 52,423 | - | 52,423 |
| Investments | 6,800,044 | - | 6,800,044 |
| Current assets/(liabilities) | 1,039,875 | 2,014 | 1,041,889 |
| | <u>7,893,878</u> | <u>2,014</u> | <u>7,895,892</u> |
| | | | |
| | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total 2024 £ |
| At 31 March 2024: | | | |
| Intangible fixed assets | 2,496 | - | 2,496 |
| Tangible assets | 52,423 | - | 52,423 |
| Investments | 6,752,966 | - | 6,752,966 |
| Current assets/(liabilities) | 1,164,816 | 2,014 | 1,166,830 |
| | <u>7,972,701</u> | <u>2,014</u> | <u>7,974,715</u> |

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

26 Operating lease commitments

Lessee

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

| | 2025 £ | 2024 £ |
|----------------------------|--------------|---------------|
| Within one year | 9,650 | 9,650 |
| Between two and five years | 226 | 938 |
| | <u>9,876</u> | <u>10,588</u> |

27 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.

THE SCOTS GUARDS CHARITY

England & Wales - Charity number 1174691

Accounts

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 2024



The Scots Guards bid farewell to HRH Duke of Kent after 50 years of service as our Colonel

THE SCOTS GUARDS CHARITY

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|---|--|
| Trustees | Brigadier (retired) G H F S Nickerson Col J D L Leask MBE The Rt Hon Sir Iain Duncan Smith PC MP Major N A McClelland Mrs L Hobbs Captain (retired) M Joynson Captain (retired) P D Vail |
| Regimental Adjutant | Major (retired) J R Kelly |
| Regimental Welfare and Finance Officer | Major (retired) M A Cape (Company Secretary) |
| Charity number (England and Wales) | 1174691 |
| Charity number (Scotland) | SC048007 |
| Company number | 10596645 |
| Registered office | Regimental Headquarters Scots Guards Wellington Barracks Birdcage Walk London SW1E 6HQ |
| Auditor | Alliotts LLP Manfield House 1 Southampton Street London WC2R 0LR |
| Bankers | Lloyds TSB Bank Plc Cox's and King's PO Box 1190 7 Pall Mall London SW1Y 5NA |
| Investment advisors | Ruffer LLP 80 Victoria Street London SW1E 5JL AUBREY Capital Management 10 Coates Crescent Edinburgh EH3 7AL Asset Risk Consultants (UK) Ltd (ARCUK) 46 Chancery Lane London WC2A 1JE |

THE SCOTS GUARDS CHARITY

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The Wreath laying party at the Guards memorial in London

THE SCOTS GUARDS CHARITY

SUPPORTING THE REGIMENT

FOR THE YEAR ENDED 31 MARCH 2024

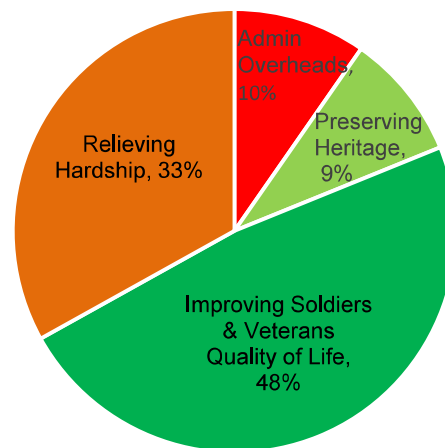
For 382 years we have had an enviable reputation of looking after our own – on the battlefield and off. The guardsmen have always known that they and their families will be properly cared for under all circumstances. It is critical that future generations of guardsmen continue to have total confidence in the Regiment's ability to do this.

With this critical and ambitious aim, we need to put our Charitable Fund 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 endeavors.

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 (48%), Relieving Hardship (33%), Administration overheads (10%) and preserving our heritage dating back to 1642 (9%). For relief of hardship, we provide a service for detecting and assessing welfare cases, aided by SSAFA. When we find someone in need, we provide the first tier of benevolence grants while we seek more substantial assistance from the larger service charities or indeed the relevant local authority. In rare cases, where we fail to find external financial assistance, we will consider using our own funds as the charity of last resort. We are therefore proud that nearly all our budget is spent on our charitable aims and our administrative overheads are relatively low.

Budget Allocation for year 2023/24



Our charity gives out financial support based on income generated from investments. Having reviewed our needs, we have been working to raise the profile and to grow our investments by £4M in order to secure the legacy for future generations of the Scots Guards family. A few examples of our work are as follows:



Wounded Soldier receives lifesaving treatment whilst being evacuated by helicopter.

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.

Assistance with removals and rent. A grant of £300 was provided to assist with removals and rent for a long-standing partner of a Scots Guards veteran. Due to an eviction notice served at short notice the lady and her daughter had nowhere to go and no one to turn to for assistance. The Scots Guards Charity was happy to assist and now the family have a stable home, from which they can concentrate their efforts with the numerous health issues she and her daughter have without the worries of being evicted.

THE SCOTS GUARDS CHARITY

SUPPORTING THE REGIMENT

Cost of Living Crisis effect on our low income married soldiers. A Winter fuel Grant totalling £21,900 was awarded to Seventy low-income families of the Scots Guards to supplement the Government Grant of £400. Married soldiers have been suffering due to the increased fuel and energy burden placed on them by ever spiraling energy and at the highest rate of inflation in living memory, for most, if not all.

Medically Discharged Veteran. A Grant of £4,000 was awarded to assist with replacing an old wheelchair. This Scots Guardsman was on active duty in 1972 and was shot by terrorists, confining him to a wheelchair for over 52 years. The Scots Guards Charity agreed that a better, lighter and more maneuverable chair should be provided which will assist in maintaining a more active lifestyle for longer.

Severely wounded veteran receives grant to repair much needed car adaptations and assist with purchasing a Tri ride. Separate grants of over £3,000 were awarded to assist a veteran injured from service in Afghanistan with repairing his specially adapted car, and also to provide a Tri-ride attachment which powers his wheelchair, as this will assist with quality time outdoors with his family for longer periods.

I was able to say goodbye to my wife with dignity. A grant towards funeral costs of a wife was made to a former Sergeant in the Scots Guards with 13 years' service. The sudden death of his wife and a lack of savings resulted in the former soldier being unable to meet the costs of his wife's funeral.

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, such as the Soldier's Charity and last year they provided other military charities with £115,440 to seventy-two members of the Scots Guards family in need.

We aim to continue to grow our investments by £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 won't 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 72 individual welfare grants.



Scots Guards In Pensioner (Colin Paterson) proudly Standing outside No10 Downing Street

Our trustees tightly control allocation of available funds according to priority and even though we conserve resources by seeking external sources of aid, there is normally a shortfall. As it stands today, we remain reliant upon the generosity of individuals through annual donations to avoid the Regiment having to cut its welfare or welfare-related spending of over £300k 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 investment capital, exacerbating the underlying problem. As such, we are trying to boost the funds under management to a level that is self-supporting; a committee is continuously reviewing what needs to be done, to achieve this goal.

THE SCOTS GUARDS CHARITY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2024

The trustees present their report and financial statements for the year ended 31 March 2024.

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)" (as amended for accounting periods commencing from 1 January 2019)

Objectives and activities

The charities 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 dependents, 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 £7,974,715 with cash funds of £968,175 carried forward. During the year, it has received income of £301,529. We are grateful for some substantial donations this year, such as a bequest from the estate of N Archibald and grants from the Clothworkers Foundation, Scott (Eredine) Trust, the John Scott charitable trust and the David and Kathleen Harvey Trust. After charitable donations and support costs, total expenditure was £428,059. The net movement in funds was a negative £29,834.

The charity's investments are managed by Ruffer LLP and Aubrey Capital Management. The investments 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 £296,697.

Reserve Policy

The charity aims to hold net current assets, or cash reserves, equivalent to at least 6 months operating costs plus £100,000 legal and conflict reserve, reflecting the uncertainties inherent to the regiment and the Armed Forces, which is approximately £275,000. At the year end the 'free reserves' stood at £964,815 Fixed asset investments default as designated funds to generate an income return in the longer term and are actively managed by the trustees at each 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 three times a year when policy concerning the charity is discussed and decisions made.

THE SCOTS GUARDS CHARITY

TRUSTEES' REPORT (INCLUDING DIRECTORS REPORT)

FOR THE YEAR ENDED 31 MARCH 2024

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:

Brigadier (retired) G H F S Nickerson
Col J D L Leask MBE
The Rt Hon Sir Iain Duncan Smith PC MP
Major N A McClelland
Mrs L Hobbs
Captain (retired) M Joynson
Captain (retired) P D Vail

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.

Review of activities

The results of the funds' activities are shown on page 11. The activities of the charity's investments are shown within these financial statements. Charitable spending during the year was lower than normal due to the Covid pandemic restricting our ability to deliver welfare assistance, but the pendulum is expected to swing the other way as the backlog of needy cases is cleared.

During the year funds of £1,970 were raised under the initiative known as The Colonel's Fund. This fund will enable the regiment 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.

Amalgamation With the London Scottish Regiment

During the latest reorganization of the Army, the Scots Guards took command of A (London Scottish) Company of the London Regiment who have been renamed G (Messines) Company Scots Guards. The London Scottish are beneficiaries of a series of charities within a scheme, one of which owns London Scottish House. The Scots Guards Charity has been working with the Trustees of the various London Scottish charities to examine closer ways of working with each other. The Ministry of Defence has ceased to occupy London Scottish House as a reservist barracks and an ambitious plan to diversify its use had run into financial difficulties under their previous trustees. The new trustees considered selling a Victoria Cross, owned by the London Scottish Regimental Trust, in order to raise funds for essential maintenance and to keep the building functioning. At this point, the Scots Guards Charity intervened at the request of the Regimental Lieutenant Colonel of the newly combined regiments to prevent the sale by way of a loan. The loan is repayable on demand, but is intended to buy time to identify whether the building can be made financially viable, while preserving a key item of London Scottish heritage. This offer was accepted by the new Trustees of the London Scottish Headquarters Trust under an executed loan agreement and a restriction has been entered on the title of the property, and a charge has been raised over the property. Meanwhile, the Trustees of the London Scottish Headquarters Trust exercised their discretion to make the whole of the Scots Guards (as opposed to G (Messines) Company) as the successor unit to the London Scottish Regiment, meaning that the Regiment has become the main beneficiary of that Trust. Discussions are continuing over streamlining of the various London Scottish charities and closer cooperation with the Scots Guards Charity.

THE SCOTS GUARDS CHARITY

TRUSTEES' REPORT (INCLUDING DIRECTORS REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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 exposure of the charity has increased 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, the pressure on our funds is steadily increasing. The Charity is also tracking the rapidly developing cost of living crisis which may cause hardship for the families or serving personnel and veterans. The charity has strengthened its structure with a fund-raising 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 a proposed series of activities culminating in a ski insertion to a remote Greenland location before establishing a base camp to then attempt to summit several previously unclimbed peaks. To support this and other activities, the charity is in a major effort to modernize its information technology to enhance outreach, harness support and manage donations. The review of investment policy and the initiative to raise funds by charitable donations is likely to become a continuous cycle.

Our fundraising was seriously curtailed during the pandemic, including impacting on expedition planning, and a broad swathe of activities were suspended until restrictions were lifted. The ongoing upgrade of IT has enabled minimum disruption to the charity business end, especially delivering benevolence grants to those in need. Post pandemic and now in the cost-of-living crisis, we anticipate an increase in welfare requests which has been factored into next year's budget.

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, those related to the operations and finances of the Charity and are satisfied those systems are in place to mitigate our exposure to the major risks.

The charity relies partly on its investment returns 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 portfolio and by ensuring that the portfolio is sufficiently liquid to meet obligations in the event of a down-turn in financial markets and/or default.



Brigadier (retired) G H F S Nickerson
Trustee

Dated: 23/12/2024

THE SCOTS GUARDS CHARITY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2024

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

Opinion

We have audited the financial statements of The Scots Guards Charity (the 'charity') for the year ended 31 March 2024 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 2024 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

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

THE SCOTS GUARDS CHARITY

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE SCOTS GUARDS CHARITY

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.

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 SCOTS GUARDS CHARITY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE SCOTS GUARDS CHARITY

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 charitable company through discussions with Trustees and other management, and from our knowledge and experience of the sector;
- 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 charitable company, including the Companies Act 2006, the Charities Act 2011, the Charities SORP, the Charities and Trustee Investment (Scotland) Act 2005 and 8 of the Charities Accounts (Scotland) Regulations 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety 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.

We assessed the susceptibility of the charitable company'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.

Audit response to risks identified

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed all transactions listed;
- 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; 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE SCOTS GUARDS CHARITY

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE SCOTS GUARDS CHARITY

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Alliotts LLP

Chartered Accountants
Statutory Auditor

23/12/2024
.....

