THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES THE SECOND (ROYAL SCOTTISH CORPORATION)

England & Wales · Charity number 207326

Details

Other names	SCOTSCARE, THE ROYAL SCOTTISH CORPORATION
Status	Registered
Legal form	Other
Registered	1962-12-07
Register	View on the Charity Commission register

Contact

Address	ScotsCare 183-185 Bermondsey Street London SE1 3UW
Phone	02072403718
Email	info@scotscare.com
Website	www.scotscare.com

Activities

Objects: THE OBJECTS OF THE CORPORATION SHALL BE FOR THE PUBLIC BENEFIT TO RELIEVE EITHER GENERALLY OR INDIVIDUALLY PERSONS RESIDENT OR FOUND WITHIN A RADIUS OF 35 MILES OF CHARING CROSS WHO ARE IN CONDITIONS OF NEED, HARDSHIP OR DISTRESS IN SUCH WAYS THAT ARE CHARITABLE IN LAW, BEING PERSONS WHO WERE BORN IN SCOTLAND OR PERSONS ONE OF WHOSE PARENTS IN EACH CASE WAS BORN IN SCOTLAND OR WIDOWS, WIDOWERS AND SURVIVORS OF CIVIL PARTNERSHIPS OF PERSONS WHO WERE BORN IN SCOTLAND OR WIDOWS, WIDOWERS AND SURVIVORS OF CIVIL PARTNERSHIPS OF PERSONS ONE OF WHOSE PARENTS IN EACH CASE WAS BORN IN SCOTLAND.

Activities: The provision of grants, allowances, housing and general advice and support

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Classification

- **How:** Makes Grants To Individuals, Provides Other Finance, Provides Human Resources, Provides Services
- **What:** Education/training, The Prevention Or Relief Of Poverty, Accommodation/housing
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin

Geography

- **Area of benefit:** WITHIN A RADIUS OF 35 MILES OF CHARING CROSS
- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£3,235,841	£3,163,216	£58,411,201	21
2024-03-31	£3,049,109	£3,181,396	£58,458,770	23
2023-03-31	£2,734,408	£2,979,109	£54,533,789	24
2022-03-31	£2,627,869	£2,688,658	£57,239,409	23
2021-03-31	£2,713,850	£2,516,470	£56,002,502	23

Trustees

Name	Role	Appointed
Bart Preston		2025-01-23
Callum Ross		2021-07-01
David Guild		2013-01-01
David McMurtrie		2020-01-01
Elaine Ogilvie Close		2022-10-01
Jonny Stevenson		2025-10-15
Kevin Lynch		2018-07-01
Mike Watson		2025-04-23
Sheryl Louise Jermyn		2023-04-01
William Gilmore		2020-10-01

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Linked charities

- CHARITY OF WILLIAM KINLOCH (207326-1)
- ST ANDREWS' SCOTTISH SOLDIERS' CLUB FUND (207326-2)

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THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES THE SECOND (ROYAL SCOTTISH

England & Wales - Charity number 207326

Accounts

THE ROYAL SCOTTISH CORPORATION

THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II (OPERATING AS "SCOTSCARE")

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2025

Charity Commission Number: 207326

OSCR Number: SC052739

THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

REFERENCE AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2025

Patron:
His Majesty King Charles III

Principal Office:
183-185 Bermondsey Street, London SE1 3UW

Vice Presidents:
P.J.M. Scott

Treasurer
Colin Somerville (resigned January 2025)
Mike Watson (appointed April 2025)

Trustees:
Elected Members of the Committee of Management:

K. Lynch (Chairman)	
D. Guild	
J. Cadzow-Collins	(resigned July 2024)
W. Gilmore	
D. McMurtrie	
C. Ross	
B. Preston	(appointed January 2025)
S. Jermyn	
R. Brown	(resigned April 2025)
E. Close	
J. Harvie	(resigned October 2024)

In addition the Treasurer and Honorary Solicitor are Trustees and Members of the Committee of Management.

Other Appointments:
Chief Executive and Secretary:
Shona Fleming

Honorary Chaplain:
The Reverend Angus MacLeod
The Reverend Scott Rennie

Honorary Piper
Pipe Major J. McLucas

Auditor:
Haysmac LLP
10 Queen Street Place
London
EC4R 1AG

Honorary Solicitor:
Danny Tsang
Simmons & Simmons LLP
CityPoint
One Ropemaker Street
London
EC2Y 9SS

Bankers:
The Royal Bank of Scotland plc
1 Fleet Street
London
EC4Y 1BD

Investment Advisers:
Cazenove
100 St Paul's Churchyard
London
EC4M 8BU

W1M
16 Babmaes Street
London SW1Y 6AH

THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

CHAIRMAN'S INTRODUCTION

FOR THE YEAR ENDED 31 MARCH 2025

Dear Friends,

I am privileged to be able to present our Annual Report and Financial Statements for the year ended 31 March 2025.

Our mission is to help Scots in need within the Greater London area in a variety of ways, depending on assessed need: housing, health (physical and mental), advocacy, financial grants, training, housing advice, volunteer programme, career coaching, counselling, respite holidays and social events. Whilst continuing our support to older people and working age adults we have increased our focus on supporting children and families, the objective being to stop the cycle of poverty, low educational attainment and unemployment, as well as supporting homeless clients following our merger with Borderline in 2023.

The charity continues to be strong and stable, testament to the dedication and hard work of our very capable team led by our Chief Executive Shona Fleming.

The past year has seen ScotsCare make significant operational progress in delivering our mission. Following the merger with Borderline in 2023, we have ensured continuity of service for our homeless clients, maintaining the quality and scope of our support. We successfully expanded our mental health services, notably in the areas of psychotherapy for children, families, and individuals facing substance misuse. Our family support project grew with the addition of a full-time staff member, allowing us to extend our reach to more vulnerable families. We also completed the implementation of a new client database, broadening it to better support our volunteer and fundraising programmes and enhancing our ability to monitor and report on impact. Work continued on finalising our Theory of Change, a vital tool to ensure our services are focused on breaking the cycle of deprivation.

The board oversaw important developments to strengthen the organisation's governance and long-term focus. We completed the legal integration of our two related military charities (the St Andrew's Scottish Soldiers' Club Fund and The Kinloch Bequest), modernising our charitable objectives to enable referrals from organisations as well as individuals. Trustees also initiated a comprehensive board review with the help of an external consultant to ensure best practice in governance and leadership. In addition, we established a Property Sub-Committee to review our existing lease at City Road and explore options for a new headquarters that will better serve the charity's evolving needs. We continued to embed the key strands of our 2023–2026 strategy, including a full review of our investment management, which led to the appointment of two new managers with a mandate to adopt a Total Return policy. Our various sub-committees have continued to undertake significant work throughout the year, and I would like to express my sincere thanks to my fellow trustees for their ongoing commitment and valuable contributions.

This year also saw the successful launch of our inaugural ScotsCare Ceilidh, held as part of the St Andrew's Festival. The event brought together the Scots community in a large, inclusive celebration of St Andrew's Day, fostering connection and cultural pride, as well as introducing new supporters to the charity. Following its success, we are pleased to confirm that the Ceilidh will return in 2025.

Continuing to increase awareness of ScotsCare is critically important to everything we do, and this has continued with our podcast series, social media, traditional media, pitch side banners at sporting events, presence at events and contacts through the ScotsCare Ambassadors Club. To reach more potential clients we have also continued to use the GP surgery and A&E leaflet distribution service to raise awareness of our services, as well as now having leaflets in five hundred primary schools in key client boroughs. Our leaflets are also distributed to twelve prisons across London.

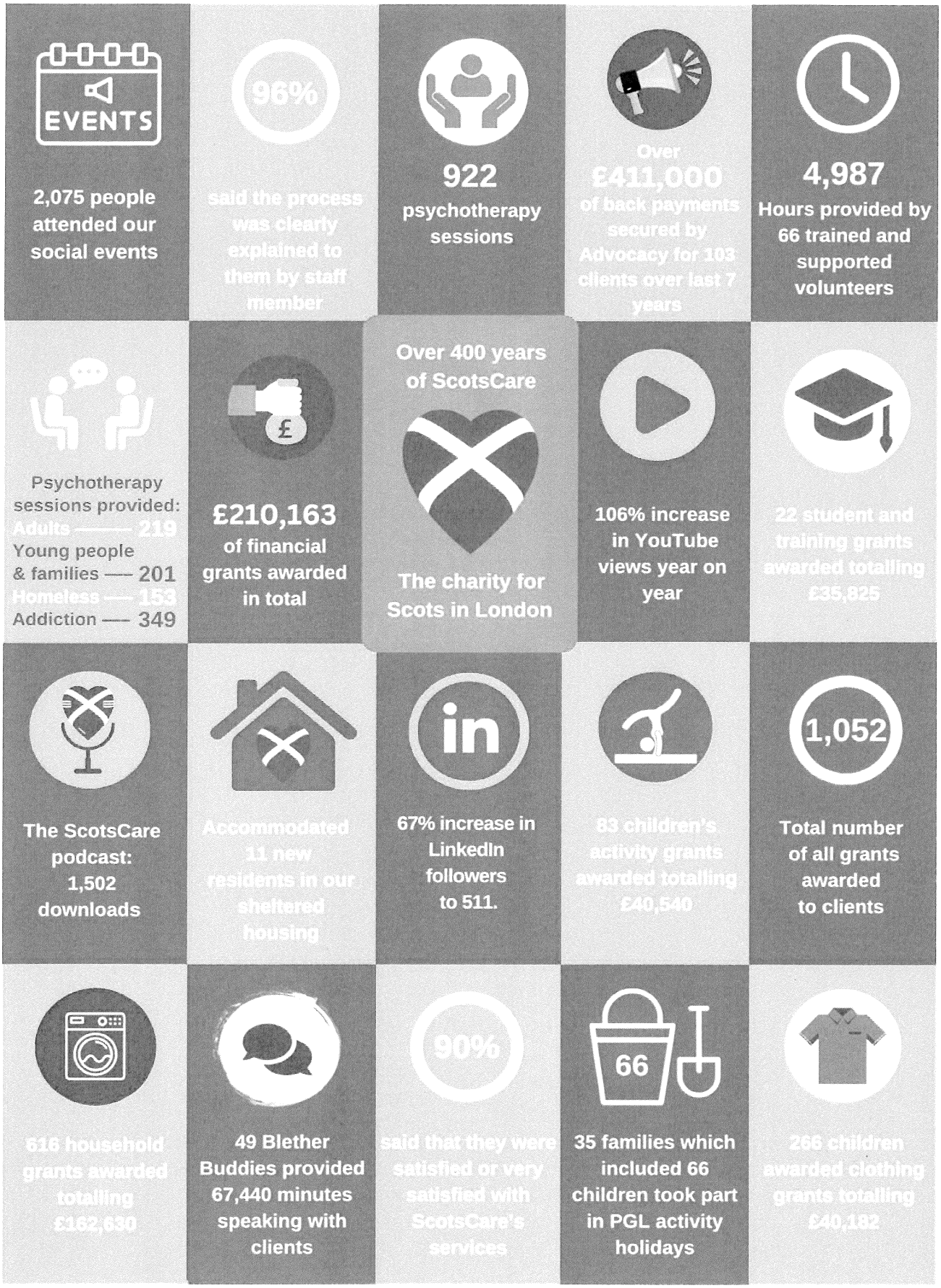
In the Trustees' Report you will see details of the extensive and varied work done by our staff and volunteers. Our CEO and her team are proactive, energetic and flexible and we are fortunate to have such a body of impressive people. Thank you to everyone.

Thank you also to all who generously donated to ScotsCare during the year, whether funds or time and talents, you are critical to our mission.

Kevin Lnych

Chairman

HIGHLIGHTS 2024 TO 2025



The Royal Scottish Corporation ("the Corporation") is the working name of the Scottish Hospital of the Foundation of King Charles II. It operates under the name ScotsCare and is registered with the Charity Commission for England and Wales – registration number 207326 – and with the Office of the Scottish Charity Regulator (OSCR) - registration number SC052739. Details of the principal office, Trustees, Chief Executive and principal advisers can be found in the reference and administrative information section on pages 1 and 2.

The Trustees present their report and the audited Financial Statements for the year ended 31 March 2025, which have been prepared in accordance with the provisions of the current Statement of Recommended Practice Accounting and Reporting by Charities and the relevant accounting standards.

Governing Document

The Corporation is governed by Royal Charters of 1665, 1676, the Charter of Reincorporation of 1775, as amended in 1974, 1982 and 1 August 2022 and by Bye-Laws, which were last amended in July 2022.

Appointment and Induction of Trustees

As provided in the Charter and Bye-Laws, there is one Annual General Court each year. The Committee of Management, as charity trustees for the purposes of the Charities Act 2011, have control of the Corporation and its property and funds.

The Committee of Management shall elect no fewer than five nor more than 14 members including the Treasurer and the Honorary Solicitor, and each serve for a period of three years.

One-third (or the number nearest one-third) of the Elected Members must retire at the Committee Meeting immediately preceding each Annual General Court. Subject to Bye-Laws 5.7 and 7.1, a retiring Elected Member shall be eligible for re-election for consecutive periods not exceeding in aggregate nine years from the date of his or her original appointment but thereafter an Elected Member shall not be eligible for re-appointment until one year after his or her retirement.

The Committee of Management has established a Nominations Sub-Committee which shall from time to time put forward and recommend to the Committee of Management candidates for election as Elected Members. Trustees are required to attend two Committee of Management meetings of the and a selection of the Sub-Committees preceding their election. Regard is given to the skills and experience of the potential trustee and skills and experience required by the Charity.

On appointment, each trustee is required to undertake an induction which includes reviewing information about the charity including its governing document, strategy, finances, staffing structure, risk register and briefings from staff on the work of the organisation. Their attention is drawn to relevant Charity Commission guidance, including The Charity Governance Code.

Organisation

The Committee of Management meets quarterly and can appoint Sub-Committees to discuss and make recommendations on more detailed aspects of strategy and policy. There are currently six Sub-Committees: Finance, Investment, Property, Welfare, Communications, and the Nominations Sub-Committees.

The Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Charity. The Chief Executive has delegated authority, within the terms prescribed by the Trustees, for operational, finance and service delivery related activity.

Key Management

The Chief Executive and the Committee of Management (unpaid Trustees) make up the organisation's key management. The Chief Executive's salary is based on an annual pay and appraisal system set by the Committee of Management.

Trustees' Responsibilities and Risk Management

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

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards and SORP have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charity will be able to continue in operation.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the accounts comply with the *Charities Act* 2011, the *Charity (Accounts and Reports) Regulations* 2008; and the provisions of the Royal Charters and Bye-Laws. 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.

We have overall responsibility for:

- keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Corporation and the funds held in trust;
- establishing and monitoring a system of internal control;
- ensuring that the Financial Statements comply with applicable law and regulations; and
- establishing arrangements for safeguarding the assets of the Corporation and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The systems of internal control are designed to mitigate risk and include a strategic plan, regular consideration by the Committee of Management of the actual results compared to budget and any variances arising, formal written policies and procedures and detailed terms of reference for Sub-Committees.

Detailed consideration of the risks to which the Corporation is exposed is delegated to the Finance Sub-Committee, which is assisted by the management team. While it is not possible to fully mitigate the risk, through established risk management processes, we are satisfied the systems and procedures are in place to manage the risks identified while recognising that these systems can only provide reasonable and not absolute assurance.

The key risks to which the Charity is exposed are the loss of investment income, the resignation or ill health of the CEO and the health and safety of staff. The Trustees have borne the investment income risk in mind when determining the level of free reserves and regularly review our reserves policy. The management of ScotsCare's investment is undertaken by professional investment advisors. Our CEO manages a strong senior management team with the appropriate skills and experience to manage the day-to-day operations should there be a loss of key staff. In relation to the health and safety of the charity's employees, the charity follows the relevant and current guidance and has the appropriate risk assessments in place. Furthermore, the Charity considers its staff may be at personal risk when working with clients and interview rooms have been designed to mitigate this risk, together with appropriate written procedures and a lone working alert system (Look Out Call) for staff to use and follow when working outside the office.

Related parties

None of the trustees receives remuneration or other benefits from their work with the charity. Trustees are invited to declare any relevant interests at each board meeting and are formally requested to submit an annual related party and conflicts of interest form. Board members have reported transactions with related parties within note 24.

Equality and diversity

We are committed to equality and diversity at ScotsCare and ensure that within the framework of the law that our workplace is free from unlawful or unfair discrimination because of protected characteristics as defined by the Equality Act 2010. All employees are provided with a copy of our policy as part of their induction process and are expected to abide by it. Failure to do so, resulting in discrimination, can be treated as gross misconduct. This policy applies both to behaviour in the workplace and recruitment practices. We are engaged in monitoring at board and staff level equality and diversity within the organisation.

Strategy

Royal Charter

The objects of the Corporation shall be for the public benefit to relieve either generally or individually persons resident or found within a radius of 35 miles of Charing Cross who are in conditions of need, hardship or distress in such ways that are charitable in law, being persons who were born in Scotland or persons one of whose parents in each case was born in Scotland or widows, widowers and survivors of civil partnerships of persons who were born in Scotland or widows, widowers and survivors of civil partnerships of persons one of whose parents in each case was born in Scotland.

Background

The Royal Scottish Corporation (ScotsCare) and New Borderline (Borderline) merged on 1 April 2023 to provide a one stop shop for vulnerable Scots across London. On 1 April 2023 the assets and liabilities of New Borderline (Registered Company number 06844151, Charity numbers 11286848 and SC044530) were transferred to ScotsCare.

ScotsCare has provided support to Scots and their families in London for over 400 years. The charity currently provides a range of services to end the cycle of deprivation amongst Scots in London by providing financial, practical and emotional support.

Our strategy aims to build on the progress achieved through previous organisational strategies, to incorporate developments since the last review of both charities in 2022 and those that we aim to achieve over the next three years 2023 to 2026.

Vision
Our vision is an end to the cycle of deprivation experienced by Scots and their families living within a 35-mile radius of Charing Cross, London.

Purpose
Our purpose is to provide financial, practical and emotional support to Scots and their families in London. For our homeless clients we aim to provide a sustainable pathway out of homelessness.

Values
Our values are that we are a caring, progressive and effective organisation.

- Caring
  To provide a high quality of support to Scots and their families

- Progressive
  Listening to the needs of our beneficiaries and responding to that need in a way that breaks the cycle of deprivation

- Effective
  Good governance, partnership working and investment in our people is key to our success

Scots in London
Our current definition of Scots in London is people living within a radius of 35 miles of Charing Cross:

- who were born in Scotland; or
- persons one of whose parents in each case was born in Scotland; or
- widows, widowers and survivors of civil partnerships of persons who were born in Scotland; or widows, widowers and survivors of civil partnerships of persons one of whose parents in each case was born in Scotland

Our clients
ScotsCare assists Scots and their families who are in need of financial, practical and emotional assistance.

Most of our clients have support needs over and above financial assistance. Many are socially excluded from society and face a combination of linked problems such as unemployment, discrimination, poor skills, low incomes, homelessness and poor housing, bad health and family breakdown. These problems are linked and mutually reinforcing so that they can create a vicious cycle in people's lives. Social exclusion is a consequence of what happens when people do not get a fair deal throughout their lives. This is of course sometimes linked to the disadvantage they face at birth.

Our clients receive state benefits or are on a low income, generally without support networks, socially isolated and often unable to negotiate the public sector system, including the benefits system. A significant number of our clients have additional support needs such as homelessness and long-term rough sleeping, mental and physical ill health, housing concerns, debt problems and issues around substance misuse.

Our priority clients:

- Children and families
- Homeless or insecurely housed adults
- Older people
- Working age adults

Model of Service Delivery
The following sections describe the key ScotsCare services and recommendations for the next three years.

Maintaining services
We will continue to run the full range of services available now, as they have a strategic relevance in terms of our objectives. Financial, practical and emotional support services will be offered to all so that our clients have the opportunity to have their basic needs met, which in turn will allow them to start thinking about their lives beyond these immediate needs.

Continue our focus on rough sleepers and tenancy sustainment
We will continue to work with those sleeping out on the streets of London, and those at clear risk of doing so through our Scottish Outreach Worker project.

Preventing rough sleeping
We will at all times attempt to reduce the flow to the streets by ensuring that no person spends a second night on the streets. Using the expertise of our Outreach Team, ensure that new clients are effectively diverted away from a street lifestyle. They may be reconnected back to their home area, or to other more relevant services, wherever they may be.

Working with entrenched rough sleepers
Entrenched rough sleepers fall within our core client base of rough sleepers; however, they are unlikely to readily make the move away from the streets or even to engage with services. For this specific group, we will make every attempt to encourage them to access our services as part of a long-term action plan to move them away from the streets into a more settled way of living.

Sheltered Housing
We will continue to provide sheltered housing at our three housing sites, two of which provide on-site staff: Rothesay Court in Lewisham, Bawtry Rd in Barnet, and Kinnear Court in Wimbledon. Our residents are mixed at all three sites and are allocated accommodation based on priority housing need. Priority is given to those applicants living in poor accommodation, often with major disrepair issues, clients who have been living in temporary accommodation with a history of homelessness or clients who are a priority on medical grounds.

Mental Health
In acknowledgement of the fact that around 65% of our adult clients have a diagnosed mental health issue, we will ensure that they are supported to engage with appropriate mental health services, including our own psychotherapy services.
In October 2021, we engaged with Brett Grellier Psychology Service (BGPS) to provide a bespoke psychology service for our homeless clients and in October 2022 we again engaged BGPS to provide a substance misuse service for all clients. This service recognises the complex needs of our clients and uses a three phased approach including stabilisation, therapy, and reintegration into the community. Furthermore, we will continue our partnership with Camden Psychotherapy Unit and The Brent/Westminster Centre for Young People to deliver high quality individual or family psychotherapy for adults and children.

