

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

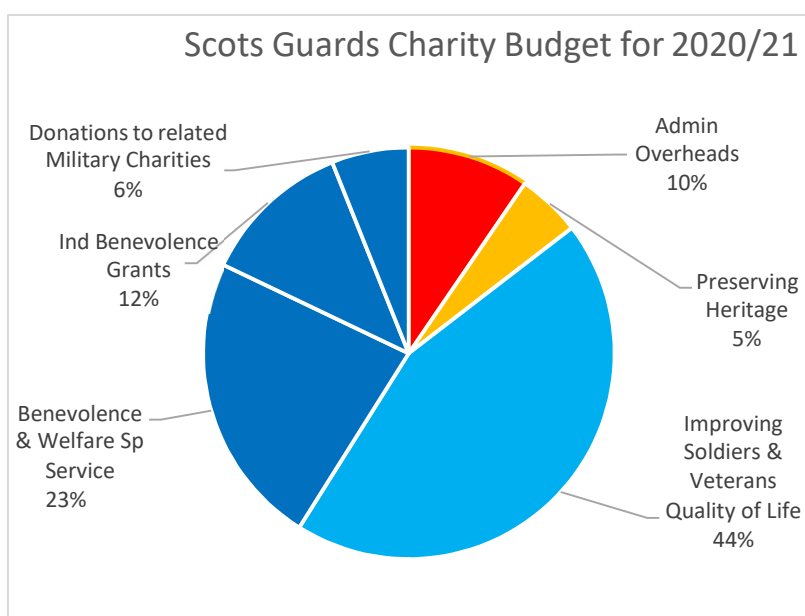
SUPPORTING THE REGIMENT

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.

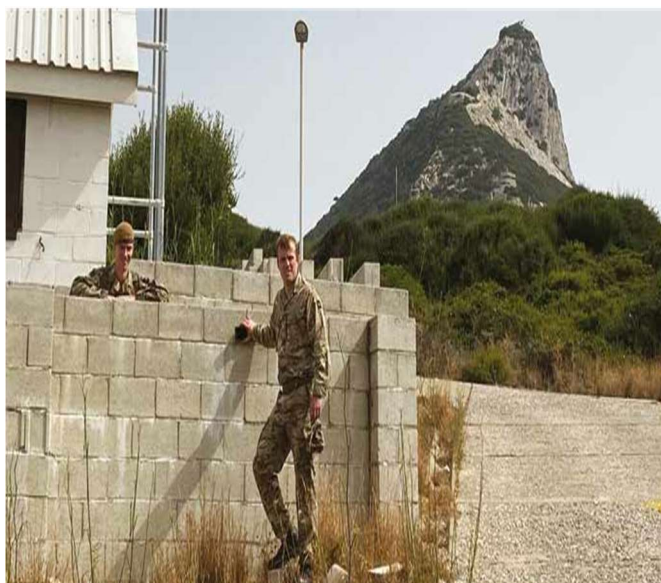
Vulnerable child receives grant for critical education – employment and training. A grant of £3,450 was made towards the education of a child with special needs, who had been declined support by the local education authorities. The child's father had served for 17 years with the Scots Guards. The need 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 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.



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.

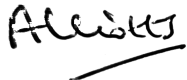
THE SCOTS GUARDS CHARITY

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

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**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
		2021	2021	Year to 2021	2020
	Notes	£	£	£	£
<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



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

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

12 Net gains/(losses) on investments

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

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/>
At 31 March 2020	-
	<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/>
At 31 March 2020	-	52,423	63,257	115,680
	<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)
At 31 March 2021	7,334,608	455,436	7,790,044
Carrying amount			
At 31 March 2021	7,334,608	455,436	7,790,044
At 31 March 2020	5,714,442	335,155	6,049,597

16 Stocks

	2021 £	2020 £
Raw materials and consumables	13,392	15,603

17 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	-	50

18 Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	8,705	8,705

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	Balance at	Incoming	Resources	Balance at
	resources	1 April 2020	resources	expended	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 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 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	1 April 2020	gains and	31 March 2021
		losses		losses	
	£	£	£	£	£
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>

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>6,548,602</u>	<u>63,257</u>	<u>6,611,859</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>245,072</u>	<u>63,257</u>	<u>308,329</u>
Net movement in funds	<u>245,072</u>	<u>63,257</u>	<u>308,329</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.