Manfield House
1 Southampton Street
London
WC2R 0LR

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

THE SCOTS GUARDS CHARITY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

| | | Unrestricted funds 2024 | Restricted funds 2024 | Total 2024 | Unrestricted funds 2023 | Restricted funds 2023 | Total 2023 |
|---|-------|-------------------------------|-----------------------------|------------------|-------------------------------|-----------------------------|------------------|
| | Notes | £ | £ | £ | £ | £ | £ |
| Income from: | | | | | | | |
| Donations and legacies | 3 | 204,645 | - | 204,645 | 404,512 | - | 404,512 |
| Charitable activities | 4 | 41,146 | - | 41,146 | 56,209 | - | 56,209 |
| Other trading activities | 5 | 6,593 | - | 6,593 | 6,597 | - | 6,597 |
| Investments | 6 | 49,145 | - | 49,145 | 42,129 | - | 42,129 |
| Total income | | 301,529 | - | 301,529 | 509,447 | - | 509,447 |
| Expenditure on: | | | | | | | |
| Raising funds | 7 | 63,852 | - | 63,852 | 82,418 | - | 82,418 |
| Charitable activities | 8 | 349,207 | - | 349,207 | 396,932 | - | 396,932 |
| Other expenditure | 13 | 15,000 | - | 15,000 | - | - | - |
| Total expenditure | | 428,059 | - | 428,059 | 479,350 | - | 479,350 |
| Net gains/(losses) on investments | 14 | 296,696 | - | 296,696 | (299,776) | - | (299,776) |
| Net income/(expenditure) and movement in funds | | 170,166 | - | 170,166 | (269,679) | - | (269,679) |
| Reconciliation of funds: | | | | | | | |
| Fund balances at 1 April 2023 | | 7,802,535 | 2,014 | 7,804,549 | 8,072,214 | 2,014 | 8,074,228 |
| Fund balances at 31 March 2024 | | 7,972,701 | 2,014 | 7,974,715 | 7,802,535 | 2,014 | 7,804,549 |

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

THE SCOTS GUARDS CHARITY

BALANCE SHEET

AS AT 31 MARCH 2024

| | | 2024 | | 2023 | |
|---|-------|------------------|------------------|------------------|------------------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Intangible assets | 17 | | 2,496 | | 3,456 |
| Tangible assets | 18 | | 52,423 | | 112,423 |
| Investments | 19 | | 6,752,966 | | 7,263,163 |
| | | | <u>6,807,885</u> | | <u>7,379,042</u> |
| Current assets | | | | | |
| Stocks | 20 | 13,487 | | 11,823 | |
| Debtors | 21 | 200,000 | | - | |
| Cash at bank and in hand | | 968,175 | | 426,915 | |
| | | <u>1,181,662</u> | | <u>438,738</u> | |
| Creditors: amounts falling due within one year | 22 | (14,832) | | (13,231) | |
| Net current assets | | | <u>1,166,830</u> | | <u>425,507</u> |
| Total assets less current liabilities | | | <u>7,974,715</u> | | <u>7,804,549</u> |
| The funds of the charity | | | | | |
| Restricted income funds | 26 | 2,014 | | 2,014 | |
| Unrestricted funds | | 7,972,701 | | 7,802,535 | |
| | | <u>7,974,715</u> | | <u>7,804,549</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 2024, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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.

23/12/2024

The financial statements were approved by the trustees on



Brigadier (retired) G H F S Nickerson
Trustee

Company registration number 10596645 (England and Wales)

THE SCOTS GUARDS CHARITY

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2024

1 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.

2 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.

2.1 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.

2.2 Going concern

At the time of approving the financial statements, the trustees have considered their position and 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.

2.3 Charitable funds

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

2.4 Income

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

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

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

2 Accounting policies

(Continued)

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.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

2.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

| | |
|--------------------|--------------|
| Information system | over 5 years |
|--------------------|--------------|

2.7 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.

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 |
| Atlantic Guardsmen | impairment |

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

2.8 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.

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

2 Accounting policies (Continued)

2.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible 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).

2.10 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.

2.11 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.

2.12 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.

Derecognition of financial liabilities

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

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

2 Accounting policies (Continued)

2.13 Employee benefits

The charity has no employees but pays honoraria at the discretion of the trustees.

2.14 Retirement benefits

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

2.15 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.

3 Income from donations and legacies

| | Unrestricted funds 2024 £ | Unrestricted funds 2023 £ |
|---------------------|------------------------------------|------------------------------------|
| Donations and gifts | 166,629 | 376,690 |
| Grants | 38,016 | 27,822 |
| | <u>204,645</u> | <u>404,512</u> |

4 Income from charitable activities

| | Unrestricted funds 2024 £ | Unrestricted funds 2023 £ |
|------------------------------|------------------------------------|------------------------------------|
| Charitable activities | | |
| Charitable income | 41,146 | 56,209 |
| | <u>41,146</u> | <u>56,209</u> |

5 Income from other trading activities

| | Unrestricted funds 2024 £ | Unrestricted funds 2023 £ |
|-------------|------------------------------------|------------------------------------|
| Shop income | 6,593 | 6,597 |
| | <u>6,593</u> | <u>6,597</u> |

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

6 Investments

| | Unrestricted funds | Unrestricted funds |
|---------------------|-------------------------------|-----------------------|
| | 2024 | 2023 |
| | £ | £ |
| Investment income | 38,925 | 39,751 |
| Interest receivable | 10,220 | 2,378 |
| | <u>49,145</u> | <u>42,129</u> |
| | <u><u>49,145</u></u> | <u><u>42,129</u></u> |

7 Raising funds

| | Unrestricted funds | Unrestricted funds |
|----------------------------------|-------------------------------|-----------------------|
| | 2024 | 2023 |
| | £ | £ |
| <u>Fundraising and publicity</u> | | |
| Other fundraising costs | 18,034 | 34,092 |
| | <u>45,818</u> | <u>48,326</u> |
| Investment managers' fees | 63,852 | 82,418 |
| | <u><u>63,852</u></u> | <u><u>82,418</u></u> |

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

8 Expenditure on charitable activities

| | Grants payable 2024 £ | Grants payable 2023 £ |
|---|-----------------------------|-----------------------------|
| Direct costs | | |
| Depreciation and impairment | 960 | 864 |
| Charitable expenditure | 110,791 | 102,425 |
| | <u>111,751</u> | <u>103,289</u> |
| Grant funding of activities and donations (see note 10) | 85,179 | 152,489 |
| Share of support and governance costs (see note 9) | | |
| Support | 140,409 | 130,402 |
| Governance | 11,868 | 10,752 |
| | <u>349,207</u> | <u>396,932</u> |
| Analysis by fund | | |
| Unrestricted funds | <u>349,207</u> | <u>396,932</u> |

9 Support costs

| | Support costs £ | Governance costs £ | 2024 £ | Support costs £ | Governance costs £ | 2023 £ |
|--|--------------------|-----------------------|----------------|--------------------|-----------------------|----------------|
| Honorarium | 45,617 | - | 45,617 | 48,375 | - | 48,375 |
| Archives | 5,419 | - | 5,419 | 9,654 | - | 9,654 |
| Magazine, Diary and Christmas cards | 17,914 | - | 17,914 | 21,176 | - | 21,176 |
| Postage | 7,291 | - | 7,291 | 9,309 | - | 9,309 |
| Flowers and wreaths | 978 | - | 978 | 466 | - | 466 |
| Fees and insurance | 15,069 | - | 15,069 | 14,133 | - | 14,133 |
| Events and Gifts | 13,688 | - | 13,688 | 3,962 | - | 3,962 |
| Travel costs | 1,419 | - | 1,419 | - | - | - |
| Regimental stock | 17,809 | - | 17,809 | 6,094 | - | 6,094 |
| Regimental Headquarters costs | 15,205 | - | 15,205 | 17,233 | - | 17,233 |
| Audit fees | - | 11,868 | 11,868 | - | 10,752 | 10,752 |
| | <u>140,409</u> | <u>11,868</u> | <u>152,277</u> | <u>130,402</u> | <u>10,752</u> | <u>141,154</u> |
| Analysed between Charitable activities | <u>140,409</u> | <u>11,868</u> | <u>152,277</u> | <u>130,402</u> | <u>10,752</u> | <u>141,154</u> |

Governance costs includes payments to the auditors of £11,868 (2023 - £10,560) for audit fees.

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

10 Donations and Grants payable

| | Grants payable 2024 £ | Grants payable 2023 £ |
|--|--------------------------------------|--------------------------------------|
| Grants to institutions: | | |
| Clothworker's Grant - Awarded to 1st Battalion & 'F' company Scots Guards Regiment | 28,000 | 22,004 |
| Scots Guards Regiment - Command officer, 'F' & 'K' companies and Band Grants | 16,050 | 11,050 |
| | <u>44,050</u> | <u>33,054</u> |
| Grants to individuals | (158,871) | 119,435 |
| Donations to London Scottish Headquarters Trust | 200,000 | - |
| | <u>85,179</u> | <u>152,489</u> |

11 Net movement in funds

| | 2024 £ | 2023 £ |
|--|-------------------|-------------------|
| The net movement in funds is stated after charging/(crediting): | | |
| Fees payable for the audit of the charity's financial statements | 11,868 | 10,752 |
| Loss on disposal of tangible fixed assets | 15,000 | - |
| Amortisation of intangible assets | 960 | 864 |
| | <u>27,828</u> | <u>11,616</u> |

12 Trustees

None of the trustees (or any connected persons with them) received any remuneration or benefits from the charity during the year except for £292 (2023: £nil) being paid on behalf of trustees for subsistence.

13 Other expenditure

| | Unrestricted funds 2024 £ | Unrestricted funds 2023 £ |
|---|--|--|
| Net loss on disposal of tangible fixed assets | 15,000 | - |
| | <u>15,000</u> | <u>-</u> |

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

14 Gains and losses on investments

| | Unrestricted funds 2024 £ | Unrestricted funds 2023 £ |
|----------------------------|--|--|
| Gains/(losses) arising on: | | |
| Revaluation of investments | 262,976 | (286,797) |
| Sale of investments | 33,720 | (12,979) |
| | <u>296,696</u> | <u>(299,776)</u> |

15 Honoraria

There were 2 individuals in receipt of honoraria payments

| | 2024 Number | 2023 Number |
|--|------------------------|------------------------|
| | 2 | 2 |
| | <u>2</u> | <u>2</u> |

Honoraria costs

| | 2024 £ | 2023 £ |
|-----------|-------------------|-------------------|
| Honoraria | 44,704 | 47,375 |
| Pension | 913 | 1,000 |
| | <u>45,617</u> | <u>48,375</u> |

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

16 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

17 Intangible fixed assets

| | Information system £ |
|------------------------------------|----------------------------|
| Cost | |
| At 1 April 2023 and 31 March 2024 | 4,800 |
| Amortisation and impairment | |
| At 1 April 2023 | 1,344 |
| Amortisation charged for the year | 960 |
| At 31 March 2024 | 2,304 |
| Carrying amount | |
| At 31 March 2024 | 2,496 |
| At 31 March 2023 | 3,456 |

18 Tangible fixed assets

| | Fixtures and fittings £ | Chattels £ | Atlantic Guardsmen £ | Total £ |
|------------------------------------|-------------------------------|---------------|----------------------------|------------|
| Cost or valuation | | | | |
| At 1 April 2023 | 21,587 | 52,423 | 63,257 | 137,267 |
| Disposals | - | - | (63,257) | (63,257) |
| At 31 March 2024 | 21,587 | 52,423 | - | 74,010 |
| Depreciation and impairment | | | | |
| At 1 April 2023 | 21,587 | - | 3,257 | 24,844 |
| Eliminated in respect of disposals | - | - | (3,257) | (3,257) |
| At 31 March 2024 | 21,587 | - | - | 21,587 |
| Carrying amount | | | | |
| At 31 March 2024 | - | 52,423 | - | 52,423 |
| At 31 March 2023 | - | 52,423 | 60,000 | 112,423 |

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

19 Fixed asset investments

| | Listed investments £ | Cash in portfolio £ | Total £ |
|--------------------------|----------------------------|---------------------------|------------------|
| Cost or valuation | | | |
| At 1 April 2023 | 7,079,342 | 183,821 | 7,263,163 |
| Additions | 2,112,560 | - | 2,112,560 |
| Valuation changes | 262,976 | (170,153) | 92,823 |
| Dividends (reinvested) | - | 38,925 | 38,925 |
| Fees | - | (45,820) | (45,820) |
| Disposals | (2,708,685) | - | (2,708,685) |
| | <u>6,746,193</u> | <u>6,773</u> | <u>6,752,966</u> |
| At 31 March 2024 | 6,746,193 | 6,773 | 6,752,966 |
| Carrying amount | | | |
| At 31 March 2024 | <u>6,746,193</u> | <u>6,773</u> | <u>6,752,966</u> |
| At 31 March 2023 | <u>7,079,342</u> | <u>183,821</u> | <u>7,263,163</u> |

20 Stocks

| | 2024 £ | 2023 £ |
|-------------------------------|---------------|---------------|
| Raw materials and consumables | 13,487 | 11,823 |
| | <u>13,487</u> | <u>11,823</u> |

21 Debtors

| | 2024 £ | 2023 £ |
|---|----------------|-----------|
| Amounts falling due within one year: | | |
| Other debtors | 200,000 | - |
| | <u>200,000</u> | <u>-</u> |

The debtor balance relates to a balance repayable on demand for which there is a legal charge over the debtor's property.