Volunteer Programme
18 years after the Volunteers Programme was first established, our volunteers are still supporting us across the organisation. Whether they are meeting with a client face to face or on the phone; taking calls from clients in need of advice; or working behind the scenes to give vital social events or administrative support to one of our services or staff members, every one of our volunteers makes a big impact and helps us achieve our aim of reducing social isolation and strengthening the Scots community.

Social Events
ScotsCare recognises that regular social events are crucial community connectors that improve wellbeing and reduce social isolation across our client groups. Over 50s clients enjoy monthly social events usually in the form of a buffet lunch and a game of bingo. This provides a good opportunity to meet new friends and reduce social isolation. Attendance at our family day trips is high and provides a great opportunity for parents to spend time with their children with ScotsCare meeting the cost. The ScotsCare choir meets weekly and was originally set up to connect Scots clients and reduce social isolation but now also directly raises the profile of the charity through invitations to perform at events held by other Scottish organisations operating in London.

Family Support Project
Our work supports families when they face complex needs and challenges, including domestic abuse, mental health issues, and substance misuse. The service ranges from light touch support to intensive family support, child protection, referrals to specialist psychotherapy services, relationship support, and advice and support when dealing with statutory services.

Advocacy
Our Advocacy clients are some of our most vulnerable clients and often have the greatest support needs. We will continue our advocacy service to help our clients navigate the complexities of the welfare benefits system and this includes appealing DWP decisions or preparing for and attending tribunal hearings. Additionally, we will advocate and make full use of statutory complaints processes for our clients in cases of poorly maintained and unsuitable accommodation and NHS complaints.

Strategic Objectives

Families with Children
Children deserve the best start possible. For many, this isn't their reality. We help children and families who need help with specific problems. Our support can reduce financial need and provide key opportunities now and in the future and be a cost effective solution to providing statutory services.

All families can face difficult times, whether it's a parent with a diagnosed mental health problem, substance misuse issues, or poor housing exacerbated by long term poverty. We want to help families by providing services that will support them to address difficult situations that will improve the life chances and future opportunities for their children.

Poverty and social exclusion can pass from one generation to the next. For example, experiencing poverty in childhood and having parents who did not gain qualifications at school or college are powerful influences on a child's life, often continuing to affect their life chances as they get older.

Our objectives will be to help them:
- reduce the effects of poverty through financial assistance;
- have their voices heard through advocacy on issues that are important to them;
- address the issues faced by children and families to improve their mental and physical wellbeing;
- engage with training and employment opportunities; and,
- access social, cultural and educational opportunities for their children.

Homeless or insecurely housed adults
Crisis defines Homelessness as follows:

"Homelessness is about more than rooflessness. A home is not just a physical space; it also has a legal and social dimension. A home provides roots, identity, a sense of belonging and a place of emotional wellbeing. Homelessness is about the loss of all of these. It is an isolating and destructive experience and homeless people are some of the most vulnerable and socially excluded in our society".

Our clients are predominantly male with complex needs including poor health, substance misuse and mental health problems. The majority of our clients are found within the borough of Westminster, and we work alongside organisations in this borough, as well as pan London, to maximise our efforts in preventing and reducing homelessness.

Our objectives will be:
- To prevent homelessness wherever possible;
- To reduce homelessness and prevent rough sleeping;
- To access a wide range of accommodation options for our clients; and
- To ensure clients have access to appropriate specialist help.

Older people
Building a sense of community, reducing social isolation and loneliness, promoting well-being and healthy living are all part of providing our clients with services that are suited to their needs.

Our objectives will be to help them:
- increase their independence within the community;
- reduce their social isolation and loneliness;
- access housing appropriate to their needs;
- increase their digital skills and knowledge; and
- access social activities.

Working age adults
Providing access to training and job coaching support which moves individuals closer to employment is an important aim of this strategy. Our experience is that not all clients can engage with these opportunities, but for those who can, we will provide access to tailored support.

Our objectives will be to help them:
- identify barriers to employment;
- engage with personalised job coaching;
- access grants for specific training or education courses; and
- move into employment.

Support Services

To realise our strategic objectives we shall aim to provide the following services as appropriate:

All clients with:
- access to our helpline and walk-in as the first point of contact;
- individual assessment of need and benefits check;
- financial assessment and debt referral if appropriate;
- financial grants;
- advocacy;
- counselling;
- signposting to health and substance misuse services;
- housing advice; and
- access to training grants, job coaching and volunteering opportunities.

Families with Children with:
- job coaching and grants for training;
- volunteer befrienders;
- access to a programme of annual social events;
- access to our volunteering opportunities;
- children's clothing and activity grants; and
- children and families activity holidays.

Homeless or insecurely housed adults with:
- an outreach service working pan London;
- reconnection to Scotland or elsewhere;
- access to a range of appropriate accommodation options across London;
- access to health services;
- referral paths to specialist alcohol, drug and mental health services; and
- birth certificates.

Older people with:
- assessment of need for ScotsCare's sheltered housing;
- programme of annual social events;
- volunteer befrienders; and
- volunteer tech buddy programme.

Working age adults with:
- grants for training or study; and
- job coaching.

Achievements and Performance

Public Benefit

The Trustees have had regard to the Charity Commission's guidance on public benefit during the year. The Charity meets the Public Benefit test set out by the Charity Commission by providing the following services:

- sheltered housing on three sites in London: Grove Park in Lewisham; Whetstone in Barnet; and Worple Road in Wimbledon. Residents must be over 55, or over 50 with a significant disability, to qualify for our sheltered housing;
- an extensive menu of financial grants and regular monthly allowances;
- support services: befriending, advocacy, psychotherapy including substance misuse psychotherapy service, family support project, Scottish Outreach Worker to homeless clients, and job coaching where appropriate;
- signposting to other services generally;
- a range of volunteering opportunities across the organisation;
- grants to help students and the unemployed who require additional training before returning to work; and
- an annual programme of social events for families and older people.

To qualify for any of the above, an applicant must be assessed by the Corporation's professional staff and have exhausted state or other welfare provision. The Corporation's staff assists in this process by carrying out a benefits check to ensure the proper take-up of state benefit entitlement as well as signposting to relevant services.

Numbers of the members of the public benefitting from our services

	2024-25	2023-24	2022-23
Affordable housing	97	96	96
Regular monthly allowances	24	24	24
Financial grants	1,069	816	1,003
Trained and supported volunteers	66	50	60
Blether Buddies befirending project	49	39	49
Number of people attending social events	2,075	1,759	849
Helpline calls	6,149	6,514	6,659
Student and training grants	22	17	38
Adults assessed for services	449	378	478
Children benefitting from services	266	332	445
Advocacy cases	66	77	74
Counselling sessions	922	1,041	517
Scottish outreach worker project	40	36	-
Children & families project	31	25	-

Detailed one-to-one assessments are carried out at the client's home, on the telephone or at our office on City Road. The assessment includes the collection of information that helps us to provide the most appropriate services that tackle long-term deprivation. Our objective is to identify and achieve defined outcomes for each client, thus measuring and quantifying the impact we have on our clients' lives. This more focused approach has resulted in more grants and services to the most vulnerable of clients, and the impact of our intervention has been greater for most clients.

	2024-25 £	2023-24 £	2022-23 £
Grant expenditure			
S1 - children and families	172,733	186,990	261,160
S2 - older people	60,601	84,967	71,277
S3 - working age adults	106,188	120,831	131,909
Support services			
Psychotherapy	157,979	176,028	79,296
Children and families project	57,259	32,987	28,744
Volunteer programme	64,882	66,368	63,728
Advocacy	114,590	119,482	105,201
Social events	94,637	110,998	122,852
Homelessness outreach worker	84,973	66,905	-
Total	913,842	965,556	864,167

Volunteer programme
Our volunteers provide significant support and assistance across the organisation. In total, our volunteers provided 4,987 hours in various roles across the organisation.

We are fully committed to providing our volunteers with the best training so that the organisation continues to benefit from their input. Over the past year, our volunteers were able to fulfil the following roles:

Blether Buddy befriender (at home)	21
Blether Buddy befriender (telephone)	28
Tech Buddy	2
Travel Buddy	0
Reception	10
Monthly lunch clubs for over 50s	42
Attendance at annual client outings	43
Administrative	2
Communications team support	3
Residents' coffee mornings	1

Our volunteer programme remains an integral part of the ScotsCare support service. Blether Buddies continue to provide support to older people either on the phone or in their homes and this significantly reduces social isolation. Many befriending relationships are a lifeline for isolated Scots, and it is testament to the commitment and loyalty of our volunteers that we are able to impact the lives of so many.

Organisational Achievements 2024-25

- post-merger with Borderline in 2023, our service to our homeless clients remains as it was pre-merger;
- we completed the legal work to link the related charities, St Andrews' Scottish Soldiers' Club Fund and The Kinloch Bequest, to ScotsCare and broadened the charitable objects to include referrals from organisations, not just individuals;
- implemented the key business strands of our operational strategy for 2023-2026 which included a review of our investment managers and investment strategy and duly appointed two new investment managers with a mandate to adopt a Total Return investment policy;
- we have expanded our mental health services, in particular our children and families and substance misuse psychotherapy services to support vulnerable families and adults;
- expanded our family support project to include another full-time member of staff;
- completed the implementation of our new client database and expanded this to include additional databases for our volunteer programme and started the work to develop our fundraising database to ensure high levels of reporting on outcomes and impact;
- finalising the review of our Theory of Change to ensure we are focused on the best services to end the cycle of deprivation amongst our clients;

- carried out a trustee board review using an external consultant; and
- set up a Property Sub-Committee to review our office lease at City Road with a view to moving to new headquarters
- after careful consideration by the Property Sub-committee and the Board, purchased new charity headquarters in Bermondsey Street.

Monitoring and Evaluation

In line with our strategic objectives, we monitor and evaluate our work by using a theory of change framework to track the progress and outcomes of individual clients over the course of their involvement with us. Our Theory of Change remains under review and will be expanded to include outcomes and impact for our homeless clients. These outcomes are generally reported to Trustees on a quarterly and annual basis. Our new client database is complete, and will provide further ways to monitor, evaluate and report on our work.

We continue to use a series of surveys developed to receive regular feedback from clients, tenants, and volunteers to measure satisfaction levels and areas for improvement or additional services. The purpose of these surveys is to help determine future strategy and to assist with the planning and improvement of specific services. The feedback also provides the necessary evidence of ScotsCare's effectiveness and increases awareness of our services amongst our beneficiaries.

Raising our profile

Raising awareness through our communications is important to us if we are to reach more Scots in London who need our help. We continue to refer to our Communications Strategy to ensure that we communicate effectively externally with the appropriate key messages to key stakeholders.

The ScotsCare podcast, started back in June 2024, provides an excellent platform to raise the profile of the charity. The series ran in three parts – June to July, October to November and January to April. Guests included a mix of Scots from professional and artistic backgrounds with interesting back stories.

The ScotsCare Christmas card campaign continued and was designed to help promote awareness of the charity and the work we do.

ScotsCare Ambassadors Club

ScotsCare needs help to raise awareness of its work and to raise funds. Our ambassadors play a vital role in representing the Charity amongst their personal and professional networks, speaking about our work and the importance of the funds our supporters raise. The role involves our ambassadors using their network of contacts in the business, commercial, political, and other sectors in and around London to increase awareness and support for ScotsCare. We hope to expand the number of Ambassadors over the coming year. The communications team are a crucial link for our ambassadors to keep them up to date with ScotsCare news and relevant information.

Marketing and Advertising

We continue to use the GP surgery and A&E leaflet distribution service to raise awareness of our services. Our leaflets are now on display at 528 GP surgery and hospital waiting areas across London. Additionally, after thorough research and considering our strategic aim of investing in children and their families, we now have leaflets in 500 primary schools in key client boroughs along with 50 Family Hubs and 9 Special Educational Needs Co-ordinator (SENCO) teams across London. Our leaflets are also distributed to 12 prisons across London.

Adverts promoting our services have appeared in Camden New Journal, Islington Tribune, Westminster Extra, Hackney and Islington Gazettes, East London Advertiser, London Metro, Directions magazine, The Caledonian Club magazine, What's On, South London magazine, The South Londoner, Southwark Newspaper, The Community Noticeboard (Southwark Newspaper), Life and Work, QX Magazine. Barking and Dagenham Post, Newham Recorder, Ilford Recorder, Romford Recorder and the Morrison's Camden Store front.

Editorial pieces appeared in the Caledonian Club magazine Summer and Winter editions, Directions Magazine, QX Magazine, and Scots in London VE Day 80th Anniversary booklet. Alongside this, editorials also featured in the following newsletters - Scots in London, St Columba's Church, Scottish Business Network and the Association of Charitable Organisations.

A mini general leaflet was produced for clients and outreach events, as something more pocket friendly to hand out at events. Identifying a need to get more clients engaged with our counselling services, we designed a new counselling website page to help promote our 4 counselling services for adults, children, drug and alcohol misuse and our bespoke homelessness counselling service. Alongside the counselling website page, four new leaflets were produced to promote each counselling service. This work led to producing a new suite of more individual specific service-related leaflets for our Family Support Workers program, sheltered housing, social events, fundraising, volunteering and our two military charities; The Kinloch Bequest and the St Andrews' Scottish Soldiers' Club Fund.

Events

To celebrate the merger between ScotsCare and Borderline, a 'thank you' event was held at Sarasin's Offices and included donors, supporters, staff, volunteers and trustees.

We returned to Pride in London with a stall in Soho Square in July. Over one million people attend Pride Day, a great opportunity to meet prospective clients and supporters along with networking with other charities and services.

The Angel Canal Festival in Islington in September is a regular event for ScotsCare given the high number of Scots residing in Islington. This event gives us the opportunity to raise awareness of services amongst new and old clients and new supporters.

Working with other organisations

We have continued our involvement with Scots in London, a group of 12 organisations promoting Scottish culture in London. The group aims to support the Scottish community in London, including its charity members. The purpose of this group is to continue networking and collaborating to promote our individual organisations across the Scottish diaspora in the broad "London" area. We are delighted that HRH The Princess Royal has agreed to continue as Royal Patron. Our CEO and Chair of Communications Sub-committee represents ScotsCare at forum meetings and the CEO also sits on the Scots in London management committee.

Fundraising

ScotsCare is registered with the Fundraising Regulator but does not engage in public fundraising and does not use professional fundraisers or commercial participators. Nonetheless, we do observe the relevant fundraising regulations and codes. ScotsCare will never call to ask someone to donate or pass on their details. We do use databases to keep track of clients' needs and to communicate better with our volunteers. How we use this information is clearly stated in our Privacy Policy which is available on our website. No complaints were received during 2024/25.

Financial Review

The results for the year are shown in the Statement of Financial Activities.

- Incoming resources totalled £3,235,841 (2024: £3,049,109) and total resources expended were £3,163,216 (2024: £3,181,396). This resulted in a surplus of £72,625 (2024: deficit £132,287).
- Incoming resources for the year derive predominantly from investment income and interest of £1,504,105 (2024: £1,317,505) plus rental income from residential housing of £1,478,334 (2024: £1,472,878).
- Legacies, covenants/gift aid events and donations amounted to £253,402 (2024: £258,726).
- Losses on investments amounted to £362,625 (2024 Gains: £3,798,187).
- The transfer of £242,431 from the linked charities has been included in the result.
- The total funds at 31 March 2025 amounted to £58,411,201 (2024: £58,458,770).

Associated Charities & Related Charities

The Corporation is the sole Trustee of the Kinloch Bequest (previously Charity No. 210067) and the St Andrews' Scottish Soldiers' Club Fund (previously Charity No 233297).
The objects of the above charities were distinct from those of the Corporation and so they were not considered to be subsidiary charities.

In 2024-25, these charities have been linked to ScotsCare. Their results, assets and liabilities form part of these financial statements.

Investment Management

The investments of the Corporation were managed by the investment adviser, Sarasin & Partners LLP until December 2024. During the year the Trustees agreed to benchmark and review the performance of the charity's investment manager Sarasin. The decision was approved in July 2024 and the James Kinnear Fund was split equally and transferred to

Cazenove and W1M (previously known as Waverton) in January 2025 under discretionary mandates that provide for annual fees based on the average value of the respective portfolios managed by them.

The charity adopted a total return approach to investment from 1 April 2025, It will generate investment return from income and capital gains & losses. It is expected that, in the long term, the real value of the portfolio will be maintained in accordance with the investment objective.

The Corporation has adopted guidelines for the investment of its funds which are intended to allow flexibility in the range and classes of investment subject to protection against imprudent investment actions, decisions and practices. The primary objectives are:

- the generation of income at a level consistently and reasonably balanced between the need to conserve and increase long-term capital and the need to generate income for the activities of the Corporation; and
- the achievement of a level of income sufficient to enable the Corporation to grow the scale of its charitable activities in real terms.

No specific investment exclusions have been set. However, the Sarasin fund in which ScotsCare invests does not invest in tobacco and avoids investment in companies that have more than 10% of their turnover in alcohol manufacture, armaments, gambling or pornography. The new investment houses have the same mandate.

The Investment Sub-Committee reviews the performance of the portfolio with the Investment Adviser quarterly and reports to the Committee of Management.

The Investment Sub-Committee conducts an evaluation of the Investment Adviser on an annual basis. The evaluation includes consideration of the investment strategy and the process of the Investment Adviser and performance against benchmarks.

In the year to 31 March 2025 the investment income amounted to £1,504,105 (2024: £1,317,505). and the investment management fees were £172,844 (2024: £171,689). The market value of the portfolio at 31 March 2025 amounted to £44,257,235 (2024: £47,533,967) following the extraction of £3 million from the James Kinnear Fund towards the purchase of Bermondsey Street property.

Reserves

The position disclosed by these Financial Statements shows that at 31 March 2025 the unrestricted reserves of the Corporation amounted to £11,576,706. This sum comprises (a) £9,989,787 of Functional Fixed Assets and (b) £1,586,919 the balance of unrestricted free reserves. The target fund of free reserves is £1,581,608. The Trustees are confident that the charity holds sufficient reserves for operational purposes which include a cyclical property maintenance plan. We regularly review our reserves policy which is linked to the major risks and opportunities for the organisation. The restricted funds comprising the Heritage Fund and the restricted Scottish Homelessness Project Fund at the year-end amounted to £134,600. The Linked Charities Reserves stand at £263,593.

Functional Fixed Assets

These assets include the Corporation's three residential properties providing accommodation for those over 55 or those over 50 with a significant disability.

Unrestricted Free Reserves

Unrestricted free reserves are represented by other net assets available at the Trustees' full discretion in the conduct of the Corporation's affairs.

We consider that for the smooth running of the Corporation and as a protection against exceptional expenditure or a drop in income, a level of available expendable reserves is necessary. The current level of available expendable reserves of £1,586,919 represents approximately 2.72% of the net assets of the Corporation and approximately 6 months of normal expenditure. The total reserves at 31 March 2025 are £58,411,201. They comprise unrestricted funds: £11,576,706, restricted funds: £134,600 endowed fund: £46,463,302, and linked charities' funds: £236,593.

Future plans

- We have agreed on an annual budget to support and contribute to the ongoing development and delivery of client support services throughout the coming year with a spend of £3,453,257 in 2025-26.
- The annual programme of services will be delivered:
- using direct interventions where resources can be most effective;
- identifying and signposting to other appropriate services for the benefit of clients;
- supporting and investing in our staff and volunteers through training and development; and
- working with other organisations, societies, churches, charities and agencies.

Our plans for 2025-26 include:

- identifying the most appropriate organisations to submit proposals for grant funding from the St Andrews' Scottish Soldiers' Club Fund and The Kinloch Bequest;
- completing the implementation of our fundraising database and modernising our finance software;
- finalising the review of our Theory of Change to ensure we are focused on the best services to end the cycle of deprivation amongst our clients;
- implementing the key findings of our governance review;
- expanding our volunteering programme to include a befriending service for families;
- ensuring a smooth transition from our current headquarters to our new premises in Bermondsey Street;
- increasing the number of ScotsCare Ambassadors;
- increasing our fundraising efforts; and
- a review of our Strategy 2023-26.

Approval

This report was approved by the Trustees on 15 October 2025 and signed on their behalf by:

Kevin Lynch
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF

THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

FOR THE YEAR ENDED 31 MARCH 2025

Opinion

We have audited the financial statements of The Scottish Hospital Of The Foundation Of King Charles The Second (Royal Scottish Corporation) for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet and the Cash Flow Statement and 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 charity's affairs as at 31 March 2025 and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or

- sufficient and proper accounting records have not been kept; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements
As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
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:

Based on our understanding of charity, we identified that the principal risks of non-compliance with laws and regulations relates to the regulatory requirements of tenancy regulations, Charity Law, Health and Safety Act and employment law and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and the application of FRS 102 and payroll tax

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to manual accounting journals and management manipulation of accounting estimates. Audit procedures performed by the engagement team included:
- Enquiries of management regarding correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular, journal entries, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF

THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

FOR THE YEAR ENDED 31 MARCH 2025

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 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's trustees as a body for our audit work, for this report, or for the opinions we have formed.

