

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

CONTENTS

	Page
Supporting the regiment	1 - 2
Trustees' report	3 - 5
Statement of trustees' responsibilities	6
Independent auditor's report	7-10
Statement of financial activities	11
Balance sheet	12
Notes to the financial statements	13-22



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

THE SCOTS GUARDS CHARITY

Supporting the regiment

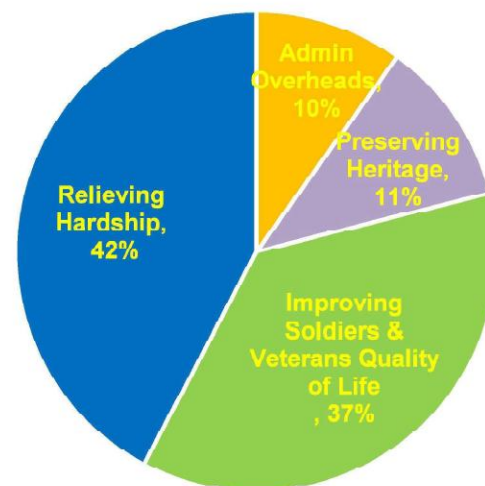
FOR THE YEAR ENDED 31 MARCH 2023

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 No.10 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.



.....
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

.....

**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

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
<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



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	<u>56,209</u>	<u>30,154</u>

5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2023 £	2022 £
Shop income	<u>6,597</u>	<u>7,016</u>

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
	82,418	52,571

8 Charitable activities

	Grants payable	Grants payable
	2023 £	2021 £
Depreciation and impairment	864	240
Charitable expenditure	102,425	156,789
	103,289	157,029
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
	396,932	363,548

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	2022
	Number	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	7,079,342	183,822	7,263,164
Carrying amount			
At 31 March 2023	7,079,342	183,822	7,263,164
At 31 March 2022	7,241,371	330,145	7,571,516

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
	13,231	11,204

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.