22 Creditors: amounts falling due within one year

| | 2024 £ | 2023 £ |
|------------------------------------|---------------|---------------|
| Other taxation and social security | 1,612 | 2,671 |
| Other creditors | 2,241 | - |
| Accruals and deferred income | 10,979 | 10,560 |
| | <u>14,832</u> | <u>13,231</u> |

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

23 Retirement benefit schemes

| | 2024 | 2023 |
|---|-------------------|-------------------|
| | £ | £ |
| Defined contribution schemes | | |
| Charge to profit or loss in respect of defined contribution schemes | 913 | 1,000 |
| | <u> </u> | <u> </u> |

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

24 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

| | At 1 April 2023 | Incoming resources | Resources expended | Transfers | Gains and losses | At 31 March 2024 |
|-----------------------|----------------------------|-------------------------------|-------------------------------|-------------------|-----------------------------|-----------------------------|
| | £ | £ | £ | £ | £ | £ |
| Investment Fund | 7,263,165 | - | - | (510,199) | - | 6,752,966 |
| General funds | 539,370 | 301,529 | (428,059) | 510,199 | 296,696 | 1,219,735 |
| | <u>7,802,535</u> | <u>301,529</u> | <u>(428,059)</u> | <u>-</u> | <u>296,696</u> | <u>7,972,701</u> |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Previous year: | At 1 April 2022 | Incoming resources | Resources expended | Transfers | Gains and losses | At 31 March 2023 |
| | £ | £ | £ | £ | £ | £ |
| Investment Fund | 7,571,516 | - | - | (308,351) | - | 7,263,165 |
| General funds | 500,698 | 509,447 | (479,350) | 308,351 | (299,776) | 539,370 |
| | <u>8,072,214</u> | <u>509,447</u> | <u>(479,350)</u> | <u>-</u> | <u>(299,776)</u> | <u>7,802,535</u> |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </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.

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

25 Analysis of net assets between funds

| | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total 2024 £ |
|------------------------------|------------------------------------|----------------------------------|-------------------------|
| At 31 March 2024: | | | |
| Intangible fixed assets | 2,496 | - | 2,496 |
| Tangible assets | 52,423 | - | 52,423 |
| Investments | 6,752,966 | - | 6,752,966 |
| Current assets/(liabilities) | 1,164,816 | 2,014 | 1,166,830 |
| | <u>7,972,701</u> | <u>2,014</u> | <u>7,974,715</u> |
| | <u><u>7,972,701</u></u> | <u><u>2,014</u></u> | <u><u>7,974,715</u></u> |
| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total 2023 £ |
| At 31 March 2023: | | | |
| Intangible fixed assets | 3,456 | - | 3,456 |
| Tangible assets | 112,423 | - | 112,423 |
| Investments | 7,263,163 | - | 7,263,163 |
| Current assets/(liabilities) | 423,493 | 2,014 | 425,507 |
| | <u>7,802,535</u> | <u>2,014</u> | <u>7,804,549</u> |
| | <u><u>7,802,535</u></u> | <u><u>2,014</u></u> | <u><u>7,804,549</u></u> |

26 Restricted funds

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

| | Movement in funds 2023 | | Movement in funds 2024 | | Balance at 31 March 2024 £ |
|-------------------------|---------------------------------|----------------------------|----------------------------------|----------------------------|----------------------------------|
| | Balance at 1 April 2022 £ | Incoming Resources £ | Balance at 31 April 2023 £ | Incoming Resources £ | |
| Clothworkers Grant fund | 2,014 | - | 2,014 | - | 2,014 |
| | <u>2,014</u> | <u>-</u> | <u>2,014</u> | <u>-</u> | <u>2,014</u> |
| | <u><u>2,014</u></u> | <u><u>-</u></u> | <u><u>2,014</u></u> | <u><u>-</u></u> | <u><u>2,014</u></u> |

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

27 Operating lease commitments

Lessee

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

| | 2024 | 2023 |
|----------------------------|----------------------|----------------------|
| | £ | £ |
| Within one year | 9,650 | 13,537 |
| Between two and five years | 938 | 1,688 |
| | <u>10,588</u> | <u>15,225</u> |
| | <u><u>10,588</u></u> | <u><u>15,225</u></u> |

28 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.

THE SCOTS GUARDS CHARITY

England & Wales - Charity number 1174691

Accounts

Charity registration number 1174691 (England and Wales)

Charity registration number SC048007 (Scotland)

Company registration number 10596645 (England and Wales)



THE SCOTS GUARDS CHARITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023



The crew of the Atlantic Guardsmen celebrating after their epic race, rowing 3000 nautical miles across the Atlantic Ocean raising funds for the Scots Guards Charity and the Army Benevolent Fund

THE SCOTS GUARDS CHARITY

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|---|---|
| Trustees | Brigadier (retired) G H F S Nickerson Col J D L Leask MBE The Rt Hon Sir Iain Duncan Smith PC MP Major N A McClelland Mrs L Hobbs Captain (retired) M Joynson Captain (retired) P D Vail |
| Regimental Adjutant | Major (retired) J R Kelly |
| Regimental Welfare and Finance Officer | Major (retired) M A Cape (Company Secretary) |
| Charity number (England and Wales) | 1174691 |
| Charity number (Scotland) | SC048007 |
| Company number | 10596645 |
| Principal address | The Castle Edinburgh EH1 2YT |
| Registered office | Regimental Headquarters Scots Guards Wellington Barracks Birdcage Walk London SW1E 6HQ |
| Auditor | Alliotts LLP Manfield House 1 Southampton Street London WC2R 0LR |
| Bankers | Lloyds TSB Bank Plc Cox's and King's PO Box 1190 7 Pall Mall London SW1Y 5NA |
| Investment advisors | Ruffer LLP 80 Victoria Street London SW1E 5JL AUBREY Capital Management 10 Coates Crescent Edinburgh EH3 7AL Asset Risk Consultants (UK) Ltd (ARCUK) 46 Chancery lane London WC2A 1JE |

THE SCOTS GUARDS CHARITY

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Falklands Veterans and their families gather at the memorial service held in Pangbourne College

THE SCOTS GUARDS CHARITY

Supporting the regiment

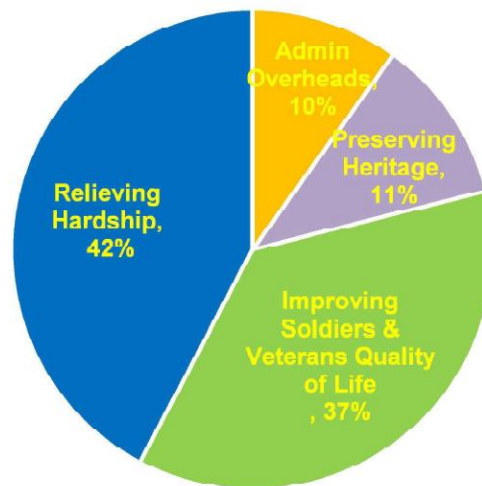
FOR THE YEAR ENDED 31 MARCH 2023

For 381 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 Charitable Fund 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 endeavors.

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 in 4 main areas: Improving Soldiers & Veterans Quality of life (37%), Relieving Hardship (42%), Administration overheads (10%) and preserving our heritage dating back to 1642 (11%). For relief of hardship, we provide a service for detecting and assessing welfare cases, aided by SSAFA. When we find someone in need, we provide the first tier of benevolence grants while we seek more substantial assistance from the larger service charities or indeed the relevant local authority. In rare cases, where we fail to find external financial assistance, we will consider using our own funds as the charity of last resort. We are therefore proud that nearly all our budget is spent on our charitable aims and our administrative overheads are relatively low.



Our charity gives out financial support based on income generated from investments. Having reviewed our needs, we have been working to raise the profile and continue to add up to £4M to this investment pot in order to secure the legacy for future generations of the Scots Guards family. A few examples of our work are as follows:



Wounded Soldier receives lifesaving treatment whilst being evacuated by helicopter.

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.

Assistance with removals and rent. A grant of £300 was provided to assist with removals and rent for a long-standing partner of a Scots Guards veteran. Due to an eviction notice served at short notice the lady and her daughter had nowhere to go and no one to turn to for assistance. The Scots Guards Charity was happy to assist and now the family have a stable home, from which they can concentrate their efforts with the numerous health issues she and her daughter have without the worries of being evicted.

THE SCOTS GUARDS CHARITY

Supporting the regiment

FOR THE YEAR ENDED 31 MARCH 2023

Wife of a veteran is able to purchase a mobility scooter. A grant of £818.97 was awarded to assist in purchasing a Mobility Scooter for the wife of a Scots Guardsman who served 3 years in the 1960s. The veteran's wife was diagnosed with severe degenerative osteoporosis, a heart condition, and issues with her spine. Having a mobility scooter now gives her freedom to leave their home which previously was not an option.

Retired Veteran suffering from COPD receives a new boiler. A grant of £750 was awarded to a Scots Guards Veteran who served 10 years in the 1970s. The old boiler was old and emitting dangerous fumes. The Local Council were unable to assist so the Scots Guards charity assisted with the purchase of a much-needed new boiler.

Retired veteran suffering from PTSD. A grant of £500 was provided to assist with repairs to his car. Although he is in receipt of a PIP this did not include the enhanced rate which is required to be eligible for the motor vehicle car scheme. The veterans' car has become part of his therapy and sanctuary as he suffers from anxiety and mental health issues which prevent him from taking any form of public transport.

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, such as the Soldier's Charity and last year they provided with other military charities £138,219.32 to One hundred and forty-five members of the Scots Guards family in need.

We aim to continue to raise up to £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 won't 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 145 individual welfare grants. The sharp increase of cases compared to previous years was due to the cost-of-living crisis and the increased fuel and energy costs placed upon those in need.



Scots Guards In Pensioner (Colin Paterson) proudly
Standing outside No10 Downing Street

Our trustees tightly control allocation of available funds according to priority and even though we conserve resources by seeking external sources of aid, there is normally a shortfall. Although the peak of the Covid pandemic has receded, it has changed the way that social workers assess cases and the backlog is still evident, which has depressed demand. On the other hand, the cost-of-living crisis has had a major impact, causing expenditure to rise slightly with the expectation of more to follow. As it stands today, we remain reliant upon the generosity of individuals through annual donations to avoid the Regiment having to cut its welfare or welfare-related spending of over £300k 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 defense to guardsmen facing investigations arising from their operational service, stretch the funds available even further and can deplete the investment capital, 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 2023

The trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 2 to the financial statements and comply 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).

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 dependents, 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 £7,804,549 with cash funds of £426,915 carried forward. During the year, we have received income of £509,447. We are grateful for some substantial donations this year, including some generous bequests, grants have been received from the Clothworkers Foundation, Scott (Eridine) Trust and the John Scott charitable trust. Christophe Jungels-Winkler made a generous donation to support our IT improvements. After charitable donations and support costs, total expenditure was £479,349. The net movement in funds was a negative £269,679.

The charity's investments are managed by Ruffer LLP and Aubrey Capital Management. The investments 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 decreased by £308,351.

Reserve Policy

The charity aims to hold net current assets, or cash reserves, equivalent to at least 6 months operating costs plus £100,000 legal and conflict reserve, reflecting the uncertainties inherent to the regiment and the Armed Forces, which is approximately £299,000. At the year end the 'free reserves' stood at £423,493. Fixed asset investments default as designated funds to generate an income return in the longer term and are actively managed by the trustees at each 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 three times a year when policy concerning the charity is discussed and decisions made.

THE SCOTS GUARDS CHARITY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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

Brigadier (retired) G H F S Nickerson
Col J D L Leask MBE
The Rt Hon Sir Iain Duncan Smith PC MP
Major N A McClelland
Mrs L Hobbs
Captain (retired) M Joynson
Captain (retired) P D Vail

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

Review of activities

The results of the funds' activities are shown on page 11. The activities of the charity's investments are shown within these financial statements. Charitable spending during the year was slightly higher than last year with the Covid pandemic receding, only to be replaced by the Cost of Living Crisis. Changes in the methods of assessing welfare cases that became necessary during Covid, have slowed the process, so the new normal of expenditure has not yet become apparent. Just under half of our grants for relieving hardship were disbursed in Scotland.

During the year funds of £360 were raised under the initiative known as The Colonel's Fund. This fund will enable the regiment 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.

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 exposure of the charity has increased 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, the pressure on our funds is steadily increasing. The Charity is also tracking the rapidly developing cost of living crisis which may cause hardship for the families or serving personnel and veterans. The charity has strengthened its structure with a fund-raising 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 an ascent of Mount Denali, the highest peak in North America and the coldest mountain on earth. A team courageously rowed the Atlantic, raising a surplus of just below £35,000, half of which will be shared with the Soldier's Charity. To support these activities, the charity is in a major effort to modernise its information technology to enhance outreach, harness support and manage donations. The review of investment policy and the initiative to raise funds by charitable donations is likely to become a continuous cycle.