HaysMac LLP

HaysMac LLP
Statutory Auditors

Date: 12 November 2025

10 Queen Street Place
London
EC4R 1AG

HaysMac LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 Unrestricted	2025 Restricted	2025 Endowed	2025 Total	*2024 Total*
		£	£	£	£	£
Income from:						
Donations and legacies	2	226,044	27,358	-	253,402	*258,726*
Investments						
ScotsCare	3	1,497,538	-	-	1,497,538	*1,317,505*
William Kinloch		-	3,149	-	3,149	-
SASSCF		-	3,418	-	3,418	-
Charitable activities						
Income from residential property	4	1,478,334	-	-	1,478,334	*1,472,878*
Total Income		**3,201,916**	**33,925**	**-**	**3,235,841**	*3,049,109*
Expenditure on:						
Raising funds						
Investment management costs	5	62,557	-	187,669	250,226	*247,209*
Fundraising costs	5	115,400	-	-	115,400	*51,657*
William Kinloch		-	402	-	402	-
SASSCF		-	318	-	318	-
Charitable Activities						
Welfare	6	1,767,662	84,973	-	1,852,635	*1,981,908*
Residential property	6	934,983	-	-	934,983	*900,622*
William Kinloch		-	4,309	-	4,309	-
SASSCF		-	4,185	-	4,185	-
Other		-	-	758	758	-
Total Expenditure		**2,880,602**	**94,187**	**188,427**	**3,163,216**	*3,181,396*
Net income/(expenditure) before investment gains and (losses)		**321,314**	**(60,262)**	**(188,427)**	**72,625**	**(132,287)**
Realised gains/ (losses) on investments		-	16,012	2,061,720	2,077,732	-
Unrealised (losses)/ gains on investments		-	(21,234)	(2,419,123)	(2,440,357)	*3,798,187*
Transfer of net assets of linked charities	8	-	242,431	-	242,431	-
Transfer of net assets from New BorderLine	23	-	-	-	-	259,081
Net movement in funds for the year		**321,314**	**176,947**	**(545,830)**	**(47,569)**	*3,924,981*
TOTAL FUNDS BROUGHT FORWARD		**11,255,392**	**194,246**	**47,009,132**	**58,458,770**	**54,533,789**
TOTAL FUNDS CARRIED FORWARD		**11,576,706**	**371,193**	**46,463,302**	**58,411,201**	*58,458,770*

There have been no recognised gains or losses other than those included above.

All transactions are derived from continuing activities. The accompanying notes form part of these financial statements.

THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

BALANCE SHEET

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	*2024 £*
FIXED ASSETS			
Tangible assets	11	12,790,541	*10,062,894*
Investments	12	44,257,235	*47,533,967*
		57,047,776	*57,596,861*
CURRENT ASSETS			
Debtors	13	222,527	*298,799*
Cash at bank and in hand		1,493,987	*883,843*
		1,716,514	*1,182,642*
Creditors: Amounts falling due within one year	14	(281,353)	*(213,584)*
NET CURRENT ASSETS		1,435,161	*969,058*
Creditors: amounts falling due after more than one year	15	(21,286)	*(31,699)*
Provisions for liabilities and charges	18	(50,450)	*(75,450)*
		58,411,201	*58,458,770*
FUND BALANCES			
Endowed Fund	19 & 20	46,463,302	*47,009,132*
Restricted Income Funds	19 & 20	371,193	*194,246*
Unrestricted Income Funds	19 & 20	11,576,706	*11,255,392*
		58,411,201	*58,458,770*

The financial statements were approved and authorised for issue by the Trustees on 15 October 2025 and signed on their behalf by:

K. Lynch

Chairman

THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2025

	2025 £	2024 £
Cash flows from operating activities	**(730,382)**	**(856,900)**
Cash flows from investing activities		
Dividends and interest	1,504,105	1,317,505
Purchase of investments	(51,998,356)	(316,166)
Proceeds from sale of investment	55,536,275	-
Purchase of fixed assets	(2,965,310)	(56,446)
Net cash provided by investing activities	**2,076,714**	**944,893**
Change in cash and cash equivalents in the year	**1,346,332**	**87,993**
Cash and cash equivalents at the beginning of the year	887,843	799,850
Cash and cash equivalents at the end of the reporting year	**2,234,175**	**887,843**

NOTES TO THE CASH FLOW STATEMENT

	2025 £	2024 £
Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities		
Net movement in funds	(47,569)	3,924,981
Transfer of investments from linked charities	(191,937)	-
Loss/(gain) on investments	362,625	(3,798,187)
Investment Fees charged on investment Portfolios	304,287	326,591
Depreciation charges	237,663	228,956
Decrease/(Increase) in debtors	76,272	(174,369)
(Decrease)/increase in creditors	32,382	(47,367)
Dividends and interest from investments	(1,504,105)	(1,317,505)
Net cash used in operating activities	(730,382)	(856,900)

Analysis of Cash and Cash Equivalents

	2025 £	2024 £
Cash at bank and in hand	1,493,987	883,843
Cash held by investment managers	740,188	4,000
	2,234,175	887,843

Note 17 shows the net movement in funds/debt

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 2nd edition effective for periods commencing on or after 1 January 2019 – (Charities SORP FRS102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going Concern

Given the charity's level of free reserves available at the year end, the Trustees consider that the charity has adequate resources to continue in operational existence for the foreseeable future and that there is no material uncertainty connected with the charity's ability to continue to operate as a going concern. Accordingly, the financial statements have been prepared on a going concern basis.

Significant judgements and estimates

Judgements made by the trustees, in the application of these accounting policies have significant effect on the financial statements. In the opinion of the trustees, in 2024-25 the significant judgements and estimates were applied to retired staff pensions, the useful economic life of the residential properties, and the provision for dilapidation. The details of these judgements and estimates are included in the relevant notes.

1.2 INVESTMENTS

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. All movements in value arising from investment changes or revaluation are shown in the Statement of Financial Activities.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and either their opening carrying value, or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value and the carrying value at year end. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

1.3 TANGIBLE FIXED ASSETS

Freehold Land & Buildings- Supported living

Under the previous GAAP, land and buildings were stated at valuation. On transition to FRS 102 an election was made to use the valuation at 2014 as the deemed cost and no depreciation on buildings was made as the amount involved was deemed immaterial. Following reappraisal in 2019-20 depreciation of buildings is now made annually at 2% of deemed cost.

Endowed Land & Buildings- Head Office

ScotsCare purchased a new building on 25 March 2025 by repurposing a portion of the endowed fund- James Kinnear Fund. The building is being depreciated at 2% of the deemed cost.

Fixtures, Fittings & Office Equipment

Fixtures, fittings and equipment are depreciated at an annual rate of 10% of cost.

IT Equipment

IT equipment is depreciated at an annual rate of 33.33% of cost.

1.4 DEBTORS
Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. A specific provision is made for debts for which recoverability is in doubt.

1.5 CASH AT BANK AND IN HAND
Cash at bank and cash in hand includes cash and short term highly liquid investments.

1.6 CREDITORS AND PROVISIONS
Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Creditors and provisions are recognised at the amount the Charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

1.7 PROVISION FOR UNFUNDED PENSIONS
Unfunded pensions are paid by the Charity to certain former employees. The pensions are to be paid during their lifetime. The pension liability was calculated using the return on investment and to the assumed age of 87 years. This decision was taken in the view of probable life expectancy of the retired staff who are already above the age of average life expectancy of women in the UK.

1.8 PROVISION FOR LIABILITIES
Provision has been made for expected property costs at the end of the leases based on the lease terms, management's assessment of the property condition and the likely costs. The estimation involves a level of trustee judgement.

1.9 FUND ACCOUNTING
Funds held by the charity are either:

- Unrestricted funds – which can be used in accordance with the charitable objects at the discretion of the trustees
- Endowment funds – the income from which can be used for the general purposes of the charity, in accordance with the charitable objectives and at the discretion of the trustees
- Restricted funds – which can only be used for particular restricted purposes within the objects of the charity, either when specified by the donor or when funds are raised for particular restricted purposes

1.10 INCOME RECOGNITION
Income is recognised in the period in which the Charity has entitlement to the income, where the amount of income can be measured reliably, and it is probable that the income will be received. In accordance with Charities SORP FRS 102, volunteer time is not recognised.

1.11 LEGACIES, GIFT AID & DONATIONS
Legacies, gift aid and donations are accounted for on an accrual basis.

1.12 INVESTMENT INCOME & INTEREST
Investment income is recognised once the dividend has been declared and notification has been received of the dividend due. Interest on funds held on deposit is included when it is receivable, and the amount can be measured reliably by the Charity; this is normally upon notification from the bank of the interest payable or paid.

1.13 RENTAL INCOME
Income from the rental of functional properties is recognised when the income is receivable under the contract for hire or lease document, when the amount can be measured reliably, and it is probable such income will be received.

1.14 EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to make a payment 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. All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. Support costs are allocated in the same proportion as direct costs are incurred. All expenditure is stated inclusive of irrecoverable VAT.

All eligible members of staff are auto enrolled in a workplace pension scheme. Employer contributions to the scheme are charged to the Statement of Financial Activities in the year in which they are payable to the scheme. In addition, supplementary pension payments are made directly to certain former employees.

1.15 OPERATING LEASES

Rentals payable under operating leases for equipment are charged on a straight-line basis over the terms of the leases.

1.16 EMPLOYEE BENEFITS

- **Short term benefits**
  Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.
- **Employee termination benefits**
  Termination benefits are accounted for on an accrual basis and in line with FRS 102.

1.17 HERITAGE ASSETS

No value is attributed to heritage assets on the basis that information on cost or valuation of the assets is not available and could not be obtained at reasonable cost. The age, variety and lack of comparable market data would make any attempt at valuation extremely onerous and costly compared with the benefit derived by users of the account.

2 DONATIONS AND LEGACIES

	2025		*2024*
	£	£	£
	Unrestricted	**Restricted**	
Legacies	99,443	-	*139,330*
Donations	97,350	27,358	*95,212*
Events	29,251	-	*24,184*
	226,044	**27,358**	*258,726*

Donations of £32,616 were restricted in 2024.

3 INVESTMENT INCOME

	2025		*2024*
	£	£	£
	Unrestricted	**Restricted**	*Unrestricted*
Dividend and interest on investments	1,483,535	5,510	*1,307,201*
Bank deposit interest	14,003	1,057	*10,304*
	1,497,538	**6,567**	*1,317,505*

4 INCOME FROM CHARITABLE ACTIVITIES - UNRESTRICTED FUNDS

	2025		*2024*
	£	£	£
	Unrestricted	**Restricted**	
Income from residential property	1,478,334	-	*1,472,878*
	1,478,334	-	*1,472,878*

5 RAISING FUNDS

	2025		*2024*
	£	£	£
	Unrestricted	**Restricted**	
Brokerage commission and investment management fees	172,844	720	*171,689*
Support costs (note 9)	77,382	-	*75,520*
	250,226	**720**	*247,209*

FUNDRAISING COSTS

	2025		*2024*
	£	£	£
	Unrestricted	**Restricted**	*Restricted*
Staff costs	48,832	-	*47,405*
Other direct costs	30,880	-	*2,568*
Support costs (note 9)	35,688	-	*1,684*
	115,400	-	*51,657*

6 EXPENDITURE ON CHARITABLE ACTIVITIES

	2025		*2024*
	£	£	£
Welfare	**Unrestricted**	**Restricted**	
Staff costs	570,895	57,719	*610,914*
Other direct costs	315,279	21,790	*402,232*
Grants to individuals	334,840	2,341	*392,788*
Support costs (note 9)	546,648	3,123	*575,974*
	1,767,662	**84,973**	*1,981,908*
Residential Housing			
Staff costs	153,797	-	*147,705*
Other direct costs	492,042	-	*477,783*
Support costs (note 9)	289,144	-	*275,134*
	934,983	-	*900,622*
Linked Charities			
Other direct costs	-	8,384	-
Grants to individuals	-	110	-
	-	**8,494**	-

Welfare costs of £108,059 were restricted in 2024.

7 GOVERNANCE COSTS

	2025		*2024*
	£	£	£
	Unrestricted	**Restricted**	
Auditors remuneration - audit fees	20,995	1,985	*23,688*
Other direct costs	16,484	-	*5,923*
	37,479	**1,985**	*29,611*

Governance costs have been allocated across investment management costs and the cost of charitable activities in proportion to direct expenditure.

8 TRANSFER OF NET ASSETS OF LINKED CHARITIES

The Charity of William Kinloch and St Andews' Scottish Soldiers' Club Fund were linked to ScotsCare during the year.
The net assets of these charities at the 1 April 2024, as set out below, have been reflected as a transfer in the financial statements, with all the income and expenditure reflected in the Statement of Financial Activities from this date.

		£	£
William Kinloch			
	Cash	4,774	
	Investments	107,085	
	Liability	(99)	
			111,760
SASSCF			
	Cash	45,898	
	Investments	84,852	
	Liability	(79)	
			130,671
			242,431

9 ANALYSIS OF DIRECT AND SUPPORT COSTS

	Direct Individual Grants	Direct Salary Costs	Other Direct Costs	Support Staff Costs	Support Premises Costs	Support Communications Costs	Support Other Costs	Support Governance Costs	2025 Total Support & Governance	2025 Total Costs	*2024 Total Costs*
	£	£	£	£	£	£	£	£	£	£	*£*
Investment	-	-	174,322	35,690	16,112	11,463	11,060	3,057	77,382	251,704	*247,209*
Fundraising		48,832	30,880	16,459	7,431	5,287	5,101	1,410	35,688	115,400	*51,657*
Charitable - Residential	-	153,797	492,042	133,357	60,204	42,833	41,328	11,422	289,144	934,983	*900,622*
Charitable - Welfare	337,291	628,614	345,453	252,123	113,822	80,979	79,271	23,576	549,771	1,861,129	*1,981,908*
Total	337,291	831,243	1,042,697	437,629	197,569	140,562	136,760	39,465	951,985	3,163,216	3,181,396

Included in the cost noted above, a sum of £84,973 was spent from the restricted homelessness fund towards welfare, and a sum of £9,214 was spent from the linked charities restricted funds.

COMPARATIVE 2024

	Direct Individual Grants	Direct Salary Costs	Other Direct Costs	Support Staff Costs	Support Premises Costs	Support Communications Costs	Support Other Costs	Support Governance Costs	2024 Total Support & Governance	2024 Total Costs
	£	£	£	£	£	£	£	£	£	£
Investment	-	-	171,689	34,415	18,727	9,025	11,357	1,996	75,520	247,209
Fundraising	-	47,405	2,568	-	-	-	-	1,684	1,684	51,657
Charitable - Residential	-	147,705	477,783	125,379	68,227	32,880	41,375	7,273	275,134	900,622
Charitable - Welfare	392,788	610,914	402,232	260,864	141,954	68,412	86,086	18,658	575,974	1,981,908
Total	392,788	806,024	1,054,272	420,658	228,908	110,317	138,818	29,611	928,312	3,181,396

Included in the cost above, a sum of £159,716 was spent from the restricted homelessness fund towards welfare & fundraising.

10 STAFF COSTS

	2025	*2024*
	£	£
Wages & Salaries	1,043,365	*1,009,544*
Social Security costs	106,930	*102,921*
Other pension costs	118,577	*113,548*
	1,268,872	*1,226,013*

Employees

	2025	*2024*
The average number of employees during the year		
Charitable	15	*15*
Support	8	*8*
	23	*23*

The average number of FTE employees during the year	**2025**	*2024*
Charitable	14	*14*
Support	7	*7*
	21	*21*

The number of employees whose annual remuneration was £60000 or more:

Salary Banding	2025	2024
60,001-70,000	1	1
70,001-80,000	0	0
80,001-90,000	0	1
90,001-100,000	0	0
100,001-110,000	1	0

The key management of the charity consists of the Chief Executive and the trustees.

Total remuneration for the Chief Executive, including social security and pension costs was £125,299 (2024: £124,623).

The trustees received no remuneration in the current or prior year. No reimbursement was made to trustees in 2024-25 (2024: £Nil).

The donation from the trustees in 2025 was £2,010 (2024: £1,625).

11 TANGIBLE FIXED ASSETS	Freehold Land & Buildings £	Endowed Freehold Land & Building £	Fixtures & Fittings £	Office Equipment £	IT Equipment £	Total £
COSTS						
1 April 2024	10,104,154	-	967,494	85,002	37,062	11,193,712
Additions	-	2,801,512	152,344	-	11,454	2,965,310
At 31 March 2025	10,104,154	2,801,512	1,119,838	85,002	48,516	14,159,022
DEPRECIATION						-
1 April 2024	636,446	-	383,809	85,002	25,561	1,130,818
Charge for the year	143,284	758	88,084	-	5,537	237,663
At 31 March 2025	779,730	758	471,893	85,002	31,098	1,368,481
Net Book Amount						
At 31 March 2025	**9,324,424**	**2,800,754**	**647,945**	**-**	**17,418**	**12,790,541**
At 31 March 2024	*9,467,708*	*-*	*583,685*	*-*	*11,501*	*10,062,894*

12 INVESTMENTS	2025 £	*2024* £
Opening value at 1 April	47,529,967	*43,742,205*
Linked Charities b/fwd	191,911	-
Cost of additions	51,998,356	*316,166*
Less proceeds of disposals	(55,536,275)	-
Investment manager's fees charges to portfolio	(150,547)	*(171,689)*
Realised loss	1,923,996	-
Unrealised gain/loss	(2,440,359)	*3,643,285*
Market value at 31 March	43,517,049	*47,529,967*
Funds on deposit with Investment Adviser	740,188	*4,000*
Total value as at 31 March	44,257,237	*47,533,967*
Cost at 31 March	46,697,595	*36,992,198*
Unrealised gains at 31 March	(2,440,359)	*10,541,769*
Market value at 31 March	**44,257,236**	*47,533,967*

13 DEBTORS

	2025	*2024*
	£	*£*
Accrued Income & Prepayments	137,348	*239,608*
Trade Debtors	85,179	*59,191*
	222,527	**298,799**

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	*2024*
	£	*£*
Trade creditors	139,473	*106,863*
Other creditors	38,109	*18,398*
Deferred income	25,940	-
Accruals	77,831	*88,323*
	281,353	*213,584*

Other creditors include £11,335 (2024 £11,335) related to unfunded pensions.

Deferred income comprises rental income received in advance

	2025	*2024*
	£	*£*
Balance at 1 April	-	*8,107*
Amount released to rental income	-	*(8,107)*
Amount deferred in year	25,940	-
Balance at 31 March	**25,940**	-

15 CREDITORS: AMOUNT FALLING DUE AFTER MORE THAN ONE YEAR

	2025	*2024*
	£	*£*
Unfunded pensions	21,286	*31,699*
	21,286	*31,699*

16 OPERATING LEASES

	Equipment		Building	
	2025	*2024*	2025	*2024*
	£	*£*	£	*£*
Under 1 year	9,409	*11,929*	62,272	*124,544*
2-5 years	1,680	*11,311*	-	*62,273*
	11,089	*23,240*	**62,272**	*186,817*

17 NET DEBT RECONCILIATION	At 1 April 2024	Cashflows	Other non-cash changes	At 31 March 2025
	£	£	£	£
Cash	887,843	1,346,332	-	2,234,175

2024 Comparative	*At 1 April 2023*	*Cashflows*	*Other non-cash changes*	*At 31 March 2024*
	£	£	£	£
Cash	*799,850*	*87,993*	-	*887,843*

18 PROVISION FOR LIABILITIES AND CHARGES

Provison for dilapidation

A provision of £50,450 has been made for the expected property dilapidation cost at the end of the lease based on the lease terms and management's assessment of the property condition. The estimation involves a level of judgement.

Movement in provision for Dilapidation	£
Balance at 01 April 2024	75,450
Adjustment	(25,000)
Balance at 31 March 2025	**50,450**

19 MOVEMENT IN FUNDS

	1 April 2024 Balance	Income	Expenditure	Investment (losses)/gains	Net Asset Transfer	Fund Transfers	31 March 2025 Balance
	£	£	£	£	£	£	£
Endowed Fund							
The James Kinnear Fund	47,009,132	-	(188,427)	(357,403)	-	-	46,463,302
Restricted funds							
Heritage Fund	62,265	-	-	(2,031)	-	-	60,234
Homelessness Fund	131,981	27,358	(84,973)	-	-	-	74,366
William Kinloch	-	3,149	(4,711)	(1,825)	111,760		108,373
SASSCF	-	3,418	(4,503)	(1,366)	130,671		128,220
Unrestricted Income Funds							
Functional Fixed Assets	10,062,894	1,478,334	(934,983)	-	-	(616,458)	9,989,787
Free Assets	1,192,498	1,723,582	(1,945,619)	-	-	616,458	1,586,919
Total Unrestricted Funds	11,255,392	3,201,916	(2,880,602)	-		-	11,576,706
Total Funds	58,458,770	3,235,841	(3,163,216)	(362,625)	242,431	-	58,411,201

COMPARATIVE 2024

	1 April 2023 Balance	Income	Expenditure	Investment (losses)/gains	Net Asset Tfr from NBL	Fund Transfers	31 March 2024 Balance
	£	£	£	£	£	£	£
Endowed Fund							
The James Kinnear Fund	*43,403,119*	-	*(185,407)*	*3,791,420*	-	-	*47,009,132*
Restricted fund							
Heritage Fund	*55,498*	-	-	*6,767*	-	-	*62,265*
Homelessness Fund		*32,616*	*(159,716)*	-	*259,081*	-	*131,981*
Unrestricted Income Funds							
Functional Fixed Assets	*10,235,404*	*1,472,878*	*(900,622)*	-		*(744,766)*	*10,062,894*
Free Assets	*839,768*	*1,543,615*	*(1,935,651)*	-		*744,766*	*1,192,498*
Total Unrestricted Funds	*11,075,172*	*3,016,493*	*(2,836,273)*	-	-	-	*11,255,392*
Total Funds	*54,533,789*	*3,049,109*	*(3,181,396)*	*3,798,187*	*259,081*	-	*58,458,770*

20 ANALYSIS OF ASSETS BETWEEN FUNDS 31 MARCH 2025

	Unrestricted	Restricted	Endowed	Total 2025
	£	£	£	£
Tangible Assets	9,989,787	-	2,800,754	12,790,541
Investments	-	271,329	43,985,906	44,257,235
Current Assets less Creditors & Provisions	1,586,919	99,864	(323,358)	1,363,425
	11,576,706	**371,193**	**46,463,302**	**58,411,201**

ANALYSIS OF ASSETS BETWEEN FUNDS 31 MARCH 2024

	Unrestricted	*Restricted*	*Endowed*	*Total 2024*
	£	*£*	*£*	*£*
Tangible Assets	*10,062,894*	-	-	*10,062,894*
Investments	-	*85,078*	*47,448,889*	*47,533,967*
Current Assets less Creditors & Provisions	*1,192,498*	*109,168*	*(439,757)*	*861,909*
	11,255,392	***194,246***	***47,009,132***	***58,458,770***

THE JAMES KINNEAR FUND

The James Kinnear Fund is an unexpendable capital (Permanent Endowment) fund whose assets are invested to produce a return, income of which each year is recorded in the Unrestricted Income Fund and is freely available for the charitable activities of the Corporation. Included in the fund is the Bermondsey Street property purchased during the year.