THE SCOTS GUARDS CHARITY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Our fundraising was seriously curtailed during the pandemic, including impacting on expedition planning, and a broad swathe of activities were suspended until restrictions were lifted. The ongoing upgrade of IT has enabled minimum disruption to the charity business end, especially delivering benevolence grants to those in need. Post pandemic and now in the cost of living crisis, we anticipate an increase in welfare requests which has been factored into next year's budget.

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, those related to the operations and finances of the Charity and are satisfied those systems are in place to mitigate our exposure to the major risks.

The charity relies partly on its investment returns 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 portfolio and by ensuring that the portfolio is sufficiently liquid to meet obligations in the event of a down-turn in financial markets and/or default.

Auditor

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

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



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Brigadier (retired) G H F S Nickerson
Trustee

21/11/2023

Date:

THE SCOTS GUARDS CHARITY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

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; 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

Opinion

We have audited the financial statements of The Scots Guards Charity (the 'charity') for the year ended 31 March 2023 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 2023 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

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

THE SCOTS GUARDS CHARITY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE SCOTS GUARDS CHARITY

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.

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 SCOTS GUARDS CHARITY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE SCOTS GUARDS CHARITY

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 charitable company through discussions with Trustees and other management, and from our knowledge and experience of the sector;
- 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 charitable company, including the Companies Act 2006, the Charities Act 2011, the Charities SORP, the Charities and Trustee Investment (Scotland) Act 2005 and 8 of the Charities Accounts (Scotland) Regulations 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety 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.

We assessed the susceptibility of the charitable company'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.

Audit response to risks identified

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed all transactions listed;
- 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; 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE SCOTS GUARDS CHARITY

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE SCOTS GUARDS CHARITY

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Alliotts LLP

22/11/2023

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**Chartered Accountants
Statutory Auditor**

Manfield House
1 Southampton Street
London
WC2R 0LR

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

THE SCOTS GUARDS CHARITY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

| | Notes | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total 2023 £ | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total 2022 £ |
|---------------------------------------|-------|---------------------------------|-------------------------------|--------------------|---------------------------------|-------------------------------|--------------------|
| <u>Income from:</u> | | | | | | | |
| Donations and legacies | 3 | 404,512 | - | 404,512 | 206,597 | - | 206,597 |
| Charitable activities | 4 | 56,209 | - | 56,209 | 30,154 | - | 30,154 |
| Other trading activities | 5 | 6,597 | - | 6,597 | 7,016 | - | 7,016 |
| Investments | 6 | 42,129 | - | 42,129 | 38,447 | - | 38,447 |
| Total income | | 509,447 | - | 509,447 | 282,214 | - | 282,214 |
| <u>Expenditure on:</u> | | | | | | | |
| Raising funds | 7 | 82,418 | - | 82,418 | 52,571 | - | 52,571 |
| Charitable activities | 8 | 396,932 | - | 396,932 | 363,548 | - | 363,548 |
| Total expenditure | | 479,350 | - | 479,350 | 416,119 | - | 416,119 |
| Net gains/(losses) on investments | 12 | (299,776) | - | (299,776) | (104,119) | - | (104,119) |
| Net movement in funds | | (269,679) | - | (269,679) | (238,024) | - | (238,024) |
| Fund balances at 1 April 2022 | | 8,072,214 | 2,014 | 8,074,228 | 8,310,238 | 2,014 | 8,312,252 |
| Fund balances at 31 March 2023 | | 7,802,535 | 2,014 | 7,804,549 | 8,072,214 | 2,014 | 8,074,228 |

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 2023

| | Notes | 2023 | | 2021 | |
|---|-------|----------------|------------------|----------------|------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Intangible assets | 15 | | 3,456 | | 4,320 |
| Tangible assets | 16 | | 112,423 | | 112,423 |
| Investments | 17 | | 7,263,163 | | 7,571,516 |
| | | | <u>7,379,042</u> | | <u>7,688,259</u> |
| Current assets | | | | | |
| Stocks | 18 | 11,823 | | 12,483 | |
| Cash at bank and in hand | | 426,915 | | 384,690 | |
| | | <u>438,738</u> | | <u>397,173</u> | |
| Creditors: amounts falling due within one year | 19 | (13,231) | | (11,204) | |
| Net current assets | | | <u>425,507</u> | | <u>385,969</u> |
| Total assets less current liabilities | | | <u>7,804,549</u> | | <u>8,074,228</u> |
| Income funds | | | | | |
| Restricted funds | | | 2,014 | | 2,014 |
| <u>Unrestricted funds</u> | | | | | |
| Designated funds | 20 | 7,263,165 | | 7,571,516 | |
| General unrestricted funds | | 539,370 | | 500,698 | |
| | | | <u>7,802,535</u> | | <u>8,072,214</u> |
| | | | <u>7,804,549</u> | | <u>8,074,228</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 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 21/11/2023

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Brigadier (retired) G H F S Nickerson
Trustee

Company Registration No. 10596645

THE SCOTS GUARDS CHARITY

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2023

1 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.

2 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.

2.1 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.

2.2 Going concern

At the time of approving the financial statements, the trustees have have considered their position following the covid 19 pandemic and 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.

2.3 Charitable funds

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

2.4 Income

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

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

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies

(Continued)

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.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

2.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

| | |
|--------------------|--------------|
| Information system | over 5 years |
|--------------------|--------------|

2.7 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.

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 |
| Atlantic Guardsmen | impairment |

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

2.8 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.

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies

(Continued)

2.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible 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).

2.10 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.

2.11 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.

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.

2.12 Employee benefits

The charity has no employees but pays honoraria at the discretion of the trustees.

2.13 Retirement benefits

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

2.14 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.

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

3 Donations and legacies

| | Unrestricted funds | Unrestricted funds |
|---------------------|-----------------------|-----------------------|
| | 2023 £ | 2022 £ |
| Donations and gifts | 376,690 | 186,469 |
| Grants | 27,822 | 20,128 |
| | <u>404,512</u> | <u>206,597</u> |

4 Charitable activities

| | 2023 £ | 2022 £ |
|-------------------|-----------|-----------|
| Charitable income | 56,209 | 30,154 |

5 Other trading activities

| | Unrestricted funds | Unrestricted funds |
|-------------|-----------------------|-----------------------|
| | 2023 £ | 2022 £ |
| Shop income | 6,597 | 7,016 |

6 Investments

| | Unrestricted funds | Unrestricted funds |
|---------------------|-----------------------|-----------------------|
| | 2023 £ | 2022 £ |
| Investment income | 39,751 | 38,162 |
| Interest receivable | 2,378 | 285 |
| | <u>42,129</u> | <u>38,447</u> |

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

7 Raising funds

| | Unrestricted funds | Unrestricted funds |
|----------------------------------|-------------------------------|-----------------------|
| | 2023 | 2022 |
| | £ | £ |
| <u>Fundraising and publicity</u> | | |
| Other fundraising costs | 34,092 | - |
| Investment managers' fees | 48,326 | 52,571 |
| | <u>82,418</u> | <u>52,571</u> |

8 Charitable activities

| | Grants payable | Grants payable |
|---|---------------------------|---------------------------|
| | 2023 | 2021 |
| | £ | £ |
| Depreciation and impairment | 864 | 240 |
| Charitable expenditure | 102,425 | 156,789 |
| | <u>103,289</u> | <u>157,029</u> |
| Grant funding of activities (see note 10) | 152,489 | 67,405 |
| Share of support costs (see note 9) | 130,402 | 126,535 |
| Share of governance costs (see note 9) | 10,752 | 12,579 |
| | <u>396,932</u> | <u>363,548</u> |

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

9 Support costs

| | Support costs | Governance costs | 2023 | Support costs | Governance costs | 2022 |
|--|----------------|------------------|----------------|----------------|------------------|----------------|
| | £ | £ | £ | £ | £ | £ |
| Honorarium | 48,375 | - | 48,375 | 47,493 | - | 47,493 |
| Archives | 9,654 | - | 9,654 | 6,690 | - | 6,690 |
| Magazine, Diary and Christmas cards | 21,176 | - | 21,176 | 19,720 | - | 19,720 |
| Postage | 9,309 | - | 9,309 | 5,916 | - | 5,916 |
| Flowers and wreaths | 466 | - | 466 | 780 | - | 780 |
| Fees and insurance | 14,133 | - | 14,133 | 14,472 | - | 14,472 |
| Events and Gifts | 3,962 | - | 3,962 | 14,364 | - | 14,364 |
| Travel costs | - | - | - | 187 | - | 187 |
| Regimental stock | 6,094 | - | 6,094 | 4,933 | - | 4,933 |
| Regimental Headquarters costs | 17,233 | - | 17,233 | 11,980 | - | 11,980 |
| Audit fees | - | 10,752 | 10,752 | - | 12,579 | 12,579 |
| | <u>130,402</u> | <u>10,752</u> | <u>141,154</u> | <u>126,535</u> | <u>12,579</u> | <u>139,114</u> |
| Analysed between Charitable activities | <u>130,402</u> | <u>10,752</u> | <u>141,154</u> | <u>126,535</u> | <u>12,579</u> | <u>139,114</u> |

Governance costs includes payments to the auditors of £10,560 (2022 - £9,600) for audit fees.

10 Grants payable

| | Grants payable 2023 | Grants payable 2022 |
|--|---------------------|---------------------|
| | £ | £ |
| Grants to institutions: | | |
| Clothworker's Grant - Awarded to 1st Battalion & 'F' company Scots Guards Regiment | 22,004 | 20,000 |
| Scots Guards Regiment - Command officer, 'F' & 'K' companies and Band Grants | 11,050 | 11,050 |
| | <u>33,054</u> | <u>31,050</u> |
| Grants to individuals | 119,435 | 36,355 |
| | <u>152,489</u> | <u>67,405</u> |

-

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

11 Trustees

None of the trustees (or any connected persons with them) received any remuneration or benefits from the charity during the year except for £nil (2022: £nil) being paid on behalf of trustees for subsistence.

12 Net gains/(losses) on investments

| | Unrestricted funds | Unrestricted funds |
|------------------------------------|-----------------------|-----------------------|
| | 2023 | 2022 |
| | £ | £ |
| Revaluation of investments | (286,797) | (115,759) |
| Gain/(loss) on sale of investments | (12,979) | 11,640 |
| | <u>(299,776)</u> | <u>(104,119)</u> |

13 Honoraria

There were 2 individuals in receipt of honoraria payments

| | 2023 Number | 2022 Number |
|--|----------------|----------------|
| | 2 | 2 |
| | <u>2</u> | <u>2</u> |

Honoraria costs

| | 2023 £ | 2022 £ |
|-----------|---------------|---------------|
| Honoraria | 47,375 | 46,501 |
| Pension | 1,000 | 992 |
| | <u>48,375</u> | <u>47,493</u> |

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

14 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

15 Intangible fixed assets

| | Information system £ |
|------------------------------------|-------------------------|
| Cost | |
| At 1 April 2022 and 31 March 2023 | 4,800 |
| Amortisation and impairment | |
| At 1 April 2022 | 480 |
| Amortisation charged for the year | 864 |
| At 31 March 2023 | 1,344 |
| Carrying amount | |
| At 31 March 2023 | 3,456 |
| At 31 March 2022 | 4,320 |

16 Tangible fixed assets

| | Fixtures and fittings £ | Chattels £ | Atlantic Guardsmen £ | Total £ |
|------------------------------------|----------------------------|---------------|-------------------------|------------|
| Cost or valuation | | | | |
| At 1 April 2022 | 21,587 | 52,423 | 63,257 | 137,267 |
| At 31 March 2023 | 21,587 | 52,423 | 63,257 | 137,267 |
| Depreciation and impairment | | | | |
| At 1 April 2022 | 21,587 | - | 3,257 | 24,844 |
| At 31 March 2023 | 21,587 | - | 3,257 | 24,844 |
| Carrying amount | | | | |
| At 31 March 2023 | - | 52,423 | 60,000 | 112,423 |
| At 31 March 2022 | - | 52,423 | 60,000 | 112,423 |

The boat, the Atlantic Guardsmen has a value of £60,000 at 31 March 2023 based on a Trustees' valuation. The valuation is based on an estimate of current market value of similar craft.

At 31 March 2023, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £48,000 (2022 - £54,000)

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 Fixed asset investments

| | Listed investments £ | Cash in portfolio | Total £ |
|--------------------------|----------------------------|----------------------|------------------|
| Cost or valuation | | | |
| At 1 April 2022 | 7,241,371 | 330,145 | 7,571,516 |
| Additions | 3,468,310 | - | 3,468,310 |
| Valuation changes | (286,797) | (146,323) | (433,120) |
| Disposals | (3,343,542) | - | (3,343,542) |
| At 31 March 2023 | <u>7,079,342</u> | <u>183,822</u> | <u>7,263,164</u> |
| Carrying amount | | | |
| At 31 March 2023 | <u>7,079,342</u> | <u>183,822</u> | <u>7,263,164</u> |
| At 31 March 2022 | <u>7,241,371</u> | <u>330,145</u> | <u>7,571,516</u> |

18 Stocks

| | 2023 £ | 2022 £ |
|-------------------------------|-----------|-----------|
| Raw materials and consumables | 11,823 | 12,483 |

19 Creditors: amounts falling due within one year

| | 2023 £ | 2022 £ |
|------------------------------------|---------------|---------------|
| Other taxation and social security | 2,671 | - |
| Trade creditors | - | 840 |
| Accruals and deferred income | 10,560 | 10,364 |
| | <u>13,231</u> | <u>11,204</u> |

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

20 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 2021 | Transfers | Balance at 1 April 2022 | Transfers | Balance at 31 March 2023 |
|-----------------|----------------------------|------------------|----------------------------|------------------|-----------------------------|
| | £ | £ | £ | £ | £ |
| Investment Fund | 7,790,044 | (218,528) | 7,571,516 | (308,351) | 7,263,165 |
| | <u>7,790,044</u> | <u>(218,528)</u> | <u>7,571,516</u> | <u>(308,351)</u> | <u>7,263,165</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.

21 Analysis of net assets between funds

| | Unrestricted funds 2023 | Restricted funds 2023 | Total Unrestricted funds 2023 | Restricted funds 2022 | Total 2022 |
|--|-------------------------------|-----------------------------|-------------------------------------|-----------------------------|------------------|
| | £ | £ | £ | £ | £ |
| Fund balances at 31 March 2023 are represented by: | | | | | |
| Intangible fixed assets | 3,456 | - | 3,456 | - | 4,320 |
| Tangible assets | 112,423 | - | 112,423 | - | 112,423 |
| Investments | 7,263,163 | - | 7,263,163 | - | 7,571,516 |
| Current assets/(liabilities) | 423,493 | 2,014 | 425,507 | 2,014 | 385,969 |
| | <u>7,802,535</u> | <u>2,014</u> | <u>7,804,549</u> | <u>2,014</u> | <u>8,074,228</u> |

22 Operating lease commitments

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

| | 2023 £ | 2022 £ |
|----------------------------|---------------|---------------|
| Within one year | 13,537 | 14,093 |
| Between two and five years | 1,688 | 6,325 |
| | <u>15,225</u> | <u>20,418</u> |

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

23 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.

THE SCOTS GUARDS CHARITY

England & Wales - Charity number 1174691

Accounts

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 2022



Scots Guards Past and Present gather to remember those that lost their lives during the Battle of Mount Tumbledown during the Falklands War, 40 years on.

THE SCOTS GUARDS CHARITY

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|---|--|
| Trustees | Brigadier (retired) G H F S Nickerson Col J D L Leask MBE The Rt Hon Sir Iain Duncan Smith PC MP Major N A McClelland Mrs L Hobbs Captain (retired) M Joynson Captain (retired) P D Vail |
| Regimental Adjutant | Major (retired) J R Kelly |
| Regimental Welfare and Finance Officer | Major (retired) M A Cape (Company Secretary) |
| Charity number (England and Wales) | 1174691 |
| Charity number (Scotland) | SC048007 |
| Company number | 10596645 |
| Registered office | Regimental Headquarters Scots Guards Wellington Barracks Birdcage Walk London SW1E 6HQ |
| Auditor | Alliotts LLP Imperial House 15 Kingsway London WC2B 6UN |
| Bankers | Lloyds TSB Bank Plc Cox's and King's PO Box 1190 7 Pall Mall London SW1Y 5NA |
| Investment advisors | Ruffer LLP 80 Victoria Street London SW1E 5JL AUBREY Capital Management 10 Coates Crescent Edinburgh EH3 7AL Asset Risk Consultants (UK) Ltd (ARCUK) 46 Chancery Lane London WC2A 1JE |

THE SCOTS GUARDS CHARITY

SUPPORTING THE REGIMENT

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| Statement of financial activities | 13 |
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| Notes to the financial statements | 15 - 24 |



Scots Guards Association Pipes & Drums (Scotland) who played at the Falklands 40 Commemoration in St Andrew's Square, Edinburgh.

THE SCOTS GUARDS CHARITY

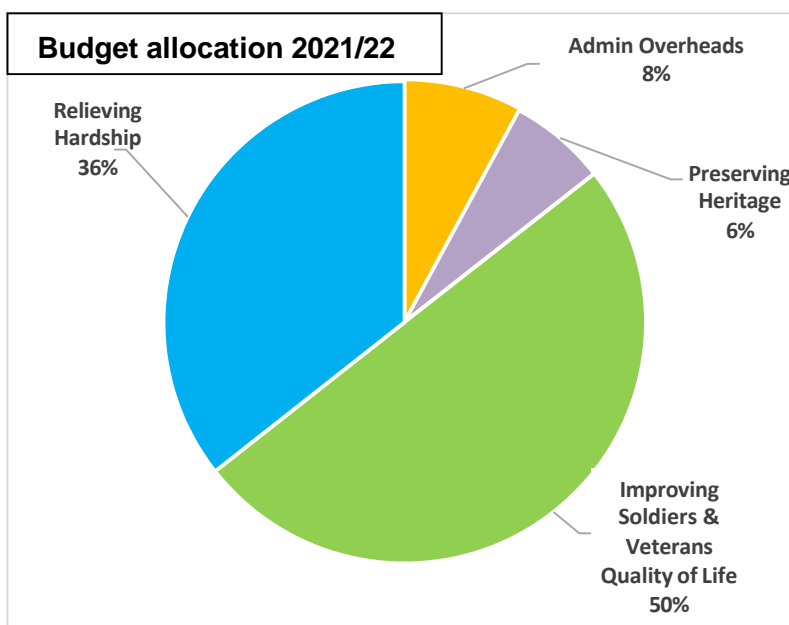
SUPPORTING THE REGIMENT

For over 380 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 Charitable Fund 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 endeavors.

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 (50%), Relieving Hardship (36%), Administration overheads (8%) and preserving our heritage dating back to 1642 (6%). For relief of hardship, we provide a service for detecting and assessing welfare cases, aided by SSAFA. When we find someone in need, we provide the first tier of benevolence grants while we seek more substantial assistance from the larger service charities or indeed the relevant local authority. In rare cases, where we fail to find external financial assistance, we will consider using our own funds as the charity of last resort. We are therefore proud that nearly all our budget is spent on our charitable aims and our administrative overheads are relatively low.



Our charity gives out financial support based on income generated from investments. Having reviewed our needs, we have been working to raise the profile and add £4M to this investment pot in order to secure the legacy for future generations of the Scots Guards family. A few examples of our work are as follows:



Wounded Soldier receiving lifesaving treatment whilst being evacuated by helicopter.

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.

Assistance with removals and rent. A grant of £300 was provided to assist with removals and rent for a long-standing partner of a Scots Guards veteran. Due to an eviction notice served at short notice the lady and her daughter had nowhere to go and no one to turn to for assistance. The Scots Guards Charity was happy to assist and now the family have a stable home, from which they can concentrate their efforts with the numerous health issues she and her daughter have without the worries of being evicted.

THE SCOTS GUARDS CHARITY

SUPPORTING THE REGIMENT

Wife of a veteran is able to purchase a mobility scooter. A grant of £818.97 was awarded to assist in purchasing a Mobility Scooter for the wife of a Scots Guardsmen who served 3 years in the 1960s. The veteran's wife was diagnosed with severe degenerative osteoporosis, a heart condition, and issues with her spine. Having a mobility scooter now gives her freedom to leave their home which previously was not an option.

Vulnerable child's family receives grant for house and car adaptations. A grant of £3,191 was made towards the fitting of a ramp on a service quarter which the Defence Infrastructure Organisation would not support, and also towards car adaptations for the family's motor vehicle to allow wheelchair access. The child's father was serving in the Scots Guards. The daughter recently had successful major surgery on her femurs and hips to prevent her hips from dislocating. The equipment that the Scots Guards Charity help fund was life changing for the family, without this their child would have been house bound.



Retired veteran suffering from PTSD. A grant of £500 was provided to assist with repairs to his car. Although he is in receipt of a PIP this did not include the enhanced rate which is required to be eligible for the motor vehicle car scheme. The veterans' car has become part of his therapy and sanctuary as he suffers from anxiety and mental health issues which prevent him from taking any form of public transport.

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, such as the Soldier's Charity and last year they provided with other military charities £111,729.91 to Seventy-two 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 won't 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 72 individual welfare grants.

THE SCOTS GUARDS CHARITY

SUPPORTING THE REGIMENT

Our trustees tightly control allocation of available funds according to priority and even though we conserve resources by seeking external sources of aid, there is normally a shortfall. While the Covid pandemic has resulted in reduced expenditure this year, due to lower demand and constraints on social worker visits, the backlog of cases will probably cause an upsurge of expenditure when the constraints are eased. As it stands today, we remain reliant upon the generosity of individuals through annual donations to avoid the Regiment having to cut its welfare or welfare-related spending of over £300k 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 investment capital, 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.



Children of the Falkland Islands with Poppy Crosses on Mount Tumbledown.

THE SCOTS GUARDS CHARITY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their report and financial statements for the year ended 31 March 2022.

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)" (as amended for accounting periods commencing from 1 January 2019)

Objectives and activities

The charities 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 dependents, 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 £8,074,228 with cash funds of £384,690 carried forward. During the year, it has received income of £282,214. We are grateful for some substantial donations this year, such as a bequest from the estate of Major General Sir John Swinton, grants from the Clothworkers Foundation and the John Scott charitable trust. After charitable donations and support costs, total expenditure was £416,119. The net movement in funds was a negative £238,024. The charity's investments are managed by Ruffer LLP and Aubrey Capital Management. The investments 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 decreased by £218,528.

Reserve Policy

The charity aims to hold net current assets, or cash reserves, equivalent to at least 6 months operating costs plus £100,000 legal and conflict reserve, reflecting the uncertainties inherent to the regiment and the Armed Forces, which is approximately £282,000. At the year end the 'free reserves' stood at £383,955. Fixed asset investments default as designated funds to generate an income return in the longer term and are actively managed by the trustees at each board meeting in response to the demands on the charity.

Structure, governance, and management



The Duke of Kent, Colonel of the Scots Guards being presented to Scots Guardsmen who served with 2SG in 1982.

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 SCOTS GUARDS CHARITY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

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:

Brigadier (retired) G H F S Nickerson
Col J D L Leask MBE
The Rt Hon Sir Iain Duncan Smith PC MP
Major N A McClelland (Appointed 10 May 2021)
Mrs L Hobbs
Captain (retired) M Joynson
Major L Kerr MBE (Resigned 10 May 2021)
Captain (retired) P D Vail

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.

Review of activities

The results of the funds' activities are shown on page 13. The activities of the charity's investments are shown within these financial statements. Charitable spending during the year was lower than normal due to the Covid pandemic restricting our ability to deliver welfare assistance, but the pendulum is expected to swing the other way as the backlog of needy cases is cleared.

During the year funds of £932 were raised under the initiative known as The Colonel's Fund. This fund will enable the regiment 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.

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.

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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, the pressure on our funds is steadily increasing. The Charity is also tracking the rapidly developing cost of living crisis which may cause hardship for the families or serving personnel and veterans. The charity has strengthened its structure with a fund-raising 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 an ascent of Mount Denali, the highest peak in North America and the coldest mountain on earth and to enter a team to row the Atlantic. Those wishing to follow and support these expeditions can find details on the Scots Guards Website www.scotguards.org which will have links to the expedition websites. To support these activities, the charity is in the process of modernising its information technology to enhance outreach, harness support and manage donations. It is anticipated that this will be complete by the end of 2022, but the review of investment policy and the initiative to raise funds by charitable donations will continue beyond then.

The recent pandemic has reduced our ability to fundraise effectively, including impacting on expedition planning, and a broad swathe of activities were suspended until restrictions were lifted. The recent upgrade of IT has enabled minimum disruption to the charity 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.

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, those related to the operations and finances of the Charity and are satisfied those systems are in place to mitigate our exposure to the major risks.

The charity relies partly on its investment returns 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 portfolio and by ensuring that the portfolio is sufficiently liquid to meet obligations in the event of a down-turn in financial markets and/or default.

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



Brigadier (retired) G H F S Nickerson
Trustee

Dated: 6 October 2022

THE SCOTS GUARDS CHARITY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

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

Opinion

We have audited the financial statements of The Scots Guards Charity (the 'charity') for the year ended 31 March 2022 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 2022 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

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

THE SCOTS GUARDS CHARITY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE SCOTS GUARDS CHARITY

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.