HERITAGE FUND

The Heritage Fund is a capital fund which arises from the historic sale of certain of the Corporation's paintings (anciently donated) upon moving premises. Its income each year is recorded in the Unrestricted Income Fund and is freely available for the charitable activities of the Corporation. Its capital assets are available to the Trustees for the purchase of replacement commemorative artefacts for the Corporation's headquarters or such other corporate expenditure as the Trustees may determine.

LINKED CHARITIES

The Charity of William Kinloch and St Andrews' Scottish Soldiers' Club Fund were linked to ScotsCare during the year.

The Charity of William Kinloch grant funding directly to eligible individuals or to charitable organisations that support Scots who have served in the Navy, Army or Royal Air Force, who suffer from a mental or physical impairment or disability and who are in need. To qualify for any of the above, an applicant must be assessed by the Corporation's professional staff.

St Andrews' Scottish Soldiers Club Fund grant funding directly to eligible individuals or to charitable organisations that support Scots soldiers who are in need, hardship and distress. The trustees shall apply the clear income of the charity in relieving serving and former Scottish soldiers and their families and dependents in any part of the world who are in conditions of need, hardship or distress.

HOMELESS RESTRICTED FUND

The Royal Scottish Corporation (ScotsCare) and New Borderline (Borderline) merged on 1 April 2023 to provide a one stop shop for vulnerable Scots across London. On 1 April 2023, the assets and liabilities of New Borderline (Registered Company number 06844151, Charity numbers 11286848 and SC044530) were transferred to ScotsCare.

20. ANALYSIS OF ASSETS BETWEEN FUNDS (CONT.)

UNRESTRICTED INCOME FUNDS

These funds represent accumulated income surpluses and consist of functional fixed assets fund and free assets.

(a)Tangible Fixed Assets

Functional fixed assets comprise of residential property and the fixtures & fittings within providing accommodation for the elderly and key workers on lower incomes. The Trustees have determined that these assets shall be a capital fund but that upon a disposal of the underlying property, any proceeds not similarly reinvested shall become free assets available at the Trustees' discretion.

(b) Free Assets

Free assets are available at the Trustees' discretion in the conduct of the Charity's affairs.

21. CAPITAL COMMITMENTS

At 31 March 2025, the Charity has no capital commitment (2024: £nil).

22. HERITAGE ASSETS

Works of art and ceremonial silverware are not capitalised in these accounts. They are considered to be heritage assets for the purposes of the Charities SORP (FRS 102). They all have very long lives and are worth preserving indefinitely.
No value is attributed to heritage assets on the basis that information on cost or valuation of the assets is not available and could not be obtained at reasonable cost. There has been no movement in the heritage assets in the last 5 years.

23. MERGER WITH NEW BORDERLINE

The Royal Scottish Corporation (ScotsCare) and New Borderline (Borderline) merged on 1 April 2023 to provide a one stop shop for vulnerable Scots across London. On 1 April 2023 the assets and liabilities, as set out below, of New Borderline (Registered Company number 06844151, Charity numbers 11286848 and SC044530) were transferred to ScotsCare:

- Cash and short-term deposits £259,081

24. RELATED PARTY TRANSACTIONS

Callum Ross, one of the Trustees, is a designated member of Habitus Collective UK LLP, a company engaged to provide consultancy services to the Charity. The Charity did not pay anything for this work during the year (2024: £2,814). There were no outstanding balances at the reporting date (2024: £nil).

Other than the transactions disclosed above and in Note 10, the Charity had no other related party transactions.

THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES THE SECOND (ROYAL SCOTTISH

England & Wales - Charity number 207326

Accounts

THE ROYAL SCOTTISH CORPORATION

THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II (OPERATING AS "SCOTSCARE")

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2024

Charity Commission Number: 207326

OSCR Number: SC052739

THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2024

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THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

REFERENCE AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2024

Patron:
His Majesty King Charles III

Principal Office:
22 City Road, London, EC1Y 2AJ

Vice Presidents:
P.J.M. Scott

Treasurer
C. Somerville

Trustees:

Elected Members of the Committee of Management:

K. Lynch (Chairman)	(appointed Chairman from January 2024)
J. Chestnut (Ex Chairman)	(resigned January 2024)
D. Guild	
P.J.M. Scott	(resigned April 2023)
J. Harvie	
J. Cadzow-Collins	(appointed April 2023 and resigned July 2024)
C. McCahon	(resigned April 2023)
W. Gilmore	
D. McMurtrie	
C. Ross	
F. Oram	(resigned January 2024
S. Jermyn	(appointed April 2023)
R. Brown	(appointed April 2023)
E. Close	

In addition the Treasurer and Honorary Solicitor are Trustees and Members of the Committee of Management.

Other Appointments:
Chief Executive and Secretary:
Shona Fleming

Honorary Chaplain:
The Reverend Angus MacLeod
The Reverend Scott Rennie

Honorary Piper
Pipe Major J. McLucas

Auditor:
Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Honorary Solicitor:
Danny Tsang
Simmons & Simmons LLP
CityPoint
One Ropemaker Street
London
EC2Y 9SS

Bankers:
The Royal Bank of Scotland plc
1 Fleet Street
London
EC4Y 1BD

Investment Adviser:
Sarasin & Partners LLP
100 St Paul's Churchyard
London
EC4M 8BU

THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

CHAIRMAN'S INTRODUCTION

FOR THE YEAR ENDED 31 MARCH 2024

Dear Friends,

I am privileged to be able to present our Annual Report and Financial Statements for the year ended 31 March 2024.

Our mission is to help Scots in need within the Greater London area in a variety of ways, depending on assessed need: housing, health (physical and mental), advocacy, financial grants, training, housing advice, volunteer programme, career coaching, counselling, respite holidays and social events. Whilst continuing our support to older people and working age adults we have increased our focus on supporting children and families, the objective being to stop the cycle of poverty, low educational attainment and unemployment.

The charity continues to be strong and stable, testament to the dedication and hard work of our very capable team led by our Chief Executive Shona Fleming.

This has been another year of clear and consistent performance within the strategic framework agreed with the board and significant success was achieved in areas such as advocacy, counselling, psychotherapy and activity holidays.

Our three sheltered housing sites provide 96 flats in total: 48 in Lewisham, 28 in Barnet and 20 in Wimbledon.

Continuing to increase awareness of ScotsCare is critically important and this has continued with our podcast series, social media, traditional media, pitch side banners at sporting events, presence at events and contacts through the ScotsCare Ambassadors Club.

In the Trustees' Report you will see details of the extensive and varied work done by our staff of 23 and our volunteer group of 65. Our CEO and her team are proactive, energetic and flexible and we are fortunate to have such a body of impressive people. Thank you to everyone.

It has now been over a year since our sister charity New Borderline merged into ScotsCare to provide a one-stop-shop for vulnerable Scots in London. Borderline's focus on the homeless is now integrated into the ScotsCare offering under one banner and provides a more economic, effective and efficient delivery of client services. The funding for homeless services has been maintained, thanks to Borderline's long standing organisational and individual donors, as well as to some new supporters. This result has been achieved in large part by the sterling efforts of the ScotsCare team in successfully communicating the rationale for the merger and the vision for the merged charity.

In May 2023 His Majesty King Charles III confirmed his continued Royal Patronage, providing an unbroken line of Royal support that extends back to 1665, when the King's namesake Charles II became our inaugural Patron. The centuries of Royal Patronage for ScotsCare are greatly appreciated.

As a body of trustees this financial year saw the successful integration of the merged Boards, the development of a new operational strategy for 2023-2026 and resolutions to streamline our smaller charities, the St Andrews' Scottish Soldiers' Club Fund and The Kinloch Bequest, to make them easier to govern. Much work has also continued to be done through our various Sub-Committees. Thank you to all my fellow trustees for their dedication and hard work.

James Chestnut stepped down as Chairman and trustee in January. We are very grateful to him for staying on to conclude the merger, as well as for his excellent stewardship over the last 6 years, during what has been a period of major change and success.

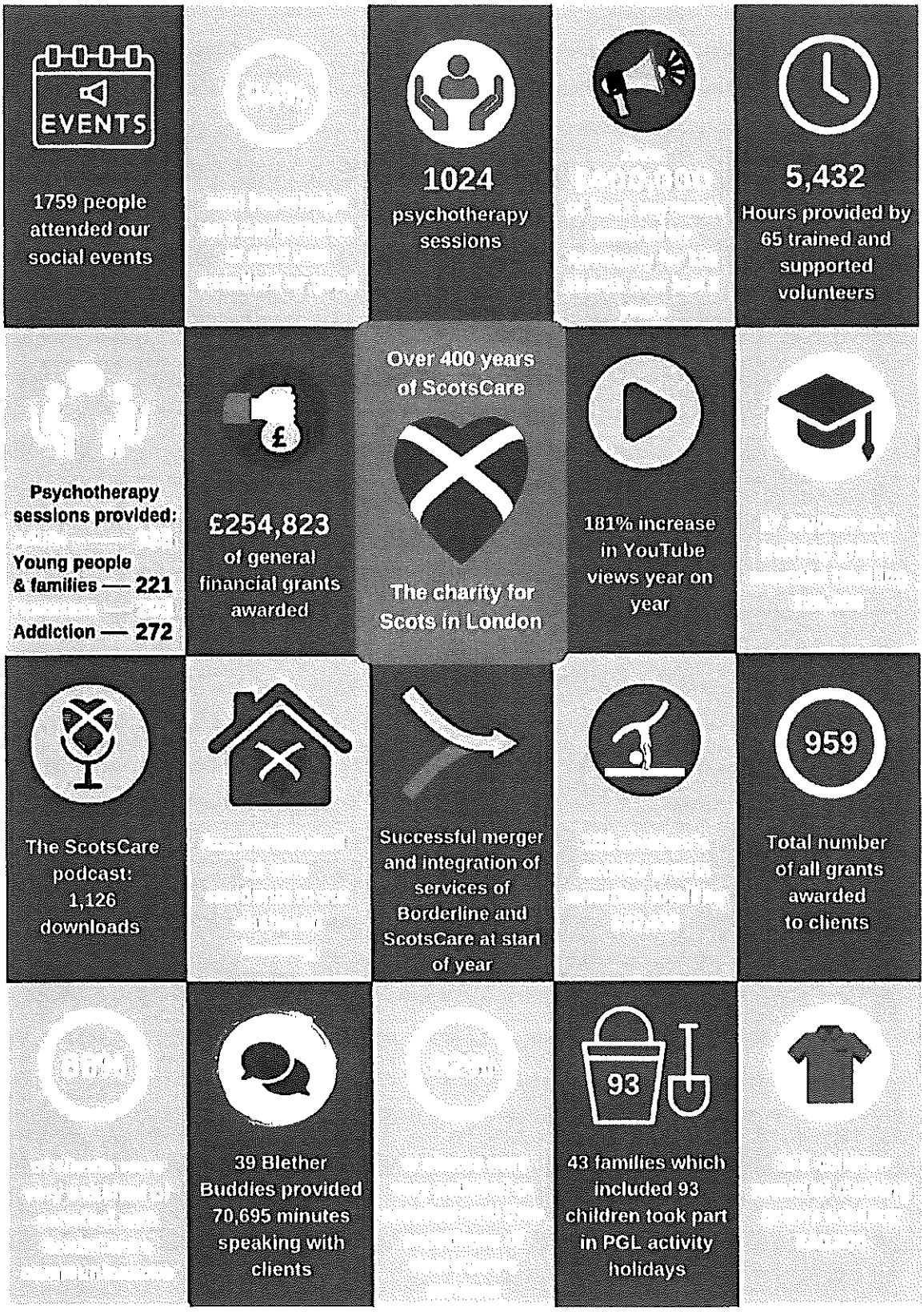
Thank you also to all who generously donated to ScotsCare during the year, whether funds or time and talents, you are critical to our mission.



Kevin Lnych

Chairman

HIGHLIGHTS 2023 TO 2024



The Royal Scottish Corporation ("the Corporation") is the working name of the Scottish Hospital of the Foundation of King Charles II. It operates under the name ScotsCare and is registered with the Charity Commission for England and Wales – registration number 207326 – and with the Office of the Scottish Charity Regulator (OSCR) - registration number SC052739. Details of the principal office, Trustees, Chief Executive and principal advisers can be found in the reference and administrative information section on pages 1 and 2.

The Trustees present their report and the audited Financial Statements for the year ended 31 March 2024, which have been prepared in accordance with the provisions of the current Statement of Recommended Practice Accounting and Reporting by Charities and the relevant accounting standards.

Governing Document

The Corporation is governed by Royal Charters of 1665, 1676, the Charter of Reincorporation of 1775, as amended in 1974, 1982 and 2022 and by Bye-Laws, which were last amended in July 2022.

Our new Royal Charter was duly approved by the Privy Council with Her Majesty Queen Elizabeth II in Council in March 2022 and took legal effect when it was electronically sealed on 1 August 2022.

Appointment and Induction of Trustees

As provided in the Charter and Bye-Laws, there is one Annual General Court each year. The Committee of Management, as charity trustees for the purposes of the Charities Act 2011, have control of the Corporation and its property and funds.

The Committee of Management shall elect no fewer than five nor more than 14 members including the Treasurer and the Honorary Solicitor, and each serve for a period of three years.

One-third (or the number nearest one-third) of the Elected Members must retire at the Committee Meeting immediately preceding each Annual General Court. Subject to Bye-Laws 5.7 and 7.1, a retiring Elected Member shall be eligible for re-election for consecutive periods not exceeding in aggregate nine years from the date of his or her original appointment but thereafter an Elected Member shall not be eligible for re-appointment until one year after his or her retirement.

The Committee of Management has established a Nominations Sub-Committee which shall from time to time put forward and recommend to the Committee of Management candidates for election as Elected Members. Trustees are required to attend two meetings of the Committee of Management and a selection of the Sub-Committees preceding their election. Regard is given to the skills and experience of the potential trustee and skills and experience required by the Charity.

On appointment, each trustee is required to undertake an induction which includes reviewing information about the charity including its governing document, strategy, finances, staffing structure, risk register and briefings from staff on the work of the organisation. Their attention is drawn to relevant Charity Commission guidance, including The Charity Governance Code.

Organisation

The Committee of Management meets quarterly and can appoint Sub-Committees to discuss and make recommendations on more detailed aspects of strategy and policy. There are currently five Sub-Committees: the Audit, the Investment, the Welfare, the Communications and the Nominations Sub-Committees.

The Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Charity. The Chief Executive has delegated authority, within the terms prescribed by the Trustees, for operational, finance and service delivery related activity.

Key Management

The Chief Executive and the Committee of Management (unpaid Trustees) make up the organisation's key management. The Chief Executive's salary is based on an annual pay and appraisal system set by the Committee of Management.

Trustees' Responsibilities and Risk Management

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

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards and SORP have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charity will be able to continue in operation.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the accounts comply with the *Charities Act* 2011, the *Charity (Accounts and Reports) Regulations* 2008; and the provisions of the Royal Charters and Bye-Laws. 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.

We have overall responsibility for:

- keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Corporation and the funds held in trust;
- establishing and monitoring a system of internal control;
- ensuring that the Financial Statements comply with applicable law and regulations; and
- establishing arrangements for safeguarding the assets of the Corporation and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The systems of internal control are designed to mitigate risk and include a strategic plan, regular consideration by the Committee of Management of the actual results compared to budget and any variances arising, formal written policies and procedures and detailed terms of reference for Sub-Committees.

Detailed consideration of the risks to which the Corporation is exposed is delegated to the Audit Sub-Committee, which is assisted by the management team. While it is not possible to fully mitigate the risk, through established risk management processes, we are satisfied those systems and procedures are in place to manage the risks identified while recognising that these systems can only provide reasonable and not absolute assurance.

The key risks to which the Charity is exposed are the loss of investment income, the resignation or ill health of the CEO and the health and safety of staff. The Trustees have borne the investment income risk in mind when determining the level of free reserves and regularly review our reserves policy. The management of ScotsCare's investment is undertaken by professional investment advisors. Our CEO manages a strong senior management team with the appropriate skills and experience to manage the day to day operations should there be a loss of key staff. In relation to the health and safety of the charity's employees, the charity follows the relevant and current guidance and has the appropriate risk assessments in place. Furthermore, the Charity considers its staff may be at personal risk when working with clients and interview rooms have been designed to mitigate this risk, together with appropriate written procedures and a lone working alert system (Look Out Call) for staff to use and follow when working outside the office.

Related parties

None of the trustees receives remuneration or other benefits from their work with the charity. Trustees are invited to declare any relevant interests at each board meeting and are formally requested to submit an annual related party and conflicts of interest form. Board members have reported transactions with related parties within note 24.

Equality and diversity

We are committed to equality and diversity at ScotsCare and ensure that within the framework of the law that our workplace is free from unlawful or unfair discrimination because of protected characteristics as defined by the Equality Act 2010. All employees are provided with a copy of our policy as part of their induction process and are expected to abide by it. Failure to do so, resulting in discrimination, can be treated as gross misconduct. This policy applies both to behaviour in the workplace and recruitment practices. We are engaged in monitoring at board and staff level equality and diversity within the organisation.

Strategy

Royal Charter
The objects of the Corporation shall be for the public benefit to relieve either generally or individually persons resident or found within a radius of 35 miles of Charing Cross who are in conditions of need, hardship or distress in such ways that are charitable in law, being persons who were born in Scotland or persons one of whose parents in each case was born in Scotland or widows, widowers and survivors of civil partnerships of persons who were born in Scotland or widows, widowers and survivors of civil partnerships of persons one of whose parents in each case was born in Scotland.

Background
The Royal Scottish Corporation (ScotsCare) and New Borderline (Borderline) merged on 1 April 2023 to provide a one stop shop for vulnerable Scots across London. On 1 April 2023 the assets and liabilities of New Borderline (Registered Company number 06844151, Charity numbers 1286848 and SC044530) were transferred to ScotsCare.

ScotsCare has provided support to Scots and their families in London for over 400 years. The charity currently provides a range of services to end the cycle of deprivation amongst Scots in London by providing financial, practical and emotional support.

Borderline supported homeless and insecurely housed Scots in London since 1991. Their primary organisational aims were to assist homeless Scots in London to establish a secure tenancy and lead a healthy, independent life by providing the appropriate specialist support services to lead a life away from homelessness.

Our strategy aims to build on the progress achieved through previous organisational strategies, to incorporate developments since the last review of both charities in 2022 and those that we aim to achieve over the next three years 2023 to 2026.

Vision
Our vision is an end to the cycle of deprivation experienced by Scots and their families living within a 35-mile radius of Charing Cross, London.

Purpose
Our purpose is to provide financial, practical and emotional support to Scots and their families in London. For our homeless clients we aim to provide a sustainable pathway out of homelessness.

Values
Our values are that we are a caring, progressive and effective organisation.

- Caring
  To provide a high quality of support to Scots and their families
- Progressive
  Listening to the needs of our beneficiaries and responding to that need in a way that breaks the cycle of deprivation
- Effective
  Good governance, partnership working and investment in our people is key to our success

Scots in London
Our current definition of Scots in London is people living within a radius of 35 miles of Charing Cross:
- who were born in Scotland; or
- persons one of whose parents in each case was born in Scotland; or
- widows, widowers and survivors of civil partnerships of persons who were born in Scotland; or widows, widowers and survivors of civil partnerships of persons one of whose parents in each case was born in Scotland

Our clients

ScotsCare assists Scots and their families who are in need of financial, practical and emotional assistance.

Most of our clients have support needs over and above financial assistance. Many are socially excluded from society and face a combination of linked problems such as unemployment, discrimination, poor skills, low incomes, homelessness and poor housing, bad health and family breakdown. These problems are linked and mutually reinforcing so that they can create a vicious cycle in people's lives. Social exclusion is a consequence of what happens when people do not get a fair deal throughout their lives. This is of course sometimes linked to the disadvantage they face at birth.

Our clients receive state benefits or are on a low income, generally without support networks, socially isolated and often unable to negotiate the public sector system, including the benefits system. A significant number of our clients have additional support needs such as homelessness and long-term rough sleeping, mental and physical ill health, housing concerns, debt problems and issues around substance misuse.

Our priority clients:
- Children and families
- Homeless or insecurely housed adults
- Older people
- Working age adults

Model of Service Delivery

The following sections describe the key ScotsCare services and recommendations for the next three years.

Maintaining services
We will continue to run the full range of services available now, as they have a strategic relevance in terms of our objectives. Financial, practical and emotional support services will be offered to all so that our clients have the opportunity to have their basic needs met, which in turn will allow them to start thinking about their lives beyond these immediate needs.

Continue our focus on rough sleepers and tenancy sustainment
We will continue to work with those sleeping out on the streets of London, and those at clear risk of doing so through our Scottish Outreach Worker project.

Preventing rough sleeping
We will at all times attempt to reduce the flow to the streets by ensuring that no person spends a second night on the streets. Using the expertise of our Outreach Team, ensure that new clients are effectively diverted away from a street lifestyle. They may be reconnected back to their home area, or to other more relevant services, wherever they may be.

Working with entrenched rough sleepers
Entrenched rough sleepers fall within our core client base of rough sleepers; however, they are unlikely to readily make the move away from the streets or even to engage with services. For this specific group, we will make every attempt to encourage them to access our services as part of a long-term action plan to move them away from the streets into a more settled way of living.

Sheltered Housing
We will continue to provide sheltered housing at our three housing sites, two of which provide on-site staff: Rothesay Court in Lewisham, Bawtry Rd in Barnet, and Kinnear Court in Wimbledon. Our residents are mixed at all three sites and are allocated accommodation based on priority housing need. Priority is given to those applicants living in poor accommodation, often with major disrepair issues, clients who have been living in temporary accommodation with a history of homelessness or clients who are a priority on medical grounds.