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 SCOTS GUARDS CHARITY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE SCOTS GUARDS CHARITY

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 charitable company through discussions with Trustees and other management, and from our knowledge and experience of the sector;
- 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 charitable company, including the Companies Act 2006, the Charities Act 2011, the Charities SORP, the Charities and Trustee Investment (Scotland) Act 2005 and 8 of the Charities Accounts (Scotland) Regulations 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety 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.

We assessed the susceptibility of the charitable company'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.

Audit response to risks identified

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed all transactions listed;
- 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; 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE SCOTS GUARDS CHARITY

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE SCOTS GUARDS CHARITY

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Alliotts LLP

6 October 2022

Chartered Accountants
Statutory Auditor

Imperial House
8 Kean Street
London
WC2B 4AS

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

THE SCOTS GUARDS CHARITY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

| | Notes | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total Unrestricted funds 2022 £ | Restricted funds 2021 £ | Total 2021 £ |
|---------------------------------------|-------|---------------------------------|-------------------------------|---------------------------------------|-------------------------------|--------------------|
| Income from: | | | | | | |
| Donations and legacies | 3 | 206,597 | - | 206,597 | 12,000 | 228,165 |
| Charitable activities | 4 | 30,154 | - | 30,154 | - | 42,852 |
| Other trading activities | 5 | 7,016 | - | 7,016 | - | 4,923 |
| Investments | 6 | 38,447 | - | 38,447 | - | 26,048 |
| Total income | | 282,214 | - | 282,214 | 12,000 | 301,988 |
| Expenditure on: | | | | | | |
| Raising funds | 7 | 52,571 | - | 52,571 | - | 49,206 |
| Charitable activities | 8 | 363,548 | - | 363,548 | 9,986 | 316,020 |
| Total expenditure | | 416,119 | - | 416,119 | 9,986 | 365,226 |
| Net gains/(losses) on investments | 13 | (104,119) | - | (104,119) | - | 1,763,631 |
| Net movement in funds | | (238,024) | - | (238,024) | 2,014 | 1,700,393 |
| Fund balances at 1 April 2021 | | 8,310,238 | 2,014 | 8,312,252 | - | 6,611,859 |
| Fund balances at 31 March 2022 | | 8,072,214 | 2,014 | 8,074,228 | 2,014 | 8,312,252 |

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 2022

| | Notes | 2022 | | 2021 | |
|---|-------|----------------|------------------|----------------|------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Intangible assets | 14 | | 4,320 | | 4,560 |
| Tangible assets | 15 | | 112,423 | | 112,423 |
| Investments | 16 | | 7,571,516 | | 7,790,044 |
| | | | <u>7,688,259</u> | | <u>7,907,027</u> |
| Current assets | | | | | |
| Stocks | 17 | 12,483 | | 13,392 | |
| Cash at bank and in hand | | 384,690 | | 400,538 | |
| | | <u>397,173</u> | | <u>413,930</u> | |
| Creditors: amounts falling due within one year | 18 | (11,204) | | (8,705) | |
| Net current assets | | | <u>385,969</u> | | <u>405,225</u> |
| Total assets less current liabilities | | | <u>8,074,228</u> | | <u>8,312,252</u> |
| Income funds | | | | | |
| Restricted funds | 19 | | 2,014 | | 2,014 |
| <u>Unrestricted funds</u> | | | | | |
| Designated funds | 21 | 7,571,516 | | 7,790,044 | |
| General unrestricted funds | | <u>500,698</u> | | <u>520,194</u> | |
| | | | <u>8,072,214</u> | | <u>8,310,238</u> |
| | | | <u>8,074,228</u> | | <u>8,312,252</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 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 6 October 2022

Brigadier (retired) G H F S Nickerson
Trustee

Company Registration No. 10596645

THE SCOTS GUARDS CHARITY

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2022

1 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.

2 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.

2.1 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.

2.2 Going concern

At the time of approving the financial statements, the trustees have considered their position following the covid 19 pandemic and 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.

2.3 Charitable funds

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

2.4 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.

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

2 Accounting policies

(Continued)

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.

2.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

2.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

| | |
|--------------------|--------------|
| Information system | over 5 years |
|--------------------|--------------|

2.7 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.

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 |
| Atlantic Guardsmen | impairment |

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

2.8 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.

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

2 Accounting policies

(Continued)

2.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible 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).

2.10 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.

2.11 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.

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.

2.12 Employee benefits

The charity has no employees but pays honoraria at the discretion of the trustees.

2.13 Retirement benefits

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

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

3 Donations and legacies

| | Unrestricted funds | Unrestricted funds | Restricted funds | Total |
|---------------------|---------------------------|--------------------|------------------|----------------|
| | 2022 | 2021 | 2021 | 2021 |
| | £ | £ | £ | £ |
| Donations and gifts | 186,469 | 169,348 | - | 169,348 |
| Grants | 20,128 | 46,817 | 12,000 | 58,817 |
| | <u>206,597</u> | <u>216,165</u> | <u>12,000</u> | <u>228,165</u> |

4 Charitable activities

| | 2022 | 2021 |
|-------------------|---------------|---------------|
| | £ | £ |
| Charitable income | <u>30,154</u> | <u>42,852</u> |

5 Other trading activities

| | Unrestricted funds | Unrestricted funds |
|-------------|---------------------------|--------------------|
| | 2022 | 2021 |
| | £ | £ |
| Shop income | <u>7,016</u> | <u>4,923</u> |

6 Investments

| | Unrestricted funds | Unrestricted funds |
|---------------------|---------------------------|--------------------|
| | 2022 | 2021 |
| | £ | £ |
| Investment income | 38,162 | 25,299 |
| Interest receivable | 285 | 749 |
| | <u>38,447</u> | <u>26,048</u> |

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

7 Raising funds

| Unrestricted funds | Unrestricted funds |
|-------------------------------|-----------------------|
| 2022 | 2021 |
| £ | £ |
| Investment managers' fees | 49,206 |
| 52,571 | 49,206 |
| 52,571 | 49,206 |

8 Charitable activities

| | Grants payable | Grants payable |
|---|---------------------------|---------------------------|
| | 2022 | 2021 |
| | £ | £ |
| Depreciation and impairment | 240 | 3,497 |
| Charitable expenditure | 156,789 | 102,942 |
| | 157,029 | 106,439 |
| Grant funding of activities (see note 10) | 67,405 | 75,496 |
| Share of support costs (see note 9) | 126,535 | 123,701 |
| Share of governance costs (see note 9) | 12,579 | 10,384 |
| | 363,548 | 316,020 |
| Analysis by fund | | |
| Unrestricted funds | 363,548 | 306,034 |
| Restricted funds | - | 9,986 |
| | 363,548 | 306,034 |
| For the year ended 31 March 2021 | | |
| Unrestricted funds | 306,034 | |
| Restricted funds | 9,986 | |
| | 316,020 | |
| | 316,020 | |

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

9 Support costs

| | Support costs | Governance costs | 2022 | Support costs | Governance costs | 2021 |
|--|----------------|------------------|----------------|----------------|------------------|----------------|
| | £ | £ | £ | £ | £ | £ |
| Staff costs | 47,493 | - | 47,493 | 56,868 | - | 56,868 |
| Archives | 6,690 | - | 6,690 | 440 | - | 440 |
| Magazine, Diary and Christmas cards | 19,720 | - | 19,720 | 17,381 | - | 17,381 |
| Postage | 5,916 | - | 5,916 | 8,797 | - | 8,797 |
| Flowers and wreaths | 780 | - | 780 | 783 | - | 783 |
| Fees and insurance | 14,472 | - | 14,472 | 12,172 | - | 12,172 |
| Events and Gifts | 14,364 | - | 14,364 | 3,490 | - | 3,490 |
| Travel costs | 187 | - | 187 | 107 | - | 107 |
| Regimental stock | 4,933 | - | 4,933 | 3,861 | - | 3,861 |
| Regimental Headquarters costs | 11,980 | - | 11,980 | 19,802 | - | 19,802 |
| Audit fees | - | 12,579 | 12,579 | - | 10,384 | 10,384 |
| | <u>126,535</u> | <u>12,579</u> | <u>139,114</u> | <u>123,701</u> | <u>10,384</u> | <u>134,085</u> |
| Analysed between Charitable activities | <u>126,535</u> | <u>12,579</u> | <u>139,114</u> | <u>123,701</u> | <u>10,384</u> | <u>134,085</u> |

Governance costs includes payments to the auditors of £9,600 (2021 - £8,450) for audit fees.

10 Grants payable

| | 2022 | 2021 |
|---------------------------------------|---------------|---------------|
| | £ | £ |
| Grants to institutions: | | |
| 1st Battalion Scots Guards | 20,000 | 18,117 |
| Command officer, F, K and Band Grants | 11,050 | - |
| Grants to individuals | 36,355 | 57,379 |
| | <u>67,405</u> | <u>75,496</u> |

11 Trustees

None of the trustees (or any connected persons with them) received any remuneration or benefits from the charity during the year except for £180 (2021: £0) being paid on behalf of trustees for subsistence.

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

12 Honoraria

There were 2 individuals in receipt of honoraria payments

| 2022 Number | 2021 Number |
|----------------|----------------|
| 2 | 2 |

Honoraria costs

| | 2022 £ | 2021 £ |
|-----------|---------------|---------------|
| Honoraria | 46,501 | 54,689 |
| Pension | 992 | 2,179 |
| | <u>47,493</u> | <u>56,868</u> |

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

13 Net gains/(losses) on investments

| | Unrestricted funds | Unrestricted funds |
|------------------------------------|-----------------------|-----------------------|
| | 2022 £ | 2021 £ |
| Revaluation of investments | (115,759) | 1,580,931 |
| Gain/(loss) on sale of investments | 11,640 | 182,700 |
| | <u>(104,119)</u> | <u>1,763,631</u> |

14 Intangible fixed assets

| | Information system £ |
|------------------------------------|-------------------------|
| Cost | |
| At 1 April 2021 and 31 March 2022 | 4,800 |
| Amortisation and impairment | |
| At 1 April 2021 | 240 |
| Amortisation charged for the year | 240 |
| At 31 March 2022 | 480 |
| Carrying amount | |
| At 31 March 2022 | <u>4,320</u> |
| At 31 March 2021 | <u>4,560</u> |

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

15 Tangible fixed assets

| | Fixtures and fittings | Chattels | Atlantic Guardsmen | Total |
|------------------------------------|-----------------------|----------|--------------------|---------|
| | £ | £ | £ | £ |
| Cost or valuation | | | | |
| At 1 April 2021 | 21,587 | 52,423 | 63,257 | 137,267 |
| At 31 March 2022 | 21,587 | 52,423 | 63,257 | 137,267 |
| Depreciation and impairment | | | | |
| At 1 April 2021 | 21,587 | - | 3,257 | 24,844 |
| At 31 March 2022 | 21,587 | - | 3,257 | 24,844 |
| Carrying amount | | | | |
| At 31 March 2022 | - | 52,423 | 60,000 | 112,423 |
| At 31 March 2021 | - | 52,423 | 60,000 | 112,423 |

The boat, the Atlantic Guardsmen has a value of £60,000 at 31 March 2022 based on a Trustees' valuation. The valuation is based on an estimate of current market value of similar craft.

At 31 March 2022, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £54,000 (2021 - £60,000)

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

16 Fixed asset investments

| | Listed investments £ | Cash in portfolio | Total £ |
|--------------------------|----------------------------|----------------------|------------------|
| Cost or valuation | | | |
| At 1 April 2021 | 7,334,608 | 455,436 | 7,790,044 |
| Additions | 2,658,840 | (125,291) | 2,533,549 |
| Valuation changes | (115,759) | - | (115,759) |
| Disposals | (2,636,318) | - | (2,636,318) |
| At 31 March 2022 | <u>7,241,371</u> | <u>330,145</u> | <u>7,571,516</u> |
| Carrying amount | | | |
| At 31 March 2022 | <u>7,241,371</u> | <u>330,145</u> | <u>7,571,516</u> |
| At 31 March 2021 | <u>7,334,608</u> | <u>455,436</u> | <u>7,790,044</u> |

17 Stocks

| | 2022 £ | 2021 £ |
|-------------------------------|---------------|---------------|
| Raw materials and consumables | <u>12,483</u> | <u>13,392</u> |

18 Creditors: amounts falling due within one year

| | 2022 £ | 2021 £ |
|------------------------------|---------------|--------------|
| Trade creditors | 840 | - |
| Accruals and deferred income | 10,364 | 8,705 |
| | <u>11,204</u> | <u>8,705</u> |

19 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 2021 | | Movement in funds 2022 | | |
|-------------------------|------------------------------------|------------------------------------|----------------------------------|------------------------------------|----------------------------------|
| | Incoming resources 2021 £ | Resources expended 2021 £ | Balance at 31 April 2021 £ | Incoming resources 2021 £ | Balance at 31 March 2022 £ |
| Clothworkers Grant fund | 12,000 | (9,986) | 2,014 | - | 2,014 |

20 Analysis of net assets between funds

| | Unrestricted funds | Restricted funds | Total | Unrestricted funds | Restricted funds | Total |
|--|--------------------|------------------|------------------|--------------------|------------------|------------------|
| | 2022 | 2022 | 2022 | 2021 | 2021 | 2021 |
| | £ | £ | £ | £ | £ | £ |
| Fund balances at 31 March 2022 are represented by: | | | | | | |
| Intangible fixed assets | 4,320 | - | 4,320 | 4,560 | - | 4,560 |
| Tangible assets | 112,423 | - | 112,423 | 112,423 | - | 112,423 |
| Investments | 7,571,516 | - | 7,571,516 | 7,790,044 | - | 7,790,044 |
| Current assets/(liabilities) | 383,955 | 2,014 | 385,969 | 403,211 | 2,014 | 405,226 |
| | <u>8,072,214</u> | <u>2,014</u> | <u>8,074,228</u> | <u>8,310,238</u> | <u>2,014</u> | <u>8,312,253</u> |

21 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 2020 | Transfers | Balance at 1 April 2021 | Transfers | Balance at 31 March 2022 |
|-----------------|-------------------------|------------------|-------------------------|------------------|--------------------------|
| | £ | £ | £ | £ | £ |
| Investment Fund | 6,049,597 | 1,740,447 | 7,790,044 | (218,528) | 7,571,516 |
| | <u>6,049,597</u> | <u>1,740,447</u> | <u>7,790,044</u> | <u>(218,528)</u> | <u>7,571,516</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.

22 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

THE SCOTS GUARDS CHARITY

England & Wales - Charity number 1174691

Accounts

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 2021



THE SCOTS GUARDS CHARITY

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|---|--|
| Trustees | Brigadier (retired) G H F S Nickerson Lt Col J D L Leask MBE The Rt Hon Sir Iain Duncan Smith PC MP Major N A McClelland Mrs L Hobbs Captain (retired) M Joynson Captain (retired) P D Vail |
| Regimental Adjutant | Major (retired) J R Kelly |
| Regimental Welfare and Finance Officer | Major (retired) M A Cape (Company Secretary) |
| Charity number (England and Wales) | 1174691 |
| Charity number (Scotland) | SC048007 |
| Company number | 10596645 |
| Registered office | Regimental Headquarters Scots Guards Wellington Barracks Birdcage Walk London SW1E 6HQ |
| Auditor | Alliotts LLP Imperial House 15 Kingsway London WC2B 6UN |
| Bankers | Lloyds TSB Bank Plc Cox's and King's PO Box 1190 7 Pall Mall London SW1Y 5NA |
| Investment advisors | Ruffer LLP 80 Victoria Street London SW1E 5JL AUBREY Capital Management 10 Coates Crescent Edinburgh EH3 7AL Asset Risk Consultants (UK) Ltd (ARCUK) 46 Chancery Lane London WC2A 1JE |

THE SCOTS GUARDS CHARITY

SUPPORTING THE REGIMENT

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Scots Guards Start Another Tour in Iraq, Erbil Airbase, 15th December 2020.

THE SCOTS GUARDS CHARITY

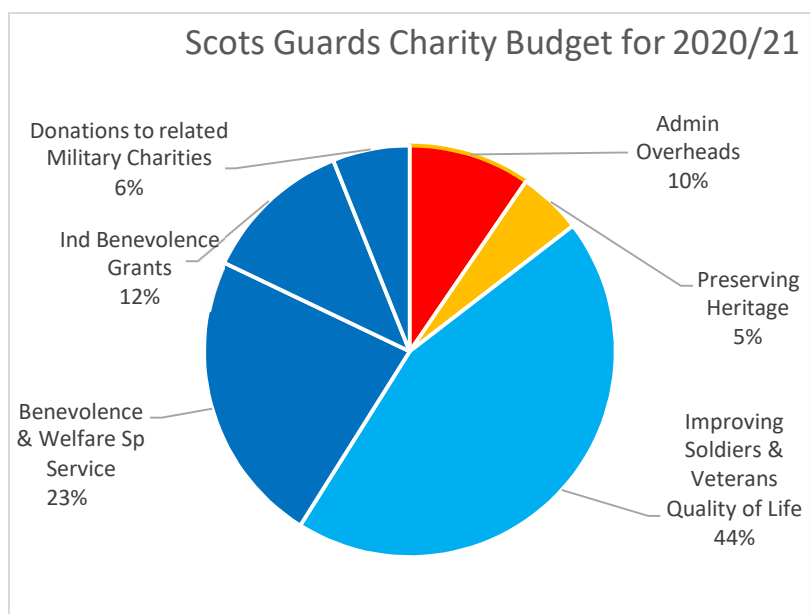
SUPPORTING THE REGIMENT

For over 379 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 Charitable Fund 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.

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 (44%), Relieving Hardship (41%), Administration overheads (10%) and preserving our heritage dating back to 1642 (5%). For relief of hardship, we provide a service for detecting and assessing welfare cases, aided by SSAFA. When we find someone in need, we provide the first tier of benevolence grants while we seek more substantial assistance from the larger service charities or indeed the relevant local authority. In rare cases, where we fail to find external financial assistance, we will consider using our own funds as the charity of last resort. We are therefore proud that nearly all our budget is spent on our charitable aims and our administrative overheads are relatively low.



Our charity gives out financial support based on income generated from investments. Having reviewed our needs, we have been working to raise the profile and add £4M to this investment pot in order to secure 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.

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.

THE SCOTS GUARDS CHARITY

SUPPORTING THE REGIMENT

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, such as the Soldier's Charity and last year they provided with other charities £84,863.14 to Seventy-Eight 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 won't 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 78 individual welfare grants.

Our trustees tightly control allocation of available funds according to priority and even though we conserve resources by seeking external sources of aide, there is normally a shortfall. While the Covid pandemic has resulted in reduced expenditure this year, due to lower demand and constraints on social worker visits, the backlog of cases will probably cause an upsurge of expenditure when the constraints are eased. As it stands today, we remain reliant upon the generosity of individuals through annual donations to avoid the Regiment having to cut its welfare or welfare-related spending of over £300k 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 investment capital, 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 2021

The trustees present their report and financial statements for the year ended 31 March 2021.

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)" (as amended for accounting periods commencing from 1 January 2019)

Objectives and activities

The charities 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 £8,312,252 with cash funds of £288,243 carried forward. During the year, it has received donations and charitable income of £263,940 and other income of £26,048, with a restricted donation of £12,000, totalling £301,988. We are grateful for some substantial donations this year, such as a bequest from the estate of Michael Day, grants from the Clothworkers Foundation and a personal donation from Major-General Naylor. After charitable donations and support costs the net unrestricted expenditure amounted to £306,034 and expenditure out of restricted funds £9,986, total expenditure therefore is £316,020. The net movement infunds was £1,698,379 in unrestricted funds and £2,014 of restricted funds, the total movement £1,714,425. The charities investments are managed by Ruffer LLP and Aubrey Capital Management. The investments 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 £1,531,725 and a gain on sale of investments of £182,700 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 £253,000. At the year end the 'free reserves' stood at £286,229. Fixed asset investments default as designated funds to generate an income return in the longer term and are actively managed by the trustees at each 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 SCOTS GUARDS CHARITY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

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:

Brigadier (retired) G H F S Nickerson

Major General C J Bell CBE (Appointed 11 July 2020 – Resigned 3 January 2021)

Lt Col J D L Leask MBE (Appointed 25 January 2021)

The Rt Hon Sir Iain Duncan Smith PC MP

Major N A McClelland (Appointed 10 May 2021)

Mrs L Hobbs

Lord Fellowes GCB GCVO QSO PC (Resigned 2 May 2020)

Captain (retired) M Joynson

Major L Kerr MBE (Resigned 10 May 2021)

Major (retired) A R Wilson (Resigned 22 June 2020)

Captain (retired) P D 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.

Review of activities

The results of the funds' activities are shown on page 12. The activities of the charity's investments are shown within these financial statements. Charitable spending during the year was lower than normal due to the Covid pandemic restricting our ability to deliver welfare assistance, but the pendulum is expected to swing the other way as the backlog of needy cases is cleared.

During the year funds of £11,605 were raised under the initiative known as The Colonel's Fund. This fund will enable the regiment 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.

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.

THE SCOTS GUARDS CHARITY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

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, the pressure on our funds is steadily increasing. The charity has strengthened its structure with a fund-raising 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 an ascent of Mount Denali, the highest peak in North America and the coldest mountain on earth and to enter a team to row the Atlantic. Those wishing to follow and support these expeditions can find details on the Scots Guards Website www.scotguards.org which will have links to the expedition websites. To support these activities, the charity is in the process of modernising its information technology to enhance outreach, harness support and manage donations. It is anticipated that this will be complete by the end of 2022, but the review of investment policy and the initiative to raise funds by charitable donations will continue beyond then.

The recent 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 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.

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, those related to the operations and finances of the Charity and are satisfied those systems are in place to mitigate our exposure to the major risks.

The charity relies partly on its investment returns 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 portfolio and by ensuring that the portfolio is sufficiently liquid to meet obligations in the event of a down-turn in financial markets and/or default.

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



Brigadier (retired) G H F S Nickerson
Trustee

Dated: 15 November 2021

THE SCOTS GUARDS CHARITY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

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

Opinion

We have audited the financial statements of The Scots Guards Charity (the 'charity') for the year ended 31 March 2021 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 2021 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

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

THE SCOTS GUARDS CHARITY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE SCOTS GUARDS CHARITY

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.

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 SCOTS GUARDS CHARITY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE SCOTS GUARDS CHARITY

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 charitable company through discussions with Trustees and other management, and from our knowledge and experience of the sector;
- 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 charitable company, including the Companies Act 2006, the Charities Act 2011, the Charities SORP, the Charities and Trustee Investment (Scotland) Act 2005 and 8 of the Charities Accounts (Scotland) Regulations 2006 taxation legislation, data protection, anti-bribery, employment, environmental and health and safety 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.

We assessed the susceptibility of the charitable company'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.

Audit response to risks identified

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed all transactions listed;
- 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; 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE SCOTS GUARDS CHARITY

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE SCOTS GUARDS CHARITY

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.



16 November 2021

Alliotts LLP

.....

**Chartered Accountants
Statutory Auditor**

Imperial House
8 Kean Street
London
WC2B 4AS

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 2021

| | | Unrestricted funds | Restricted funds | Total | Unrestricted funds As restated |
|---------------------------------------|-------|-----------------------|---------------------|----------------------|--------------------------------------|
| | Notes | 2021 £ | 2021 £ | Year to 2021 £ | 2020 £ |
| <u>Income from:</u> | | | | | |
| Donations and legacies | 3 | 216,165 | 12,000 | 228,165 | 302,727 |
| Charitable activities | 4 | 42,852 | - | 42,852 | 89,404 |
| Other trading activities | 5 | 4,923 | - | 4,923 | 10,054 |
| Investments | 6 | 26,048 | - | 26,048 | 30,898 |
| Total income | | 289,988 | 12,000 | 301,988 | 433,083 |
| <u>Expenditure on:</u> | | | | | |
| Charitable activities | 7 | 306,034 | 9,986 | 316,020 | 390,979 |
| Net gains/(losses) on investments | 12 | 1,714,425 | - | 1,714,425 | 266,225 |
| Net movement in funds | | 1,698,379 | 2,014 | 1,700,393 | 308,329 |
| Fund balances at 1 April 2020 | | 6,611,859 | - | 6,611,859 | 6,303,530 |
| Fund balances at 31 March 2021 | | 8,310,238 | 2,014 | 8,312,252 | 6,611,859 |

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 2021

| | Notes | 2021 | | 2020 As restated | |
|---|-------|-----------|------------------|---------------------|------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Intangible assets | 13 | | 4,560 | | - |
| Tangible assets | 14 | | 112,423 | | 115,680 |
| Investments | 15 | | 7,790,044 | | 6,049,597 |
| | | | <u>7,907,027</u> | | <u>6,165,277</u> |
| Current assets | | | | | |
| Stocks | 16 | 13,392 | | 15,603 | |
| Debtors | 17 | - | | 50 | |
| Cash at bank and in hand | | 400,538 | | 439,634 | |
| | | | <u>413,930</u> | | <u>455,287</u> |
| Creditors: amounts falling due within one year | 18 | (8,705) | | (8,705) | |
| Net current assets | | | <u>405,225</u> | | <u>446,582</u> |
| Total assets less current liabilities | | | <u>8,312,252</u> | | <u>6,611,859</u> |
| Income funds | | | | | |
| Restricted funds | 19 | | 2,014 | | - |
| <u>Unrestricted funds</u> | | | | | |
| Designated funds | 21 | 7,790,044 | | 6,049,597 | |
| General unrestricted funds | | 520,194 | | 562,262 | |
| | | | <u>8,310,238</u> | | <u>6,611,859</u> |
| | | | <u>8,312,252</u> | | <u>6,611,859</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 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 the 15th November 2021



.....
Brigadier (retired) G H F S Nickerson
Trustee

Company Registration No. 10596645

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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.