Mental Health
In acknowledgement of the fact that around 65% of our adult clients have a diagnosed mental health issue, we will ensure that they are supported to engage with appropriate mental health services, including our own psychotherapy services.
In October 2021, we engaged with Brett Grellier Psychology Service to provide a bespoke psychology service for our homeless clients and in October 2022 we again engaged BGPS to provide a substance misuse service for all clients. This service recognises the complex needs of our clients and uses a three phased approach including stabilisation, therapy, and reintegration into the community. Furthermore, we will continue our partnership with Camden Psychotherapy Unit and The Brent/Westminster Centre for Young People to deliver high quality individual or family psychotherapy for adults and children.

Volunteer Programme
18 years later, our volunteers are still supporting us across the organisation. Whether they are meeting with a client face to face or on the phone; taking calls from clients in need of advice; or working behind the scenes to give vital social events or administrative support to one of our services or staff members, every one of our volunteers makes a big impact and helps us achieve our aim of reducing social isolation and strengthening the Scots community.

Social Events
ScotsCare recognises that regular social events are crucial community connectors that improve wellbeing and reduce social isolation across our client groups. Over 50s clients enjoy monthly social events usually in the form of a buffet lunch and a game of bingo. This provides a good opportunity to meet new friends and reduce social isolation. Attendance at our family day trips is high and provides a great opportunity for parents to spend time with their children with ScotsCare meeting the cost. The ScotsCare choir meets weekly and was originally set up to connect Scots clients and reduce social isolation but now also directly raises the profile of the charity through invitations to perform at events held by other Scottish organisations operating in London.

Family Support Project
Our work supports families when they face complex needs and challenges, including domestic abuse, mental health issues, and substance misuse. The service ranges from light touch support to intensive family support, child protection, referrals to specialist psychotherapy services, relationship support, and advice and support when dealing with statutory services.

Advocacy
Our Advocacy clients are some of our most vulnerable clients and often have the greatest support needs. We will continue our advocacy service to help our clients navigate the complexities of the welfare benefits system and this includes appealing DWP decisions or preparing for and attending tribunal hearings. Additionally, we will advocate and make full use of statutory complaints processes for our clients in cases of poorly maintained and unsuitable accommodation and NHS complaints.

Strategic objectives

Families with Children
Children deserve the best start possible. For many, this isn't their reality. We help children and families who need help with specific problems. Our support can reduce financial need and provide key opportunities now and in the future and be a cost effective solution to providing statutory services.

All families can face difficult times, whether it's a parent with a diagnosed mental health problem, substance misuse issues, or poor housing exacerbated by long term poverty. We want to help families by providing services that will support them to address difficult situations that will improve the life chances and future opportunities for their children.

Poverty and social exclusion can pass from one generation to the next. For example, experiencing poverty in childhood and having parents who did not gain qualifications at school or college are powerful influences on a child's life, often continuing to affect their life chances as they get older.

Our objectives will be to help them:
- reduce the effects of poverty through financial assistance;
- have their voices heard through advocacy on issues that are important to them;
- address the issues faced by children and families to improve their mental and physical wellbeing;
- engage with training and employment opportunities; and,
- access social, cultural and educational opportunities for their children.

Homeless or insecurely housed adults
Crisis defines Homelessness as follows:

"Homelessness is about more than rooflessness. A home is not just a physical space; it also has a legal and social dimension. A home provides roots, identity, a sense of belonging and a place of emotional wellbeing. Homelessness is about the loss of all of these. It is an isolating and destructive experience and homeless people are some of the most vulnerable and socially excluded in our society".

Our clients are predominantly male with complex needs including poor health, substance misuse and mental health problems. The majority of our clients are found within the borough of Westminster, and we work alongside organisations in this borough, as well as pan London, to maximise our efforts in preventing and reducing homelessness.

Our objectives will be:
- To prevent homelessness wherever possible;
- To reduce homelessness and prevent rough sleeping;
- To access a wide range of accommodation options for our clients; and
- To ensure clients have access to appropriate specialist help.

Older people
Building a sense of community, reducing social isolation and loneliness, promoting well-being and healthy living are all part of providing our clients with services that are suited to their needs.

Our objectives will be to help them:
- increase their independence within the community;
- reduce their social isolation and loneliness;
- access housing appropriate to their needs;
- increase their digital skills and knowledge; and
- access social activities.

Working age adults
Providing access to training and job coaching support which moves individuals closer to employment is an important aim of this strategy. Our experience is that not all clients can engage with these opportunities, but for those who can, we will provide access to tailored support.

Our objectives will be to help them:
- identify barriers to employment;
- engage with personalised job coaching;
- access grants for specific training or education courses; and
- move into employment.

Support Services

To realise our strategic objectives we will aim to provide:

All clients as appropriate with:
- access to our helpline and walk-in as the first point of contact;
- individual assessment of need and benefits check;
- financial assessment and debt referral if appropriate;
- financial grants;
- advocacy;
- counselling;
- signposting to health and substance misuse services;
- housing advice; and
- access to training grants, job coaching and volunteering opportunities.

Families with Children with:
- job coaching and grants for training;
- volunteer befrienders;
- access to a programme of annual social events;
- access to our volunteering opportunities;
- children's clothing and activity grants; and
- children and families activity holidays.

Homeless or insecurely housed adults with:
- an outreach service working pan London;
- reconnection to Scotland or elsewhere;
- access to a range of appropriate accommodation options across London;
- access to health services;
- referral paths to specialist alcohol, drug and mental health services; and
- birth certificates.

Older people with:
- assessment of need for ScotsCare's sheltered housing;
- programme of annual social events;
- volunteer befrienders; and
- volunteer tech buddy programme.

Working age adults with:
- grants for training or study; and
- job coaching.

Achievements and Performance

Public Benefit

The Trustees have had regard to the Charity Commission's guidance on public benefit during the year. The Charity meets the Public Benefit test set out by the Charity Commission by providing the following services:

- sheltered housing on three sites in London: Grove Park in Lewisham; Whetstone in Barnet; and Worple Road in Wimbledon. Residents must be over 55, or over 50 with a significant disability, to qualify for our sheltered housing;
- an extensive menu of financial grants and regular monthly allowances;
- support services: befriending, advocacy, psychotherapy including substance misuse psychotherapy service, family support project and job coaching where appropriate;
- signposting to other services generally;
- a range of volunteering opportunities across the organisation;
- grants to help students and the unemployed who require additional training before returning to work; and
- an annual programme of social events for families and older people.

To qualify for any of the above, an applicant must be assessed by the Corporation's professional staff and have exhausted state or other welfare provision. The Corporation's staff assists in this process by carrying out a benefits check to ensure the proper take-up of state benefit entitlement as well as signposting to relevant services.

Numbers of the members of the public benefitting from our services

	2023-24	2022-23	2021-22
Affordable housing	96	96	96
Regular monthly allowances	24	24	34
Financial grants	816	1,003	896
Trained and supported volunteers	65	60	61
Blether Buddies befriending project	39	49	55
Number of people attending social events	1,759	849	840
Helpline calls	6,514	6,659	6,368
Student and training grants	17	38	25
Adults assessed for services	378	478	538
Children benefit ting from services	332	445	423
Advocacy cases	77	74	95
Counselling sessions	1,041	517	244
Scottish outreach worker project	36		
Children & families project	25		

Detailed one-to-one assessments are carried out at the client's home, on the telephone or at our office on City Road. The assessment includes the collection of information that helps us to provide the most appropriate services that tackle long-term deprivation. Our objective is to identify and achieve defined outcomes for each client, thus measuring and quantifying the impact we have on our clients' lives. This more focused approach has resulted in more grants and services to the most vulnerable of clients, and the impact of our intervention has been greater for most clients.

	2023-24 £	2022-23 £	2021-22 £
Grant expenditure			
S1 - children and families	186,990	261,160	190,445
S2 - older people	84,967	71,277	75,314
S3 - working age adults	120,831	131,909	95,709
Support services			
Psychotherapy	176,028	79,296	54,720
Children and families project	32,987	28,744	5,598
Volunteer programme	66,368	63,728	49,228
Advocacy	119,482	105,201	102,133
Social events	110,998	122,852	95,231
Homelessness outreach worker	66,905	-	-
Total	965,556	864,167	668,378

The services of both charities merged seamlessly and without interruption to client support and services.

Volunteer programme
Our volunteers provide significant support and assistance across the organisation. In total, our volunteers provided 5,432 hours in various roles across the organisation.

We are fully committed to providing our volunteers with the best training so that the organisation continues to benefit from their input. Over the past year, our volunteers were able to fulfil the following roles:

Blether Buddy befriender (at home)	15
Blether Buddy befriender (telephone)	24
Tech Buddy	4
Travel Buddy	0
Reception	10
Monthly lunch clubs for over 50s	30
Attendance at annual client outings	42
Administrative	2
Communications team support	3
Residents' coffee mornings	1

Our volunteer programme remains an integral part of the ScotsCare support service. Blether Buddies continue to provide support to older people either on the phone or in their homes and this significantly reduces social isolation. Many befriending relationships are a lifeline for isolated Scots, and it is testament to the commitment and loyalty of our volunteers that we are able to impact the lives of so many.

Monitoring and Evaluation

In line with our strategic objectives, we monitor and evaluate our work by using a theory of change framework to track the progress and outcomes of individual clients over the course of their involvement with us. Our Theory of Change is under review and will be expanded to include outcomes and impact for our homeless clients. These outcomes are generally reported to Trustees on a quarterly and annual basis. Our new client database is in the final stages, and will provide further ways to monitor, evaluate and report on our work.

We continue to use a series of surveys developed to receive regular feedback from clients, tenants, and volunteers to measure satisfaction levels and areas for improvement or additional services. The purpose of these surveys is to help determine future strategy and to assist with the planning and improvement of specific services. The feedback also provides the necessary evidence of ScotsCare's effectiveness and increases awareness of our services amongst our beneficiaries.

Raising our profile

Raising awareness through our communications is important to us if we are to reach more Scots in London who need our help. We reviewed and updated our Communications Strategy to include a focus on our ambassador project and increasing brand awareness through LinkedIn to ensure that we continue to communicate effectively externally with the appropriate key messages to key stakeholders.

The podcast series which finished in July has been an excellent opportunity to raise awareness amongst a wider audience through carefully selected Scots from professional and artistic backgrounds. In March, we began the process of planning the second series of podcasts which launched this summer.

ScotsCare Christmas cards have continued and are designed to help promote awareness of the charity and the work we do.

ScotsCare Ambassadors Club

ScotsCare needs help to raise awareness of its work and to raise funds. Our ambassadors play a vital role in representing the Charity amongst their personal and professional networks, speaking about our work and the importance of the funds our supporters raise. The role involves our ambassadors using their network of contacts in the business, commercial, political, and other sectors in and around London to increase awareness and support for ScotsCare. We hope to expand the number of Ambassadors over the coming year. Trustees have been paired with Ambassadors to help them develop closer relationships and greater knowledge about the work of the charity.

Marketing and Advertising

We continue to use the GP surgery and A&E leaflet distribution service to raise awareness of our services. Our leaflets are now on display at 528 GP surgery and hospital waiting areas across London. Additionally, after thorough research and taking into account our strategic aim of investing in children and their families, we now have leaflets in 500 primary schools in key client boroughs along with 50 family hubs and nine Special Educational Needs Co-ordinator (SENCO) teams across London. A new schools family support leaflet and poster were created to support this project.

Adverts promoting our services have appeared in Camden New Journal, Islington Tribune, Westminster Extra, Hackney and Islington Gazettes, East London Advertiser, London Metro, Directions magazine, The Caledonian Club magazine, What's On, South London magazine, The South Londoner, Southwark Newspaper, The Community Noticeboard (Southwark Newspaper), and QX Magazine.

Editorial pieces appeared in the Caledonian Magazine Summer and Winter editions, Direction Magazine, QX Magazine, Camden New Journal and the Westminster Extra. Alongside this, editorials also featured in the following newsletters - Scots in London, St Columba's Church and the Association of Charitable Organisations.

To aid promotion of the charity, we designed and produced the following merchandise - pens, t-shirts (general, podcast and running), badges, ScotsCare heart donation boxes, and oyster wallets.

Events

To celebrate the merger between ScotsCare and Borderline, a 'thank you' event was held at Sarasin's Offices and included donors, supporters, staff, volunteers and trustees.

We returned to Pride in London with a stall in Soho Square in July. Over one million people attend Pride Day, a great opportunity to meet prospective clients and supporters along with networking with other charities and services.

The Angel Canal Festival in Islington in September is a regular event for ScotsCare given the high number of Scots residing in Islington. This event gives us the opportunity to raise awareness of services amongst new and old clients and new supporters. For the first time we had a stall at Queen's Park Day in September 2023.

Working with other organisations

We have continued our involvement with Scots in London, a group of 17 organisations promoting Scottish culture in London. The group aims to support the Scottish community in London, including its charity members. The purpose of this group is to continue networking and collaborating to promote our individual organisations across the Scottish diaspora in the broad "London" area. We are delighted that HRH The Princess Royal has agreed to continue as Royal Patron. Our CEO represents ScotsCare at forum meetings and sits on the Scots in London management committee.

Fundraising

ScotsCare is registered with the Fundraising Regulator but does not engage in public fundraising and does not use professional fundraisers or commercial participators. Nonetheless, we do observe the relevant fundraising regulations and codes. ScotsCare will never call to ask someone to donate or pass on their details. We do use databases to keep track of clients' needs and to communicate better with our volunteers. How we use this information is clearly stated in our Privacy Policy which is available on our website. No complaints were received during 2023/24.

Financial Review

The results for the year are shown in the Statement of Financial Activities.

- Incoming resources totalled £3,049,109 (2023: £2,734,408) and total resources expended were £3,181,396 (2023: £2,979,109). This resulted in a deficit of £132,287 (2023: deficit £244,701).
- Incoming resources for the year derive predominantly from investment income and interest of £1,317,505 (2023: £1,261,191) plus rental income from residential housing of £1,472,878 (2023: £1,378,758).
- Legacies, covenants/gift aid events and donations amounted to £258,726 (2023: £21,523).
- Unrealised gain on investments amounted to £3,798,187 (2023 unrealised loss: £2,460,919).
- The post-merger transfer of £259,081 has been included in the result for the year from the charity New Borderline.
- The total funds at 31 March 2024 amounted to £58,458,770 (2023: £54,533,789).

Associated Charities & Related Charities

The Corporation is the sole Trustee of the Kinloch Bequest (Charity No. 210067). The charity is required to be managed by a Committee of Management made up of 15 Life Governors of ScotsCare plus the President, Vice Presidents, and Treasurer.

The Corporation is also the sole trustee of the St Andrews' Scottish Soldiers' Club Fund (Charity No 233297).

The objects of the above charities are distinct from those of the Corporation and, accordingly, they are not considered to be subsidiary charities. Their results, assets and liabilities do not form part of these financial statements.

We have formally approached the Charity Commission for permission to streamline the charities so that they are easier to govern and to link the charities with the Corporation for reporting and accounting purposes.

Investment Management

The investments of the Corporation are managed by the investment adviser, Sarasin & Partners LLP, under discretionary mandates that provide for annual fees based on the average value of the respective portfolios managed by them.

The Corporation has adopted guidelines for the investment of its funds which are intended to allow flexibility in the range and classes of investment subject to protection against imprudent investment actions, decisions and practices. The primary objectives are:

- the generation of income at a level consistently and reasonably balanced between the need to conserve and increase long-term capital and the need to generate income for the activities of the Corporation; and
- the achievement of a level of income sufficient to enable the Corporation to grow the scale of its charitable activities in real terms.

No specific investment exclusions have been set. However, the Sarasin fund in which ScotsCare invests does not invest in tobacco and avoids investment in companies that have more than 10% of their turnover in alcohol manufacture, armaments, gambling or pornography.

The Investment Sub-Committee reviews the performance of the portfolio with the Investment Adviser quarterly and reports to the Committee of Management.

The Investment Sub-Committee conducts an evaluation of the Investment Adviser on an annual basis. The evaluation includes consideration of the investment strategy and the process of the Investment Adviser and performance against benchmarks.

In the year to 31 March 2024 the investment income amounted to £1,307,201 (2023: £1,258,995). The brokerage commission amounted to £154,902 (2023: £161,712) and the investment management fees were £171,689 (2023: £171,297). The market value of the portfolio at 31 March 2024 amounted to £47,533,967 (2023: £43,903,924).

Reserves
The position disclosed by these Financial Statements shows that at 31 March 2024 the unrestricted reserves of the Corporation amounted to £11,255,392. This sum comprises (a) £10,062,894 of Functional Fixed Assets and (b) £1,192,498 the balance of unrestricted free reserves. The target fund of free reserves is £1,590,698. The Trustees are confident that the charity holds sufficient reserves for operational purposes which include a cyclical property maintenance plan. We regularly review our reserves policy which is linked to the major risks and opportunities for the organisation. The restricted funds comprising the Heritage Fund and the restricted Scottish Homelessness Project Fund at the year-end amounted to £194,246.

Functional Fixed Assets
These assets are the Corporation's three residential properties providing accommodation for the over 55 or those over 50 with a significant disability.

Unrestricted Free Reserves
Unrestricted free reserves are represented by other net assets available at the Trustees' full discretion in the conduct of the Corporation's affairs.

We consider that for the smooth running of the Corporation and as a protection against exceptional expenditure or a drop in income, a level of available expendable reserves is necessary. The current level of available expendable reserves of £1,192,498 represents approximately 2.04% of the net assets of the Corporation and approximately four months of normal expenditure.

The total reserves at 31 March 2024 are £58,458,770. They comprise unrestricted funds: £11,255,392, restricted funds: £194,246 endowed fund: £47,009,132.

Future plans
We have agreed on an annual budget to support and contribute to the ongoing development and delivery of client support services throughout the coming year with a spend of £3,402,798 in 2024-25.

The annual programme of services will be delivered:

- using direct interventions where resources can be most effective;
- identifying and signposting to other appropriate services for the benefit of clients;
- supporting and investing in our staff and volunteers through training and development; and
- working with other organisations, societies, churches, charities and agencies.

Our plans for 2024-25 include:

- ensuring the continuation of Borderline services in the ScotsCare range of services;
- linking the related charities, St Andrews' Scottish Soldiers' Club Fund and The Kinloch Bequest;
- implementing the key business strands of our new operational strategy for 2023-2026 which include a review of our investment managers and investment strategy;
- maintaining and expanding our mental health services, in particular our children and families and substance misuse psychotherapy services to support vulnerable families and adults;
- expanding our family support project;
- completing the implementation of our new client database and expand this to include additional databases for our volunteer programme and fundraising to ensure high levels of reporting on outcomes and impact;
- finalising the review of our Theory of Change to ensure we are focused on the best services to end the cycle of deprivation amongst our clients;
- carrying out a trustee board review by using external consultants;.
- expanding our volunteering programme to include a befriending service for families;
- through a new property Sub-Committee, reviewing our office lease at City Road as well as possible expansion of our sheltered housing accommodation; and
- increasing the number of ScotsCare Ambassadors.

Approval

This report was approved by the Trustees on 22 October 2024 and signed on their behalf by:

Kevin Lynch
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF

THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

FOR THE YEAR ENDED 31 MARCH 2024

Opinion
We have audited the financial statements of The Scottish Hospital Of The Foundation Of King Charles The Second (Royal Scottish Corporation) for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet and the Cash Flow Statement and 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 charity's affairs as at 31 March 2024 and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion
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. 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 trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

- adequate accounting records have not been kept by the charity, or returns adequate for our audit have not been received from branches not visited by us; or
- sufficient and proper accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements
As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
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:

Based on our understanding of The Royal Scottish Corporation, we identified that the principal risks of non-compliance with laws and regulations relates to the regulatory requirements of tenancy regulations, Charity Law, Health and Safety Act and employment law and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and the application of FRS 102 and payroll tax

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to manual accounting journals and management manipulation of accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries of management regarding correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular, journal entries, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their accounting estimates;

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report
This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP

Haysmacintyre LLP
Statutory Auditors
10 Queen Street Place
London EC4R 1AG

Date: 6 November 2024

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Endowed Funds 2024 £	Total 2024 £	*Total 2023 £*
Income from:						
Donations and legacies	2	226,110	32,616	-	258,726	*21,523*
Investments	3	1,317,505	-	-	1,317,505	*1,261,191*
Charitable activities						
Income from residential property	4	1,472,878	-	-	1,472,878	*1,378,758*
Income from services in respect of homeless people	5	-	-	-	-	*72,936*
Total income		3,016,493	32,616	-	3,049,109	*2,734,408*
Expenditure on:						
Raising funds						
Investment management costs	6	61,802	-	185,407	247,209	*250,682*
Fundraising costs	6	-	51,657	-	51,657	-
Charitable activities						
Welfare	7	1,873,849	108,059	-	1,981,908	*1,875,247*
Residential housing	7	900,622	-	-	900,622	*851,821*
Other		-	-	-	-	*1,359*
Total expenditure		2,836,273	159,716	185,407	3,181,396	*2,979,109*
Net income/(expenditure) before investment gains/(losses)		180,220	(127,100)	(185,407)	(132,287)	*(244,701)*
Unrealised gains/(losses) on investments		-	6,767	3,791,420	3,798,187	*(2,460,919)*
Transfer of new asset from New Borderline	23	-	259,081	-	259,081	-
Net realised/unrealised gains/ (losses)		-	265,848	3,791,420	4,057,268	*(2,460,919)*
Net movement in funds		180,220	138,748	3,606,013	3,924,981	*(2,705,620)*
Total funds brought forward		11,075,172	55,498	43,403,119	54,533,789	*57,239,409*
TOTAL FUNDS CARRIED FORWARD		11,255,392	194,246	47,009,132	58,458,770	*54,533,789*

There have been no recognised gains or losses other than those included above.
All transactions are derived from continuing activities. The accompanying notes form part of these financial statements.

THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

BALANCE SHEET

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	*2023 £*
FIXED ASSETS			
Tangible assets	11	10,062,894	*10,235,404*
Investments	12	47,533,967	*43,903,924*
		57,596,861	*54,139,328*
CURRENT ASSETS			
Debtors	13	298,799	*124,430*
Cash at bank and in hand		883,843	*638,131*
		1,182,642	*762,561*
CREDITORS: amounts falling due within one year	14	(213,584)	*(250,586)*
NET CURRENT ASSETS		969,058	*511,975*
CREDITORS: amounts falling due after more than one year	15	(31,699)	*(42,064)*
Provisions for liabilities and charges	18	(75,450)	*(75,450)*
NET ASSETS		58,458,770	*54,533,789*
FUND BALANCES			
Endowed Funds	19/20	47,009,132	*43,403,119*
Restricted Income Fund	19/20	194,246	*55,498*
Unrestricted Income Fund	19/20	11,255,392	*11,075,172*
TOTAL FUNDS		58,458,770	*54,533,789*

The financial statements were approved and authorised for issue by the Trustees on 22 October 2024 and are signed on its behalf by:

K. Lynch
Chairman

C. Somerville
Treasurer

THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	*2023* *£*
Cash flows from operating activities	(856,900)	*(908,024)*
Cash flows from investing activities		
Dividends and interest	1,317,505	*1,261,191*
Purchase of investments	(316,166)	-
Purchase of fixed assets	(56,446)	*(136,440)*
Proceeds from sale of investments	-	-
Net cash provided by investing activities	944,893	*1,124,751*
Change in cash and cash equivalents in the year	87,993	*216,727*
Cash and cash equivalents at the beginning of the year	799,850	*583,123*
Cash and cash equivalents at the end of the reporting year	887,843	*799,850*

NOTES TO THE CASH FLOW STATEMENT

	2024 £	*2023* *£*
Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities		
Net movement in funds	3,924,981	*(2,705,620)*
(Gains)/loss on investments	(3,798,187)	*2,460,919*
Investment Fee paid from the capital account	326,591	*333,008*
Depreciation charges	228,956	*217,567*
(Increase)/decrease in debtors	(174,369)	*27,932*
(Decrease)/increase in creditors	(47,367)	*19,361*
Dividends and interest from investments	(1,317,505)	*(1,261,191)*
Net cash used in operating activities	(856,900)	*(908,024)*

Analysis of Cash and Cash Equivalents

	2024 £	*2023* *£*
Cash at bank and in hand	883,843	*638,131*
Cash held by investment managers	4,000	*161,719*
	887,843	*799,850*

Note 17 shows the net movement in funds/debt.

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 2nd edition effective for periods commencing on or after 1 January 2019 – (Charities SORP FRS102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going Concern

Given the charity's level of free reserves available at the year end, the Trustees consider that the charity has adequate resources to continue in operational existence for the foreseeable future and that there is no material uncertainty connected with the charity's ability to continue to operate as a going concern. Accordingly, the financial statements have been prepared on a going concern basis.

Significant judgements and estimates

Judgements made by the trustees, in the application of these accounting policies have significant effect on the financial statements. In the opinion of the trustees, in 2023-24 the significant judgements and estimates were applied to retired staff pensions, the useful economic life of the residential properties, and the provision for dilapidation. The details of these judgements and estimates are included in the relevant notes.

1.2 INVESTMENTS

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. All movements in value arising from investment changes or revaluation are shown in the Statement of Financial Activities.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and either their opening carrying value, or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value and the carrying value at year end. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

1.3 TANGIBLE FIXED ASSETS

Freehold Land & Buildings

Under the previous GAAP, land and buildings were stated at valuation. On transition to FRS 102 an election was made to use the valuation at 2014 as the deemed cost and no depreciation on buildings was made as the amount involved was deemed immaterial. Following reappraisal in 2019-20 depreciation of buildings is now made annually at 2% of deemed cost.

Fixtures, Fittings & Office Equipment

Fixtures, fittings and equipment are depreciated at an annual rate of 10% of cost.

IT Equipment

IT equipment is depreciated at an annual rate of 33.33% of cost.

1.4 DEBTORS
Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. A specific provision is made for debts for which recoverability is in doubt.

1.5 CASH AT BANK AND IN HAND
Cash at bank and cash in hand includes cash and short term highly liquid investments.

1.6 CREDITORS AND PROVISIONS
Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Creditors and provisions are recognised at the amount the Charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

1.7 PROVISION FOR UNFUNDED PENSIONS
Unfunded pensions are paid by the Charity to certain former employees. The pensions are to be paid during their lifetime. The pension liability was calculated using the return on investment and to the assumed age of 87 years. This decision was taken in the view of probable life expectancy of the retired staff who are already above the age of average life expectancy of women in the UK.

1.8 PROVISION FOR LIABILITIES
Provision has been made for expected property costs at the end of the leases based on the lease terms, management's assessment of the property condition and the likely costs. The estimation involves a level of trustee judgement and will be reassessed annually.

1.9 FUND ACCOUNTING
Funds held by the charity are either:

- Unrestricted funds – which can be used in accordance with the charitable objects at the discretion of the trustees
- Endowment funds the income from which can be used for the general purposes of the charity, in accordance with the charitable objectives and at the discretion of the trustees
- Restricted funds – which can only be used for particular restricted purposes within the objects of the charity, either when specified by the donor or when funds are raised for particular restricted purposes

1.10 INCOME RECOGNITION
Income is recognised in the period in which the Charity has entitlement to the income, where the amount of income can be measured reliably, and it is probable that the income will be received. In accordance with Charities SORP FRS 102, volunteer time is not recognised.

1.11 LEGACIES, GIFT AID & DONATIONS
Legacies, gift aid and donations are accounted for on an accrual basis.

1.12 INVESTMENT INCOME & INTEREST
Investment income is recognised once the dividend has been declared and notification has been received of the dividend due. Interest on funds held on deposit is included when it is receivable, and the amount can be measured reliably by the Charity; this is normally upon notification from the bank of the interest payable or paid.

1.13 RENTAL INCOME
Income from the rental of functional properties is recognised when the income is receivable under the contract for hire or lease document, when the amount can be measured reliably, and it is probable such income will be received.

1.14 EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to make a payment 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. All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. Support costs are allocated in the same proportion as direct costs are incurred. All expenditure is stated inclusive of irrecoverable VAT.

All eligible members of staff are auto enrolled in a workplace pension scheme. Employer contributions to the scheme are charged to the statement of Financial Activities in the year in which they are payable to the scheme. In addition, supplementary pension payments are made directly to certain former employees.

1.15 OPERATING LEASES

Rentals payable under operating leases for equipment are charged on a straight-line basis over the terms of the leases.

1.16 EMPLOYEE BENEFITS

- **Short term benefits**
  Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.
- **Employee termination benefits**
  Termination benefits are accounted for on an accruals basis and in line with FRS 102.

1.17 HERITAGE ASSETS

No value is attributed to heritage assets on the basis that information on cost or valuation of the assets is not available and could not be obtained at reasonable cost. The age, variety and lack of comparable market data would make any attempt at valuation extremely onerous and costly compared with the benefit derived by users of the account.

3. DONATIONS AND LEGACIES

	2024 £	*2023 £*
Legacies	139,330	*1,078*
Donations	95,212	*17,855*
Events	24,184	*2,590*
	258,726	*21,523*

3. INVESTMENT INCOME – UNRESTRICTED FUNDS

	2024 £	*2023 £*
Dividend and interest on investments	1,307,201	*1,258,995*
Bank deposit interest	10,304	*2,196*
	1,317,505	*1,261,191*

4. INCOME FROM CHARITABLE ACTIVITIES – UNRESTRICTED FUNDS

	2024 £	*2023 £*
Income from residential property	1,472,878	*1,378,758*
	1,472,878	*1,378,758*

5. MANAGEMENT FEE – UNRESTRICTED FUNDS

	2024 £	*2023 £*
Fees for services in respect of homeless people	-	*72,936*
	-	*72,936*

6. RAISING FUNDS

	2024 £	*2023 £*
Brokerage commission and investment management fees	326,591	*333,009*
Less: accounted for as investment transactions	(154,902)	*(161,712)*
	171,689	*171,297*
Support costs (note 9)	75,520	*79,385*
	247,209	*250,682*

FUNDRAISING COSTS

	2024 £	*2023 £*
Staff costs	47,405	-
Other direct costs	2,568	-
Support costs (note 9)	1,684	-
	51,657	-

7. EXPENDITURE ON CHARITABLE ACTIVITIES

	2024 £	*2023 £*
Welfare		
Staff costs	610,914	*531,818*
Other direct costs	402,232	*285,237*
Grants to individuals	392,788	*464,346*
Support costs (note 9)	575,974	*593,846*
	1,981,908	*1,875,247*
Residential Housing		
Staff costs	147,705	*140,764*
Other direct costs	477,783	*441,306*
Support costs (note 9)	275,134	*269,751*
	900,622	*851,821*

8. GOVERNANCE COSTS

	2024 £	*2023 £*
Auditor's remuneration – audit fees	23,688	*20,700*
Auditor's remuneration – other services	-	*2,880*
Other direct costs	5,923	*7,284*
	29,611	*30,864*

Governance costs have been allocated across investment management costs and the cost of charitable activities in proportion to direct expenditure.

9. ANALYSIS OF DIRECT AND SUPPORT COSTS

	Direct Individual Grants	Direct Salary Costs	Other Direct Costs	Support Staff Costs	Support Premises Costs	Support Communica-tions Costs	Support Other Costs	Support Governance Costs	2024 Total Support & Governance	2024 Total Costs	*2023 Total Costs*
	£	£	£	£	£	£	£	£	£	£	*£*
Investment	-	-	171,689	34,415	18,727	9,025	11,357	1,996	75,520	247,209	*250,682*
Fundraising	-	47,405	2,568	-	-	-	-	1,684	1,684	51,657	*-*
Charitable -Residential	-	147,705	477,783	125,379	68,227	32,880	41,375	7,273	275,134	900,622	*851,821*
Charitable - Welfare	392,788	610,914	402,232	260,864	141,954	68,412	86,086	18,658	575,974	1,981,908	*1,875,247*
Total	**392,788**	**806,024**	**1,054,272**	**420,658**	**228,908**	**110,317**	**138,818**	**29,611**	**928,312**	**3,181,396**	*2,977,750*

Included in the costs noted above is a sum of £159,716, spent from the restricted homelessness fund towards welfare and fundraising.

COMPARATIVE 2023

	Direct Individual Grants	Direct Salary Costs	Other Direct Costs	Support Staff Costs	Support Premises Costs	Support Communica-tions Costs	Support Other Costs	Support Governance Costs	2023 Total Support & Governance	2023 Total Restricted Costs
	£	£	£	£	£	£	£	£	£	£
Investment	-	-	*171,297*	*34,407*	*18,389*	*10,012*	*13,979*	*2,598*	*79,385*	*250,682*
Charitable -Residential	-	*140,764*	*441,306*	*116,917*	*62,485*	*34,021*	*47,499*	*8,829*	*269,751*	*851,821*
Charitable - Welfare	*464,346*	*531,818*	*285,237*	*257,388*	*137,558*	*74,895*	*104,568*	*19,437*	*593,846*	*1,875,247*
Total	*464,346*	*672,582*	*897,840*	*408,712*	*218,432*	*118,928*	*166,046*	*30,864*	*942,982*	*2,977,750*

In addition to the cost noted above, a sum of £1,359 was spent from the Heritage fund with respect to the maintenance of the heritage assets.

10. STAFF COSTS

	2024 £	*2023 £*
Wages and salaries	1,009,544	*885,675*
Social Security costs	102,921	*95,044*
Other pension costs	113,548	*100,575*
	1,226,013	*1,081,294*

Employees

	2024 £	*2023 £*
The average number of employees during the year		
Charitable	15	*19*
Support	8	*5*
	23	*24*
The average number of FTE employees during the year		
Charitable	14	*14*
Support	7	*4*
	21	*18*

There was one employee in the salary band £80,000 to £90,000 (2023: one) and one employee was in the salary band £60,000 to £70,000 (2023: one) during the financial year to 31 March 2024.

The key management of the Charity consists of the Chief Executive together with the Trustees.

Total remuneration for the Chief Executive, including social security and pension costs was £124,623 (2023: £115,489).

The Trustees received no remuneration in the current or prior year. No reimbursement was made to Trustees in 2024 (2023: £nil).

Donations of £1,625 were received from the Trustees in 2024 (2023: £nil).

11. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings	Fixtures & Fittings	Office Equipment	IT Equipment	Total
	£	£	£	£	£
COSTS					
1 April 2023	10,104,154	917,243	85,002	30,867	11,137,266
Additions	-	55,284	-	6,195	61,479
Returned items	-	(5,033)	-	-	(5,033)
At 31 March 2024	10,104,154	967,494	85,002	37,062	11,193,712
DEPRECIATION					
1 April 2023	493,164	306,825	85,002	16,871	901,862
Charge for the year	143,282	76,984	-	8,690	228,956
At 31 March 2024	636,446	383,809	85,002	25,561	1,130,818
NET BOOK AMOUNT					
At 31 March 2024	**9,467,708**	**583,685**	**-**	**11,501**	**10,062,894**
At 31 March 2023	*9,610,990*	*610,418*	-	*13,996*	*10,235,404*

12 INVESTMENTS

	2024	2023
	£	£
Opening value at 1 April 2023	43,742,205	*46,536,585*
Cost of additions	316,166	-
Investment manager's fees charged to portfolio	(171,689)	*(171,297)*
Unrealised gain/(loss)	3,643,285	*(2,623,083)*
Market value at 31 March 2024	**47,529,967**	*43,742,205*
Funds on deposit with investment manager	4,000	*161,719*
Total value as at 31 March 2024	**47,533,967**	*43,903,924*
Cost at 31 March 2024	36,992,198	*36,833,752*
Unrealised gains at 31 March 2024	10,541,769	*7,070,172*
Market value at 31 March 2024	**47,533,967**	*43,903,924*

12. INVESTMENTS (continued)

The Investment allocation at the year-end based on market value is as follows:
12.4% fixed interest, 73.1% equities, 3.6% property, 6.9% alternative investments, 4% liquid assets.
100% of the portfolio is held through a common investment fund. All investments are in UK entities.

13. DEBTORS

	2024 £	*2023 £*
Accrued income and prepayments	239,608	*97,389*
Trade debtors	59,191	*27,041*
	298,799	*124,430*

14. CREDITORS: Amounts falling due within one year

	2024 £	*2023 £*
Trade creditors	106,863	*93,697*
Other creditors	18,398	*30,290*
Deferred income	-	*8,107*
Accruals	88,323	*118,492*
	213,584	*250,586*

Other creditors include £11,335 (2023: £12,117) related to unfunded pensions.

Deferred income comprises rental income received in advance

	2024 £	*2023 £*
Balance at 1 April	8,107	*11,217*
Amount released to rental income	(8,107)	*(11,217)*
Amount deferred in year	-	*8,107*
Balance at 31 March	-	*8,107*

15. CREDITORS: Amounts falling due after more than one year

	2024 £	*2023 £*
Unfunded pensions	31,699	*42,064*
	31,699	*42,064*

16. OPERATING LEASES

	Equipment		Buildings	
	2024 £	*2023 £*	**2024**	*2023 £*
Under 1 year	11,929	*11,929*	124,544	*124,544*
2 – 5 years	11,311	*23,634*	62,273	*186,817*
	23,240	*35,563*	**186,817**	*311,361*

17. NET DEBT RECONCILIATION

	At 1 April 2023 £	Cashflows £	Other non cash changes £	At 31 March 2024 £
Cash at bank & investment manager	*799,850*	87,994	-	887,844

NET DEBT RECONCILIATION 2023 Comparative	*At 1 April 2022 £*	*Cashflows £*	*Other non cash changes £*	*At 31 March 2023 £*
Cash at bank & investment manager	*583,123*	*216,727*	-	*799,850*

18. PROVISION FOR LIABILITIES AND CHARGES

Provision for dilapidation
A provision of £75,450 has been made for the expected property dilapidation cost at the end of the lease based on the lease terms and management's assessment of the property condition. The estimation involves a level of judgement and will be reassessed annually.

	£
Balance at 1 April 2023	75,450
Balance at 31 March 2024	75,450

19 MOVEMENT IN FUNDS

	1 April 2023	Income	Expenditure	Investment gains	Net Asset transfer from New Borderline	Fund transfers	31 March 2024
	£	£	£	£	£	£	£
Endowed Fund							
The James Kinnear Fund	43,403,119	-	(185,407)	3,791,420	-	-	47,009,132
Restricted Fund							
Heritage Fund	55,498	-	-	6,767	-	-	62,265
Homelessness Fund	-	32,616	(159,716)	-	259,081		131,981
Unrestricted Income Funds							
Functional Fixed Assets	10,235,404	1,472,878	(900,622)	-	-	(744,766)	10,062,894
Free Assets	839,768	1,543,615	(1,935,651)	-	-	744,766	1,192,498
Total Unrestricted Funds	11,075,172	3,016,493	(2,836,273)	-	-	-	11,255,392
Total Funds	54,533,789	3,049,109	(3,181,396)	3,798,187	259,081	-	58,458,770

COMPARATIVE 2023

	1 April 2022	*Income*	*Expenditure*	*Investment (losses)*	*Fund transfers*	*31 March 2023*
	£	*£*	*£*	*£*	*£*	*£*
Endowed Fund						
The James Kinnear Fund	*46,047,665*	-	*(188,011)*	*(2,456,535)*	-	*43,403,119*
Restricted fund						
Heritage Fund	*61,241*	-	*(1,359)*	*(4,384)*	-	*55,498*
Unrestricted Income Funds						
Functional Fixed Assets	*10,316,531*	*1,378,758*	*(851,821)*	-	*(608,064)*	*10,235,404*
Free Assets	*813,972*	*1,355,650*	*(1,937,918)*	-	*608,064*	*839,768*
Total Unrestricted Funds	*11,130,503*	*2,734,408*	*(2,789,739)*	-	-	*11,075,172*
Total Funds	*57,239,409*	*2,734,408*	*(2,979,109)*	*(2,460,919)*	-	*54,533,789*

20. ANALYSIS OF ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2024 £
Tangible Assets	10,062,894	-	-	10,062,894
Investments	-	85,078	47,448,889	47,533,967
Current Assets less Creditors & Provisions	1,192,498	109,168	(439,757)	861,909
	11,255,392	194,246	47,009,132	58,458,770

	Unrestricted Funds £	*Restricted Funds £*	*Endowed Funds £*	*Total 2023 £*
Tangible Assets	*10,235,404*	-	-	*10,235,404*
Investments	-	*78,611*	*43,825,313*	*43,903,924*
Current Assets less Creditors & Provisions	*839,768*	*(23,113)*	*(422,194)*	*394,461*
	11,075,172	*55,498*	*43,403,119*	*54,533,789*

THE JAMES KINNEAR FUND

The James Kinnear Fund is an unexpendable capital (Permanent Endowment) fund whose assets are invested to produce income which each year is recorded in the Unrestricted Income Fund and is freely available for the charitable activities of the Corporation.

HERITAGE FUND

The Heritage Fund is a capital fund which arises from the historic sale of certain of the Corporation's paintings (anciently donated) upon moving premises. Its income each year is recorded in the Unrestricted Income Fund and is freely available for the charitable activities of the Corporation. Its capital assets are available to the Trustees for the purchase of replacement commemorative artefacts for the Corporation's headquarters or such other corporate expenditure as the Trustees may determine.

HOMELESS RESTRICTED FUND

The Royal Scottish Corporation (ScotsCare) and New Borderline (Borderline) merged on 1 April 2023 to provide a one stop shop for vulnerable Scots across London. On 1 April 2023, the assets and liabilities of New Borderline (Registered Company number 06844151, Charity numbers 1286848 and SC044530) were transferred to ScotsCare.

UNRESTRICTED INCOME FUNDS

These funds represent accumulated income surpluses and consist of functional fixed assets fund and free assets.

(a) Tangible Fixed Assets

Functional fixed assets comprise of residential property and the fixtures & fittings within providing accommodation for the elderly and key workers on lower incomes. The Trustees have determined that these assets shall be a capital fund but that upon a disposal of the underlying property, any proceeds not similarly reinvested shall become free assets available at the Trustees' discretion.

20. ANALYSIS OF ASSETS BETWEEN FUNDS

(b) Free Assets

Free assets are available at the Trustees' discretion in the conduct of the Charity's affairs.

21. CAPITAL COMMITMENTS

At 31 March 2024, the Charity has no capital commitment (2023: £nil).

22. HERITAGE ASSETS

Works of art and ceremonial silverware are not capitalised in these accounts. They are considered to be heritage assets for the purposes of the Charities SORP (FRS 102). They all have very long lives and are worth preserving indefinitely. No value is attributed to heritage assets on the basis that information on cost or valuation of the assets is not available and could not be obtained at reasonable cost. There has been no movement in the heritage assets in the last 5 years.

23. MERGER WITH NEW BORDERLINE

The Royal Scottish Corporation (ScotsCare) and New Borderline (Borderline) merged on 1 April 2023 to provide a one stop shop for vulnerable Scots across London. On 1 April 2023 the assets and liabilities, as set out below, of New Borderline (Registered Company number 06844151, Charity numbers 1286848 and SC044530) were transferred to ScotsCare:

- Cash and short-term deposits £259,081

24. RELATED PARTY TRANSACTIONS

Callum Ross, one of the Trustees, is a designated member of Habitus Collective UK LLP, a company engaged to provide consultancy services to the Charity. The Charity paid £2,814 for this work during the year (2023: £11,940). There were no outstanding balances at the reporting date (2023: £nil).

Other than the transactions disclosed above, the Charity had no other related party transactions.

THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES THE SECOND (ROYAL SCOTTISH

England & Wales - Charity number 207326

Accounts

THE ROYAL SCOTTISH CORPORATION

THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II (OPERATING AS "SCOTSCARE")

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2023

Charity Number: 207326

THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2023

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THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

REFERENCE AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2023

Patron:
His Majesty King Charles III

Principal Office:
22 City Road, London, EC1Y 2AJ

Vice Presidents:

Stuart Steele	(resigned November 2022)
P.J.M. Scott	

Treasurer
C. Somerville

Trustees:
Elected Members of the Committee of Management:

J. Chestnut (Chairman)	
D. Guild	
J. Grieve	(resigned July 2022)
B. Griffin	(resigned November 2022)
P.J.M. Scott	(resigned April 2023)
J. Harvie	
J. Cadzow-Collins	(appointed April 2023)
K. Lynch (Vice Chair)	
C. McCahon	(resigned April 2023)
W. Gilmore	
D. McMurtrie	
C. Ross	
F. Oram	
S. Jermyn	(appointed April 2023)
R. Brown	(appointed April 2023)
E. Close	(appointed October 2022)

In addition the Treasurer and Honorary Solicitor are Trustees and Members of the Committee of Management.

Other Appointments:
Chief Executive and Secretary:
Shona Fleming

Honorary Chaplain:
The Reverend Angus MacLeod
The Reverend Scott Rennie

Honorary Piper
Pipe Major J. McLucas

Auditors:
Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Honorary Solicitor:
Danny Tsang
Simmons & Simmons LLP
CityPoint
One Ropemaker Street
London
EC2Y 9SS

Bankers:
The Royal Bank of Scotland plc
1, Fleet Street,
London
EC4Y 1BD

Investment Adviser:
Sarasin & Partners LLP
100 St Paul's Churchyard
London
EC4M 8BU

THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

CHAIRMAN'S INTRODUCTION

FOR THE YEAR ENDED 31 MARCH 2023

Dear Friends,

I am privileged to be able to present our Annual Report and Financial Statements for the year ended 31 March 2023.

Our mission is to help Scots in need within the Greater London area in a variety of ways, depending on assessed need: housing, health (physical and mental), advocacy, financial grants, training, housing advice, volunteer programme, career coaching, counselling, respite holidays and social events. Whilst continuing our support to older people and working age adults we have increased our focus on supporting children and families, the objective being to stop the cycle of poverty, low educational attainment and unemployment.

The charity continues to be strong and stable, testament to the dedication and hard work of our very capable team led by our Chief Executive Shona Fleming.

After some years of Covid disruption this year has been a year of clear and consistent performance within the strategic framework agreed with the board and significant success was achieved in areas such as advocacy, counselling, psychotherapy and activity holidays.

Our three sheltered housing sites provide 96 flats in total: 48 in Lewisham, 28 in Barnet and 20 in Wimbledon.

Continuing to increase awareness of ScotsCare is critically important and this has continued with our podcast series, social media, traditional media, pitch side banners at sporting events, presence at events and contacts through the ScotsCare Ambassadors Club.

In the Trustees' Report you will see details of the extensive and varied work done by our staff of 23 and our volunteer group of 55. Our CEO and her team are proactive, energetic and flexible and we are fortunate to have such a body of impressive people. Thank you to everyone.

On 1 April 2023 our sister charity New Borderline merged into ScotsCare to provide a one stop shop for vulnerable Scots in London. Borderline's focus on the homeless is now integrated into the ScotsCare offering under one banner and provides a more economic, effective and efficient delivery of client services.

As a body of trustees this financial year saw the conclusion of our project to modernise our Constitution when our updated Royal Charter received the seal of Her Majesty Queen Elizabeth II, and also the project to merge ScotsCare and New Borderline. As part of the latter project we were delighted to welcome three New Borderline trustees onto the ScotsCare board in April 2023. Thank you to all my fellow trustees for their dedication and hard work.

Thank you also to all who generously donated to ScotsCare during the year, whether funds or time and talents, you are critical to our mission.



James Chestnut

Chairman

HIGHLIGHTS 2022 TO 2023



The Royal Scottish Corporation ("the Corporation") is the working name of the Scottish Hospital of the Foundation of King Charles II. It operates under the name ScotsCare and is registered with the Charity Commission for England and Wales – registration number 207326. Our application for registration with the Office of the Scottish Charity Regulator (OSCR) was granted in August 2023 – registration number SC052739. Details of the principal office, Trustees, Chief Executive and principal advisers can be found in the reference and administrative information section on pages 1 and 2.

The Trustees present their report and the audited Financial Statements for the year ended 31 March 2023, which have been prepared in accordance with the provisions of the current Statement of Recommended Practice Accounting and Reporting by Charities and the relevant accounting standards.

Governing Document

The Corporation is governed by Royal Charters of 1665, 1676, the Charter of Reincorporation of 1775, as amended in 1974, 1982 and 2022 and by Bye-Laws, which were last amended in July 2022.

Our new Royal Charter was duly approved by the Privy Council with Her Majesty Queen Elizabeth II in Council in March 2022 and took legal effect when it was electronically sealed on 1 August 2022.

Appointment and Induction of Trustees

As provided in the Charter and Bye-Laws, there is one Annual General Court each year. The Committee of Management, as charity trustees for the purposes of the Charities Act 2011, have control of the Corporation and its property and funds.

The Committee of Management shall elect no fewer than five nor more than 14 members including the Treasurer and the Honorary Solicitor, and each serve for a period of three years.

One-third (or the number nearest one-third) of the Elected Members must retire at the Committee Meeting immediately preceding each Annual General Court, Subject to Bye-Laws 5.7 and 7.1, a retiring Elected Member shall be eligible for re- election for consecutive periods not exceeding in aggregate nine years from the date of his or her original appointment but thereafter an Elected Member shall not be eligible for re-appointment until one year after his or her retirement.

The Committee of Management has established a Nominations Sub-Committee which shall from time to time put forward and recommend to the Committee of Management candidates for election as Elected Members. Trustees are required to attend two meetings of the Committee of Management and a selection of the Sub Committees preceding their election. Regard is given to the skills and experience of the potential trustee and that required by the Charity.

On appointment, each trustee is required to undertake an induction which includes reviewing information about the charity including its governing document, strategy, finances, staffing structure, risk register and briefings from staff on the work of the organisation. Their attention is drawn to relevant Charity Commission guidance, including The Charity Governance Code.

Organisation

The Committee of Management meets quarterly and can appoint sub-committees to discuss and make recommendations on more detailed aspects of strategy and policy. There are currently five sub-committees: the Audit, the Investment, the Welfare, the Communications and the Nominations sub-committees.

The Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Charity. The Chief Executive has delegated authority, within the terms prescribed by the Trustees, for operational, finance and service delivery related activity.

Key Management

The Chief Executive and the Committee of Management (unpaid Trustees) make up the organisation's key management. The Chief Executive's salary is based on an annual pay and appraisal system set by the Committee of Management.

Trustees' Responsibilities and Risk Management

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

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards and SORP have been followed, subject to any departures disclosed and explained in the financial statements; and,
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charity will be able to continue in operation.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the accounts comply with the *Charities Act* 2011, the *Charity (Accounts and Reports) Regulations* 2008; and the provisions of the Royal Charters and Bye-Laws. 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.

We have overall responsibility for:

- keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Corporation and the funds held in trust;
- establishing and monitoring a system of internal control;
- ensuring that the Financial Statements comply with applicable law and regulations; and,
- establishing arrangements for safeguarding the assets of the Corporation and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The systems of internal control are designed to mitigate risk and include a strategic plan, regular consideration by the Committee of Management of the actual results compared to budget and any variances arising, formal written policies and procedures and detailed terms of reference for Sub Committees.

Detailed consideration of the risks to which the Corporation is exposed is delegated to the Audit Sub-Committee, which is assisted by the management team. While it is not possible to fully mitigate the risk, through established risk management processes, we are satisfied those systems and procedures are in place to manage the risks identified while recognising that these systems can only provide reasonable and not absolute assurance.

The key risks to which the Charity is exposed are the loss of investment income, the resignation or ill health of the CEO and the health and safety of staff. The Trustees have borne the investment income risk in mind when determining the level of free reserves and regularly review our reserves policy. The management of ScotsCare's investment is undertaken by professional investment advisors. Our CEO manages a strong senior management team with the appropriate skills and experience to manage the day to day operations should there be a loss of key staff. In relation to the health and safety of the charity's employees, the charity follows the relevant and current guidance and has the appropriate risk assessments in place. Furthermore, the Charity considers its staff may be at personal risk when working with clients and interview rooms have been designed to mitigate this risk, together with appropriate written procedures and a lone working alert system (Look Out Call) for staff to use and follow when working outside the office.

Related parties

None of the trustees receives remuneration or other benefits from their work with the charity. Trustees are invited to declare any relevant interests at each board meeting and are formally requested to submit an annual related party and conflicts of interest form. Board members have reported transactions with related parties within note 23.

Equality and diversity

We are committed to equality and diversity at ScotsCare and ensure that within the framework of the law that our workplace is free from unlawful or unfair discrimination because of protected characteristics as defined by the Equality Act 2010. All employees are provided with a copy of our policy as part of their induction process and are expected to abide by it. Failure to do so, resulting in discrimination, can be treated as gross misconduct. This policy applies both to behaviour in the workplace and recruitment practices. We are engaged in monitoring at board and staff level equality and diversity within the organisation.

Strategy

ScotsCare has provided support to Scots and their families in London for over 400 years. Our strategy sets out our objectives for three priority clients: children and families; older people and working age adults.

Royal Charter

The objects of the Corporation shall be for the public benefit to relieve either generally or individually persons resident or found within a radius of 35 miles of Charing Cross who are in conditions of need, hardship or distress in such ways that are charitable in law, being persons who were born in Scotland or persons one of whose parents in each case was born in Scotland or widows, widowers and survivors of civil partnerships of persons who were born in Scotland or widows, widowers and survivors of civil partnerships of persons one of whose parents in each case was born in Scotland.

Vision

Our vision is an end to the cycle of deprivation experienced by Scots and their families living within a 35-mile radius of Charing Cross.

Purpose

Our purpose is to provide financial, practical, and emotional support to Scots and their families living within a 35-mile radius of Charing Cross.

Values

Our values are that we are a caring, progressive, and effective organisation.

- **Caring**
  To provide a high quality of support to Scots and their families.

- **Progressive**
  Listening to the needs of our beneficiaries and responding to that need in a way that breaks the cycle of deprivation.

- **Effective**
  Good governance, partnership working and investment in our people is key to our success.

Our clients

ScotsCare assists Scots and their families who are in need of financial, practical, and emotional assistance.

The organisation delivers a grant giving programme that sits alongside personalised support services to clients that includes a needs led assessment to provide direct services or signposting to specialist support services.

Many of our clients have support needs over and above financial assistance. Many are socially excluded from society and face a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, living in areas of high crime, bad health and family breakdown. These problems are linked and mutually reinforcing so that they can create a vicious cycle in people's lives.

Our clients receive state benefits or are on low incomes, generally without support networks, socially isolated and often unable to negotiate the public sector system, including the benefits system. A significant number of our clients have additional support needs such as mental and physical ill health, debt problems and issues around substance misuse.

Our priority clients are:

- Children and families
- Older people
- Working age adults

Strategic objectives

Children and families
All families can face difficult times, whether it's a parent with a diagnosed mental health problem, substance misuse issues or poor housing exacerbated by long term poverty. We want to help families by providing services that will support them to address difficult situations that will improve the life chances and future opportunities for their children.

Our objectives will be to help them:

- reduce the effects of poverty through financial assistance;
- have their voices heard through advocacy on issues that are important to them;
- address the issues faced by children and families to improve their mental and physical wellbeing;
- engage with training and employment opportunities; and,
- access social, cultural, and educational opportunities for their children.

Older people
Building a sense of community; reducing social isolation and loneliness; promoting well-being and healthy living is all part of providing our clients with services that are suited to their needs.

Our objectives will be to help them:

- increase their independence within the community;
- reduce their social isolation and loneliness;
- access housing appropriate to their needs;
- increase their digital skills and knowledge; and,
- access social activities.

Working age adults

Providing access to training and job coaching support which moves individuals closer to employment is an important aim of this strategy. Our experience is that not all clients can engage with these opportunities, but for those who can, we will provide access to tailored support.

Our objectives will be to help them:

- identify barriers to employment;
- engage with personalised job coaching;
- access grants for specific training or education courses; and,
- move into employment.

Support services

To realise our strategic objectives we will aim to provide:

All clients, as appropriate, with:

- access to our helpline and walk-in service as the first point of contact;
- individual assessment of need and benefits check;
- budgeting advice and debt referral if appropriate;
- financial grants to purchase household items;
- advocacy;
- counselling;
- signposting to health and substance misuse services;
- housing advice; and,
- access to volunteering opportunities.

Children and families with:

- job coaching and grants for training;
- volunteer befrienders;
- access to a programme of annual social events;
- access to our volunteering opportunities;
- children's clothing and activity grants; and,
- children and families activity holidays.

Older people with:

- assessment of need for ScotsCare's sheltered housing;
- programme of annual social events;
- volunteer befrienders; and,
- volunteer tech buddy programme.

Working age adults with:

- grants for training or study; and,
- job coaching.

Achievements and Performance

Public Benefit

The Trustees have had regard to the Charity Commission's guidance on public benefit during the year. The Charity meets the Public Benefit test set out by the Charity Commission by providing the following services:

- sheltered housing on three sites in London: Grove Park in Lewisham; Whetstone in Barnet; and Worple Road in Wimbledon. Residents must be over 55, or over 50 with a significant disability, to qualify for our sheltered housing;
- an extensive menu of financial grants and regular monthly allowances;
- support services: advocacy; psychotherapy, family support work and job coaching;
- signposting to other services generally;
- volunteering opportunities across the organisation;
- grants to help students and the unemployed who require additional training before returning to work; and,

an annual programme of social events for families and older people.

To qualify for any of the above, an applicant must be assessed by the Corporation's professional staff and have exhausted state or other welfare provision. The Corporation's staff assists in this process by carrying out a benefits check to ensure the proper take-up of state benefit entitlement as well as signposting to relevant services.

Numbers of the members of the public benefitting from our services

	2022-23	2021-22	2020-21
Affordable housing	96	96	96
Regular monthly allowances	24	34	49
Financial grants	1,003	896	807
Trained and supported volunteers	60	61	76
Blether Buddies befriending project	49	55	73
Number of people attending social events	849	840	-
Helpline calls	6,659	6,368	6,269
Student and training grants	38	25	30
Adults assessed for services	478	538	564
Children benefitting from services	445	423	255
Advocacy cases	74	95	71
Counselling sessions	517	244	268

Detailed one-to-one assessments are carried out at the client's home, on the telephone or at our office on City Road. The assessment includes the collection of information that helps us to provide the most appropriate services that tackle long-term deprivation. Our objective is to identify and achieve defined outcomes for each client, thus measuring and quantifying the impact we have on our clients' lives. This more focused approach has resulted in more grants and services to the most vulnerable of clients, and the impact of our intervention has been greater for most clients.

	2022-23 £	2021-22 £	2020-21 £
Grant expenditure			
S1- children and families	261,160	190,445	194,337
S2 -older people	71,277	75,314	63,526
S3- working age adults	131,909	95,709	94,179
Support services			
Psychotherapy	79,296	54,720	22,000
Children and families' project	28,744	5,598	-
Volunteer programme	63,728	49,228	53,151
Advocacy	105,201	102,133	102,149
Social events	122,852	95,231	17,566
Total	864,167	668,378	546,908

Merger with Borderline

The Royal Scottish Corporation (ScotsCare) and New Borderline (Borderline) merged on 1 April 2023 to provide a one stop shop for vulnerable Scots across London. Previously, the trustees had agreed in their respective strategies for 2019-2022 to consider the potential for a merger. They are the only two charities in London with a specific focus on supporting the needs of Scots.

Whilst ScotsCare has a remit to address general need and Borderline was more specialist in their service to the homeless, there was already a Service Level Agreement between the two charities for premises costs, management and staffing, and a proven smooth operational framework over the past 10 years.

The aim of the merger between the charities is to create a single charity that is client focussed to use the financial and professional resources of both charities to ensure a more economic, effective, and efficient delivery of client services and to remove the confusion that exists amongst most of our stakeholders.

On 1 April 2023 the assets and liabilities of New Borderline (Registered Company number 06844151, Charity numbers 11286848 and SC044530) were transferred to ScotsCare.

Volunteer programme

Our volunteers provide significant support and assistance across the organisation. In total, our volunteers provided 5,935 hours in various roles across the organisation.

We are fully committed to providing our volunteers with the best training so that the organisation continues to benefit from their input. Over the past year, our volunteers were able to fulfil the following roles:

Blether Buddy befriender (at home)	19
Blether Buddy befriender (telephone)	30
Tech Buddy	3
Travel Buddy	1
Reception	10
Monthly lunch clubs for over 50s	30
Attendance at annual client outings	40
Administrative	2
Communications team support	3
Residents' coffee mornings	2

Our volunteer programme, strongly led by our Volunteer Co-ordinator, has become an integral part of the ScotsCare support service. In particular, our Blether Buddies provide support to older people either on the phone or in their homes and this significantly reduces social isolation. Many befriending relationships become a lifeline for isolated Scots, and it is testament to the commitment and loyalty of our volunteers that we are able to impact the lives of so many.

Monitoring and Evaluation

In line with our strategic objectives, we monitor and evaluate our work by using a theory of change outcomes framework to track the progress of individual clients over the course of their involvement with us. These outcomes consider a range of indicators and are reported to Trustees on a quarterly basis. Our client database and theory of change dashboard provide further ways to monitor, evaluate and report on our work.

We continue to use a series of surveys developed to receive regular feedback from clients, tenants, and volunteers to measure satisfaction levels and areas for improvement or additional services. The purpose of these surveys is to help determine future strategy and to assist with the planning and improvement of specific services. The feedback also provides the necessary evidence of ScotsCare's effectiveness and increases awareness of our services amongst our beneficiaries.

Raising our profile

The importance of raising awareness through our communications is important to us if we are to reach more Scots in London who need our help. Our Communications Strategy for 2020-22 was developed to strengthen the brand identity and to ensure that we continue to communicate effectively internally and externally with the appropriate key messages to our staff, volunteers, clients, and key stakeholders.

It has been a successful year for brand awareness with the introduction of our podcast series, social media and pitch side banners at top level football and rugby events featured on Amazon Prime, Channel 4 and BBC1. The podcast series has been an excellent opportunity to raise awareness amongst a wider audience through carefully selected Scots from various professional and artistic backgrounds. We introduced, for the first time, a ScotsCare Christmas card to sell to help promote awareness of the charity and the work we do.

ScotsCare Ambassadors Club

ScotsCare needs help to raise awareness of its work and to raise funds. Our Ambassadors play a vital role in representing the Charity amongst their personal and professional network, speaking about our work and the importance of the funds our supporters raise. The role involves our Ambassadors using their network of contacts in the business, commercial, political, and other sectors in and around London to increase awareness and support for ScotsCare. We hope to expand the number of Ambassadors over the coming year.

Marketing and Advertising

We continue to use the GP surgery and A&E leaflet distribution service to raise awareness of our services. Our leaflets are now on display at 528 GP surgery and hospital waiting areas across London.

Adverts promoting our services have appeared in Camden New Journal, Islington Tribune, Westminster Extra, Hackney and Islington Gazettes, East London Advertiser, London Metro, Directions magazine - Community Services Magazine, Caledonian Club magazine, What's On magazine, South London magazine, The South Londoner, Southwark Newspaper, The Community Noticeboard (Southwark Newspaper also), Muswell Flyer, Highgate Handbook, The N8 Communicator, N21 Directory, N14 Directory, The Barnet London EN4 and The N20 Connection.

To further enhance our branding and overall exposure to more Scots, we had pitch side banners at the Nations Cup rugby games shown on Amazon Prime and Channel 4 highlights, extending the reach of the banner being seen in London and further afield.

Events

We returned to Pride in London with a stall in Soho Square in July. Over one million people attend Pride Day, a great opportunity to meet prospective clients and supporters along with networking with other charities and services.

We also returned to the Angel Canal Festival, an event local to our office, and in a borough where we have a high number of clients. Like Pride, it's an excellent way to meet or reconnect with clients and supporters.

Our St Andrew's Day Festival Dinner was a successful event with the ScotsCare Choir performing to the delight of attendees.

Working with other organisations
We have continued our involvement with Scots in London, a group of 17 Scots organisations working in London. The group aims to support the Scottish community in London, including its charity members. The purpose of this group will be to continue networking and collaborating to promote our individual organisations across the Scottish diaspora in the broad "London" area. We are delighted that HRH The Princess Royal has agreed to continue as Patron.

Fundraising

ScotsCare is registered with the Fundraising Regulator but does not engage in public fundraising and does not use professional fundraisers or commercial participators. Nonetheless, we do observe the relevant fundraising regulations and codes. ScotsCare will never call to ask someone to donate or pass on their details. We do use databases to keep track of clients' needs and to communicate better with our volunteers. How we use this information is clearly stated in our Privacy Policy which is available on our website. No complaints were received during 2022/23.

Financial Review
The results for the year are shown in the Statement of Financial Activities

- Incoming resources totalled £2,734,408 (2022: £2,627,869) and total resources expended were £2,979,109 (2022: £2,688,658). This resulted in a deficit of £244,701 (2022: deficit £60,789);
- Incoming resources for the year derive predominantly from investment income and interest of £1,261,191 (2022: £1,252,485) plus rental income from residential housing of 1,378,758 (2022: £1,280,455);
- Legacies, covenants/gift aid events and donations amounted to £21,523 (2022: £24,381).
- Realised loss on investments amounted to £0 (2022 realised loss: £402);
- Unrealised loss on investments amounted to £2,460,919 (2022 unrealised gain: £1,298,098); and
- The total funds at 31 March 2023 amounted to £54,533,789 (2022: £57,239,409).

Associated Charities & Related Charities
The Corporation is the sole Trustee of the Kinloch Bequest (Charity No. 210067) . The charity is required to be managed by a Committee of Management made up of 15 Life Governors of ScotsCare plus the President, Vice Presidents, and Treasurer.