1.2 Going concern

At the time of approving the financial statements, the trustees have have considered their position following the covid 19 pandemic and 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 2021

1 Accounting policies

(Continued)

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Information system

1.6 Tangible fixed assets

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

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

| | |
|-----------------------|-----------------|
| Fixtures and fittings | over 4 years |
| Chattels | not depreciated |
| Atlantic Guardsmen | over 10 years |

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.

1.7 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.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible 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.

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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.

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.

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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.

3 Donations and legacies

| | Unrestricted funds | Restricted funds | Total | Unrestricted funds |
|---------------------|-----------------------|---------------------|----------------|-----------------------|
| | 2021 £ | 2021 £ | 2021 £ | 2020 £ |
| Donations and gifts | 169,348 | - | 169,348 | 275,587 |
| Grants | 46,817 | 12,000 | 58,817 | 27,140 |
| | <u>216,165</u> | <u>12,000</u> | <u>228,165</u> | <u>302,727</u> |

4 Charitable activities

| | 2021 £ | 2020 £ |
|-------------------|---------------|---------------|
| Charitable income | <u>42,852</u> | <u>89,404</u> |

5 Other trading activities

| | Unrestricted funds | Unrestricted funds |
|-------------|-----------------------|-----------------------|
| | 2021 £ | 2020 £ |
| Shop income | <u>4,923</u> | <u>10,054</u> |

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

6 Investments

| | Unrestricted funds | Unrestricted funds |
|---------------------|-------------------------------|-----------------------|
| | 2021 | 2020 |
| | £ | £ |
| Investment income | 25,299 | 29,834 |
| Interest receivable | 749 | 1,064 |
| | <u>26,048</u> | <u>30,898</u> |

7 Charitable activities

| | Grants payable | Grants payable |
|--|---------------------------|---------------------------|
| | 2021 | 2020 |
| | £ | As restated £ |
| Depreciation and impairment | 3,497 | - |
| Charitable expenditure | 102,942 | 123,641 |
| | <u>106,439</u> | <u>123,641</u> |
| Grant funding of activities (see note 8) | 75,496 | 108,762 |
| Share of support costs (see note 9) | 123,701 | 140,121 |
| Share of governance costs (see note 9) | 10,384 | 18,455 |
| | <u>316,020</u> | <u>390,979</u> |
| Analysis by fund | | |
| Unrestricted funds | 306,034 | 390,979 |
| Restricted funds | 9,986 | - |
| | <u>316,020</u> | <u>390,979</u> |
| For the year ended 31 March 2020 | | |
| Unrestricted funds | <u>390,979</u> | |

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

8 Grants payable

| | 2021 £ | 2020 £ |
|----------------------------|---------------|----------------|
| Grants to institutions: | | |
| 1st Battalion Scots Guards | 18,117 | 23,000 |
| Grants to individuals | 57,379 | 85,762 |
| | <u>75,496</u> | <u>108,762</u> |

9 Support costs

| | Support costs £ | Governance costs £ | 2021 £ | Support costs £ | Governance costs £ | 2020 As restated £ |
|---|-----------------------|--------------------------|----------------|-----------------------|--------------------------|--------------------------|
| Staff costs | 56,868 | - | 56,868 | 56,207 | - | 56,207 |
| Archives | 440 | - | 440 | 7,759 | - | 7,759 |
| Magazine, Diary and Christmas cards | 17,381 | - | 17,381 | 19,835 | - | 19,835 |
| Postage | 8,797 | - | 8,797 | 10,439 | - | 10,439 |
| Flowers and wreaths | 783 | - | 783 | 805 | - | 805 |
| Fees and insurance | 12,172 | - | 12,172 | 8,805 | - | 8,805 |
| Events and Gifts | 3,490 | - | 3,490 | 14,512 | - | 14,512 |
| Travel costs | 107 | - | 107 | 2,468 | - | 2,468 |
| Regimental stock | 3,861 | - | 3,861 | 4,028 | - | 4,028 |
| Regional Headquarters costs | 19,802 | - | 19,802 | 15,263 | - | 15,263 |
| Audit/accountancy fees - current year | - | 8,450 | 8,450 | - | 8,705 | 8,705 |
| Audit/accountancy fees - prior year | - | - | - | - | 8,400 | 8,400 |
| Auditors- Other services | - | 1,934 | 1,934 | - | 390 | 390 |
| Previous auditors - other services | - | - | - | - | 960 | 960 |
| | <u>123,701</u> | <u>10,384</u> | <u>134,085</u> | <u>140,121</u> | <u>18,455</u> | <u>158,576</u> |
| Analysed between Charitable activities | <u>123,701</u> | <u>10,384</u> | <u>134,085</u> | <u>140,121</u> | <u>18,455</u> | <u>158,576</u> |

Governance costs includes payments to the auditors of £8,450 (2020 - £8,705) for audit fees.

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

10 Trustees

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

11 Honoraria

There were 2 individuals in receipt of honoraria payments.

| | 2021 | 2019 |
|------------------------|---------------|---------------|
| | Number | Number |
| | 2 | 2 |
| | <u>2</u> | <u>2</u> |
| Honoraria costs | 2021 | 2019 |
| | £ | £ |
| Honoraria Payments | 54,689 | 54,236 |
| Other pension costs | 2,179 | 1,971 |
| | <u>56,868</u> | <u>56,207</u> |
| | <u>56,868</u> | <u>56,207</u> |

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

12 Net gains/(losses) on investments

| | Unrestricted | Unrestricted |
|------------------------------------|---------------------|----------------|
| | funds | funds |
| | 2021 | 2020 |
| | £ | £ |
| Revaluation of investments | 1,531,725 | 93,538 |
| Gain/(loss) on sale of investments | 182,700 | 172,687 |
| | <u>1,714,425</u> | <u>266,225</u> |
| | <u>1,714,425</u> | <u>266,225</u> |

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

13 Intangible fixed assets

| | Information system £ |
|------------------------------------|-------------------------|
| Cost | |
| At 1 April 2020 | - |
| Additions - separately acquired | 4,800 |
| | <hr/> |
| At 31 March 2021 | 4,800 |
| | <hr/> |
| Amortisation and impairment | |
| At 1 April 2020 | - |
| Amortisation charged for the year | 240 |
| | <hr/> |
| At 31 March 2021 | 240 |
| | <hr/> |
| Carrying amount | |
| At 31 March 2021 | 4,560 |
| | <hr/> <hr/> |
| At 31 March 2020 | - |
| | <hr/> <hr/> |

14 Tangible fixed assets

| | Fixtures and fittings £ | Chattels £ | Atlantic Guardsmen £ | Total £ |
|------------------------------------|-------------------------------|---------------|----------------------------|-------------|
| Cost or valuation | | | | |
| At 1 April 2020 | 21,587 | 52,423 | 63,257 | 137,267 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 March 2021 | 21,587 | 52,423 | 63,257 | 137,267 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Depreciation and impairment | | | | |
| At 1 April 2020 | 21,587 | - | - | 21,587 |
| Depreciation charged in the year | - | - | 3,257 | 3,257 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 March 2021 | 21,587 | - | 3,257 | 24,844 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Carrying amount | | | | |
| At 31 March 2021 | - | 52,423 | 60,000 | 112,423 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| At 31 March 2020 | - | 52,423 | 63,257 | 115,680 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

The boat, the Atlantic Guardsmen has a value of £60,000 at 31 March 2021 based on a Trustees' valuation. The valuation is based on an estimate of current market value of similar craft.

At 31 March 2021, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £60,000 (2020 - £-).

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

15 Fixed asset investments

| | Listed investments £ | Cash in portfolio | Total £ |
|--------------------------|----------------------------|----------------------|------------------|
| Cost or valuation | | | |
| At 1 April 2020 | 5,714,442 | 335,155 | 6,049,597 |
| Additions | 1,523,118 | 120,281 | 1,643,399 |
| Valuation changes | 1,654,156 | - | 1,654,156 |
| Disposals | (1,557,108) | - | (1,557,108) |
| | <u>7,334,608</u> | <u>455,436</u> | <u>7,790,044</u> |
| At 31 March 2021 | 7,334,608 | 455,436 | 7,790,044 |
| | <u>7,334,608</u> | <u>455,436</u> | <u>7,790,044</u> |
| Carrying amount | | | |
| At 31 March 2021 | 7,334,608 | 455,436 | 7,790,044 |
| | <u>7,334,608</u> | <u>455,436</u> | <u>7,790,044</u> |
| At 31 March 2020 | 5,714,442 | 335,155 | 6,049,597 |
| | <u>5,714,442</u> | <u>335,155</u> | <u>6,049,597</u> |

16 Stocks

| | 2021 £ | 2020 £ |
|-------------------------------|---------------|---------------|
| Raw materials and consumables | 13,392 | 15,603 |
| | <u>13,392</u> | <u>15,603</u> |

17 Debtors

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Other debtors | - | 50 |
| | <u>-</u> | <u>50</u> |

18 Creditors: amounts falling due within one year

| | 2021 £ | 2020 £ |
|------------------------------|--------------|--------------|
| Accruals and deferred income | 8,705 | 8,705 |
| | <u>8,705</u> | <u>8,705</u> |

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

19 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 | | |
|-------------------------|--------------------|-------------------------|--------------------|--------------------|--------------------------|
| | Incoming resources | Balance at 1 April 2020 | Incoming resources | Resources expended | Balance at 31 March 2021 |
| | £ | £ | £ | £ | £ |
| Clothworkers Grant fund | - | - | 12,000 | (9,986) | 2,014 |

During the year the Charity received £12,000 from The Clothworkers' Company for use in improving the information systems.

20 Analysis of net assets between funds

| | Unrestricted funds | Restricted funds | Total | Unrestricted funds |
|--|--------------------|------------------|----------------|--------------------|
| | 2021 | 2021 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Fund balances at 31 March 2021 are represented by: | | | | |
| Intangible fixed assets | 4,560 | - | 4,560 | - |
| Tangible assets | 112,423 | - | 112,423 | 115,680 |
| Investments | 7,790,044 | - | 7,790,044 | 6,049,597 |
| Current assets/(liabilities) | <u>403,211</u> | <u>2,014</u> | <u>405,226</u> | <u>446,582</u> |
| | 8,310,238 | 2,014 | 8,312,253 | 6,611,859 |

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

21 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:

| | Movement in funds | | | | |
|-----------------|-------------------------|-----------------------|-------------------------|-------------------------|-------------------------|
| | Balance at | Revaluations, | Balance at | Revaluations, | Balance at |
| | 1 April 2019 | gains and losses | 1 April 2020 | gains and losses | 31 March 2021 |
| | £ | £ | £ | £ | £ |
| Investment Fund | 5,833,538 | 216,059 | 6,049,597 | 1,740,447 | 7,790,044 |
| | <u>5,833,538</u> | <u>216,059</u> | <u>6,049,597</u> | <u>1,740,447</u> | <u>7,790,044</u> |
| | <u><u>5,833,538</u></u> | <u><u>216,059</u></u> | <u><u>6,049,597</u></u> | <u><u>1,740,447</u></u> | <u><u>7,790,044</u></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.

22 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.

THE SCOTS GUARDS CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

23 Prior period adjustment

Changes to the balance sheet

| Balances as restated | At 31 March 2020 | | |
|----------------------|-------------------------|----------------------|-------------------------|
| | As previously reported | Adjustment | As restated |
| | £ | £ | £ |
| Fixed assets | | | |
| Tangible assets | 52,423 | 63,257 | 115,680 |
| Investments | 6,049,597 | - | 6,049,597 |
| | <u>6,102,020</u> | <u>63,257</u> | <u>6,165,277</u> |
| | | | |
| Capital funds | | | |
| | | | |
| Income funds | | | |
| Designated funds | 6,049,597 | - | 6,049,597 |
| Unrestricted funds | 499,005 | 63,257 | 562,262 |
| | <u>6,548,602</u> | <u>63,257</u> | <u>6,611,859</u> |
| Total equity | <u><u>6,548,602</u></u> | <u><u>63,257</u></u> | <u><u>6,611,859</u></u> |

Changes to the SOFA

| Net movement in funds as restated | Period ended 31 March 2020 | | |
|-----------------------------------|----------------------------|----------------------|-----------------------|
| | As previously reported | Adjustment | As restated |
| | £ | £ | £ |
| Charitable activities | 454,236 | (63,257) | 390,979 |
| | <u>454,236</u> | <u>(63,257)</u> | <u>390,979</u> |
| | | | |
| Net movement in funds | 245,072 | 63,257 | 308,329 |
| | <u><u>245,072</u></u> | <u><u>63,257</u></u> | <u><u>308,329</u></u> |

In 2019 an amount of £63,257 was spent on the construction of a boat called the Atlantic Guardsmen, which was then used to raise funds in by rowing across the Atlantic in December 2019. At the time these monies were categorised as unrestricted expenditure and written off.

As the Trustees now consider that the boat has value for future activities, it has been capitalised and a prior year adjustment made; the impact of which is shown above.