Trustees of the Corporation are also appointed as the sole trustees of the St Andrew's Scottish Soldiers' Club Fund (Charity No 233297).

The objects of the above charities are distinct from those of the Corporation and, accordingly, they are not considered to be subsidiary charities. Their results, assets and liabilities do not form part of these financial statements.

Investment Management
The investments of the Corporation are managed by the investment adviser, Sarasin & Partners LLP under discretionary mandates that provide for annual fees based on the average value of the respective portfolios managed by them.

The Corporation has adopted guidelines for the investment of its funds which are intended to allow flexibility in the range and classes of investment subject to protection against imprudent investment actions, decisions and practices. The primary objectives are:

- The generation of income at a level consistently and reasonably balanced between the need to conserve and increase long-term capital and the need to generate income for the activities of the Corporation
- The achievement of a level of income sufficient to enable the Corporation to grow the scale of its charitable activities in real terms

No specific investment exclusions have been set. However, the Sarasin's fund in which ScotsCare invests does not invest in tobacco and avoids investment in companies that have more than 10% of their turnover in alcohol manufacture, armaments, gambling or pornography.

The Investment Sub Committee reviews the performance of the portfolio with the Investment Adviser quarterly and reports to the Committee of Management.

The Investment Sub Committee conducts an evaluation of the Investment Adviser on an annual basis. The evaluation includes consideration of the investment strategy and the process of the Investment Adviser and performance against benchmarks.

In the year to 31 March 2023 the investment income amounted to £1,261,191 (2022: £1,252,485). The brokerage commission amounted to £161,712 (2022: £167,946) and the investment management fees were £171,297 (2022: £179,693). The market value of the portfolio at 31 March 2023 amounted to £43,903,924 (2022: £46,536,585).

Reserves
The position disclosed by these Financial Statements shows that at 31 March 2023 the unrestricted reserves of the Corporation amounted to £11,075,172. This sum comprises (a) £10,235,404 of Functional Fixed Assets and (b) £839,768 the balance of unrestricted free reserves. The target fund of free reserves is £1,489,555. The Trustees are confident that the charity holds sufficient reserves for operational purposes which include a cyclical property maintenance plan. We regularly review our reserves policy which is linked to the major risks and opportunities for the organisation. The restricted funds as at the year-end amounted to £55,498.

Functional Fixed Assets
These assets are the Corporation's three residential properties providing accommodation for the over 55s.

Unrestricted Free Reserves
Unrestricted free reserves are represented by other net assets available at the Trustees full discretion in the conduct of the Corporation's affairs.

We consider that for the smooth running of the Corporation and as a protection against exceptional expenditure or a drop in income, a level of available expendable reserves is necessary. The current level of available expendable reserves of £839,768 represents approximately 1.54% of the net assets of the Corporation and approximately four months of normal expenditure.

The total reserves at 31 March 2023 are £54,533,789. It comprises unrestricted fund: £11,075,172, restricted fund: £55,498 endowed fund: £43,403,119.

Future plans
We have agreed on an annual budget to support and contribute to the ongoing development and delivery of client support services throughout the coming year with a spend of £3.3 million in 2023-24.

The annual programme of services will be delivered:

- using direct interventions where resources can be most effective;
- identifying and signposting to other appropriate services for the benefit of clients;
- supporting and investing in our staff and volunteers through training and development; and,
- working with other organisations, societies, churches, charities and agencies.

Next year we will:
- ensure the continuation and smooth transition of Borderline services into the ScotsCare range of services;
- develop a new operational strategy for 2023-2026;
- review our mental health services, in particular our children and families psychotherapy service to support vulnerable families, especially those children with educational and mental health needs;
- implement our new client database and develop our reporting capabilities;
- refresh our theory of change to ensure we are focused on the best services to end the cycle of deprivation amongst our clients;

- expand our volunteering programme to include a befriending service for families;
- develop our communications strategy for 2023-26 to increase the number of individuals benefitting from our services;
- review our office lease at City Road as well as consider further expansion of our sheltered housing accommodation;
- increase the number of ScotsCare Ambassadors;
- review The Kinloch Bequest and St Andrew's Scottish Soldiers' Club Fund charities; and
- continue to adopt our new Supplemental Charter and Bye-laws.

Approval

This report was approved by the Trustees on 25 October 2023 and signed on their behalf by:



James Chestnut
Chairman

Opinion
We have audited the financial statements of The Scottish Hospital Of The Foundation Of King Charles The Second (Royal Scottish Corporation) for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet and the Cash Flow Statement and 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 charity's affairs as at 31 March 2023 and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion
We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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 trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:
- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements
As explained more fully in the trustees' responsibilities statements on page 6, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
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.

Based on our understanding of the charity, we identified that the principal risks of non-compliance with laws and regulations relates to the regulatory requirements of tenancy regulations, Charity Law, Health and Safety Act and employment law and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and the application of FRS 102 and payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries of management regarding correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular, journal entries, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF

THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

FOR THE YEAR ENDED 31 MARCH 2023

Use of our report
This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP

Haysmacintyre LLP
Statutory Auditors
10 Queen Street Place
London EC4R 1AG

Date: 15/11/2023

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Endowed Funds 2023 £	Total 2023 £	*Total 2022 £*
Income from:						
Donations and legacies	2	21,523	-	-	21,523	*24,381*
Investments	3	1,261,191	-	-	1,261,191	*1,252,485*
Charitable activities						
Income from residential property	4	1,378,758	-	-	1,378,758	*1,280,455*
Income from services in respect of homeless people	5	72,936	-	-	72,936	*70,548*
Total income		2,734,408	-	-	2,734,408	*2,627,869*
Expenditure on:						
Raising funds						
Investment management costs	6	62,671	-	188,011	250,682	*251,384*
Charitable activities						
Welfare	7	1,875,247	-	-	1,875,247	*1,560,859*
Residential housing	7	851,821	-	-	851,821	*873,223*
Other		-	1,359	-	1,359	*3,192*
Total expenditure		2,789,739	1,359	188,011	2,979,109	*2,688,658*
Net (expenditure) before investment (losses)/gains		(55,331)	(1,359)	(188,011)	(244,701)	*(60,789)*
Realised (losses) on investments		-	-	-	-	*(402)*
Unrealised (losses)/gains on investments		-	(4,384)	(2,456,535)	(2,460,919)	*1,298,098*
Net realised/unrealised (losses)/ gains		-	(4,384)	(2,456,535)	(2,460,919)	*1,297,696*
Net movement in funds		(55,331)	(5,743)	(2,644,546)	(2,705,620)	*1,236,907*
Total funds brought forward		11,130,503	61,241	46,047,665	57,239,409	*56,002,502*
TOTAL FUNDS CARRIED FORWARD		11,075,172	55,498	43,403,119	54,533,789	*57,239,409*

All transactions are derived from continuing activities. All recognised gains and losses are included in the Statement of Financial Activities.

THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	*2022 £*
FIXED ASSETS			
Tangible assets	11	10,235,404	*10,316,531*
Investments	12	43,903,924	*46,536,585*
		54,139,328	*56,853,116*
CURRENT ASSETS			
Debtors and prepayments	13	124,430	*152,362*
Cash at bank and in hand		638,131	*582,670*
		762,561	*735,032*
CREDITORS: amounts falling due within one year	14	(250,586)	*(219,109)*
NET CURRENT ASSETS		511,975	*515,923*
CREDITORS: amounts falling due after more than one year	15	(42,064)	*(54,180)*
Provisions for liabilities and charges	18	(75,450)	*(75,450)*
		54,533,789	*57,239,409*
FUND BALANCES			
Endowed Funds	19/20	43,403,119	*46,047,665*
Restricted Income Fund	19/20	55,498	*61,241*
Unrestricted Income Fund	19/20	11,075,172	*11,130,503*
TOTAL FUNDS		54,533,789	*57,239,409*

The financial statements were approved and authorised for issue by the Trustees on 25 October 2023 and are signed on its behalf by:

J. Chestnut
Chairman

C. Somerville
Treasurer

THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	*2022 £*
Cash flows from operating activities	(908,024)	*(1,217,654)*
Cash flows from investing activities		
Dividends and interest	1,261,191	*1,252,485*
Purchase of investments	-	*(480,789)*
Purchase of fixed assets	(136,440)	*(269,232)*
Proceeds from sale of investments	-	*223*
Net cash provided by investing activities	1,124,751	*502,687*
Change in cash and cash equivalents in the year	216,727	*(714,967)*
Cash and cash equivalents at the beginning of the year	583,123	*1,298,090*
Cash and cash equivalents at the end of the reporting year	799,850	*583,123*

NOTES TO THE CASH FLOW STATEMENT

	2023 £	*2022 £*
Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities		
Net movement in funds	(2,705,620)	*1,236,907*
Loss/(gains) on investments	2,460,919	*(1,297,696)*
Investment Fee paid from the capital account	333,008	-
Depreciation charges	217,567	*201,904*
Decrease/(increase) in debtors	27,932	*(17,327)*
Increase/(decrease) in creditors	19,361	*(88,957)*
Dividends and interest from investments	(1,261,191)	*(1,252,485)*
Net cash used in operating activities	(908,024)	*(1,217,654)*

Analysis of Cash and Cash Equivalents	2023 £	*2022 £*
Cash at bank and in hand	638,131	*582,670*
Cash held by investment managers	161,719	*453*
	799,850	*583,123*

Note 17 shows the net movement in funds/debt.

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 2nd edition effective for periods commencing on or after 1 January 2019 – (Charities SORP FRS102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going Concern

Given the charity's level of free reserves available at the year end, the Trustees consider that the charity has adequate resources to continue in operational existence for the foreseeable future and that there is no material uncertainty connected with the charity's ability to continue to operate as a going concern. Accordingly, the financial statements have been prepared on a going concern basis.

Significant judgements and estimates

Judgements made by the trustees, in the application of these accounting policies have significant effect on the financial statements. In the opinion of the trustees, in 2022-23 the significant judgements and estimates were applied to retired staff pensions, the useful economic life of the residential properties, and the provision for dilapidation. The details of these judgements and estimates are included in the relevant notes.

1.2 INVESTMENTS

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. All movements in value arising from investment changes or revaluation are shown in the Statement of Financial Activities.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and either their opening carrying value, or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value and the carrying value at year end. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

1.3 TANGIBLE FIXED ASSETS

Freehold Land & Buildings

Under the previous GAAP, land and buildings were stated at valuation. On transition to FRS 102 an election was made to use the valuation at 2014 as the deemed cost and no depreciation on buildings was made as the amount involved was deemed immaterial. Following reappraisal in 2019-20 depreciation of buildings is now made annually at 2% of deemed cost.

Fixtures, Fittings & Equipment

Fixtures, fittings and equipment are depreciated at an annual rate of 10% of cost.

IT Equipment

IT equipment is depreciated at an annual rate of 33.33% of cost.

1.4 DEBTORS
Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. A specific provision is made for debts for which recoverability is in doubt.

1.5 CASH AT BANK AND IN HAND
Cash at bank and cash in hand includes cash and short term highly liquid investments.

1.6 CREDITORS AND PROVISIONS
Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Creditors and provisions are recognised at the amount the Charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

1.7 PROVISION FOR UNFUNDED PENSIONS
Unfunded pensions are paid by the Charity to certain former employees. The pensions are to be paid during their lifetime. The pension liability was calculated using the return on investment and to the assumed age of 87 years. This decision was taken in the view of probable life expectancy of the retired staff who are already above the age of average life expectancy of women in the UK.

1.8 PROVISION FOR LIABILITIES
Provision has been made for expected property costs at the end of the leases based on the lease terms, management's assessment of the property condition and the likely costs. The estimation involves a level of trustee judgement and will be reassessed annually.

1.9 FUND ACCOUNTING
Funds held by the charity are either:

- Unrestricted funds – which can be used in accordance with the charitable objects at the discretion of the trustees
- Endowment funds – the income from which can be used for the general purposes of the charity, in accordance with the charitable objectives and at the discretion of the trustees
- Restricted funds – which can only be used for particular restricted purposes within the objects of the charity, either when specified by the donor or when funds are raised for particular restricted purposes

1.10 INCOME RECOGNITION
Income is recognised in the period in which the Charity has entitlement to the income, where the amount of income can be measured reliably, and it is probable that the income will be received. In accordance with Charities SORP FRS 102, volunteer time is not recognised.

1.11 LEGACIES, GIFT AID & DONATIONS
Legacies, covenants and donations are accounted for on a cash received basis.

1.12 INVESTMENT INCOME & INTEREST
Investment income is recognised once the dividend has been declared and notification has been received of the dividend due. Interest on funds held on deposit is included when it is receivable, and the amount can be measured reliably by the Charity; this is normally upon notification from the bank of the interest payable or paid.

1.13 RENTAL INCOME
Income from the rental of functional properties is recognised when the income is receivable under the contract for hire or lease document, when the amount can be measured reliably, and it is probable such income will be received.

1.14 EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to make a payment 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. All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. Support costs are allocated in the same proportion as direct costs are incurred. All expenditure is stated inclusive of irrecoverable VAT.

All eligible members of staff are auto enrolled in a workplace pension scheme. Employer contributions to the scheme are charged to the statement of Financial Activities in the year in which they are payable to the scheme. In addition, supplementary pension payments are made directly to certain former employees.

1.15 OPERATING LEASES

Rentals payable under operating leases for equipment are charged on a straight-line basis over the terms of the leases.

1.16 EMPLOYEE BENEFITS

- **Short term benefits**
  Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.
- **Employee termination benefits**
  Termination benefits are accounted for on an accruals basis and in line with FRS 102.

1.17 HERITAGE ASSETS

No value is attributed to heritage assets on the basis that information on cost or valuation of the assets is not available and could not be obtained at reasonable cost. The age, variety and lack of comparable market data would make any attempt at valuation extremely onerous and costly compared with the benefit derived by users of the account.

2. DONATIONS AND LEGACIES

	2023 £	*2022 £*
Legacies	1,078	*11,066*
Donations	17,855	*8,881*
Events	2,590	*4,434*
	21,523	*24,381*

All income from donations and legacies in 2022 and 2023 was unrestricted.

3. INVESTMENT INCOME – UNRESTRICTED FUNDS

	2023 £	*2022 £*
Dividend and interest on investments	1,258,995	*1,251,784*
Bank Deposit Interest	2,196	*701*
	1,261,191	*1,252,485*

4. INCOME FROM CHARITABLE ACTIVITIES – UNRESTRICTED FUNDS

	2023 £	*2022 £*
Income from residential property	1,378,758	*1,280,455*
	1,378,758	*1,280,455*

5. MANAGEMENT FEE – UNRESTRICTED FUNDS

	2023 £	*2022 £*
Fees for services in respect of homeless people	72,936	*70,548*
	72,936	*70,548*

6. RAISING FUNDS

	2023 £	*2022 £*
Brokerage commission and investment management fees	333,009	*347,657*
Less: accounted for as investment transactions	(161,712)	*(167,964)*
	171,297	*179,693*
Support costs (note 9)	79,385	*71,691*
	250,682	*251,384*

7. EXPENDITURE ON CHARITABLE ACTIVITIES

	2023 £	*2022 £*
Welfare		
Staff costs	531,818	*546,414*
Other direct costs	285,237	*207,848*
Grants to individuals	464,346	*361,468*
Support costs (note 9)	593,846	*445,129*
	1,875,247	*1,560,859*
Residential Housing		
Staff costs	140,764	*133,293*
Other direct costs	441,306	*490,903*
Support costs (note 9)	269,751	*249,027*
	851,821	*873,223*

8. GOVERNANCE COSTS

	2023 £	*2022 £*
Auditors' remuneration – audit fees	20,700	*17,400*
Auditors' remuneration – other services	2,880	*3,600*
Other direct costs	7,285	*6,845*
	30,865	*27,845*

Governance costs have been allocated across investment management costs and the cost of charitable activities in proportion to direct expenditure.

9. ANALYSIS OF DIRECT AND SUPPORT COSTS

	Direct Individual Grants	Direct Salary Costs	Other Direct Costs	Support Staff Costs	Support Premises Costs	Support Communica-tions Costs	Support Other Costs	Support Governance Costs	2023 Total Support & Governance	2023 Total Costs	*2022 Total Costs*
	£	£	£	£	£	£	£	£	£	£	*£*
Investment	-	-	171,297	34,407	18,389	10,012	13,979	2,598	79,385	250,682	*251,384*
Charitable - Residential	-	140,764	441,306	116,917	62,485	34,021	47,499	8,829	269,751	851,821	*873,223*
Charitable - Welfare	464,346	531,818	285,237	257,388	137,558	74,895	104,568	19,437	593,846	1,875,247	*1,560,859*
Total	**464,346**	**672,582**	**897,840**	**408,712**	**218,432**	**118,928**	**166,046**	**30,864**	**942,982**	**2,977,750**	*2,685,466*

In addition to the cost noted above, a sum of £1,359 (2022: £3,192) was spent on the maintenance and the insurance valuation of the heritage assets.

COMPARATIVE 2022

	Direct Individual Grants	Direct Salary Costs	Other Direct Costs	Support Staff Costs	Support Premises Costs	Support Communica-tions Costs	Support Other Costs	Support Governance Costs	Total Support & Governance	Total Costs
	£	£	£	£	£	£	£	£	£	£
Investment	-	-	*179,693*	*29,576*	*20,122*	*11,006*	*8,380*	*2,607*	*71,691*	*251,384*
Charitable - Residential	-	*133,293*	*490,903*	*102,737*	*69,898*	*38,230*	*29,108*	*9,054*	*249,027*	*873,223*
Charitable - Welfare	*361,468*	*546,414*	*207,848*	*183,640*	*124,940*	*68,335*	*52,030*	*16,184*	*445,129*	*1,560,859*
Total	*361,468*	*679,707*	*878,444*	*315,953*	*214,960*	*117,571*	*89,518*	*27,845*	*765,847*	*2,685,466*

10. STAFF COSTS

	2023 £	*2022 £*
Wages and subsidiaries	885,675	*821,519*
Social Security costs	95,044	*83,186*
Other pension costs	100,575	*90,955*
	1,081,294	*995,660*

Employees

	2023 £	*2022 £*
The average number of employees during the year		
Charitable	19	*18*
Support	5	*5*
	24	*23*

	2023 £	*2022 (restated) £*
The average number of FTE during the year		
Charitable	14	15
Support	4	4
	18	**19**

There was one employee in the salary band £80,000 to £90,000 during the financial year to 31 March 2023 (2022: one).

The key management of the Charity consists of the Chief Executive together with the Trustees.

Total remuneration for the Chief Executive, including social security and pension costs was £115,489 (2022: £107,853).

The Trustees received no remuneration in the current or prior year. No reimbursement was made to Trustees in 2023 (2022: £Nil).

No donations were received from the Trustees in 2023 (2022: £2).

11. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings	Fixtures & Fittings	Office Equipment	IT Equipment	Total
	£	£	£	£	£
COSTS					
1 April 2022	*10,104,154*	*785,178*	*85,002*	*26,492*	*11,000,826*
Additions	-	132,945	-	7,264	140,209
Returned items	-	(880)	-	(2,889)	(3,769)
At 31 March 2023	10,104,154	917,243	85,002	30,867	11,137,266
DEPRECIATION					
1 April 2022	*349,881*	*239,211*	*85,002*	*10,201*	*684,295*
Charge for the year	*143,283*	*67,614*	-	*6,670*	*217,567*
At 31 March 2023	493,164	306,825	85,002	16,871	901,862
NET BOOK AMOUNT					
At 31 March 2023	**9,610,990**	**610,418**	**-**	**13,996**	**10,235,404**
At 31 March 2022	*9,754,273*	*545,967*	-	*16,291*	*10,316,531*

12 INVESTMENTS

	2023 £	*2022 £*
Opening value at 1 April 2022	46,536,585	*44,757,870*
Cost of additions	-	*660,482*
Less proceeds of disposals	-	*(223)*
Investment manager's fees charged to portfolio	(171,297)	*(179,693*
Realised (loss)/gain	-	*(402)*
Unrealised gain	(2,623,083)	*1,298,098*
Market value at 31 March 2023	43,742,205	*46,536,132*
Funds on deposit with investment manager	161,719	*453*
Total value as at 31 March 2023	**43,903,924**	*46,536,585*
Cost at 31 March 2023	36,833,752	*36,672,486*
Unrealised gains at 31 March 2023	7,070,172	*9,864,099*
Market value at 31 March 2023	**43,903,924**	*46,536,585*

The Investment allocation at the year-end based on market value is as follows:
14.8% fixed interest, 65.9% equities, 4.4% property, 12.3% alternative investments, 2.6% liquid assets.
100% of the portfolio is held through a common investment fund. All investments are in UK entities.

13. DEBTORS

	2023 £	***2022 £***
Accrued income and prepayment	97,389	*88,971*
Trade debtors	27,041	*63,391*
	124,430	*152,362*

14. CREDITORS: Amounts falling due within one year

	2023 £	*2022 £*
Trade creditors	93,697	*72,375*
Other creditors	30,290	*28,208*
Deferred income	8,107	*11,217*
Accruals	118,492	*107,309*
	250,586	*219,109*

Other creditors include £12,117 (2022: £12,937) related to unfunded pensions.

Deferred income comprises rental income received in advance, as follows:

	2023 £	*2022 £*
Balance at 1 April	11,271	*15,142*
Amount released to rental income	(11,271)	*(15,142)*
Amount deferred in year	8,107	*11,217*
Balance at 31 March	**8,107**	*11,217*

15. CREDITORS: Amounts falling due after more than one year

	2023 £	*2022 £*
Unfunded pensions	42,064	*54,180*
	42,064	*54,180*

16. OPERATING LEASES

	Equipment		Buildings	
	2023 £	*2022 £*	2023 £	*2022 £*
Under 1 year	11,929	*5,718*	124,544	*124,544*
2 – 5 years	23,634	-	186,817	*311,361*
	35,563	*5,718*	**311,361**	*435,905*

17. NET DEBT RECONCILIATION

	At 1 April 2022	Cashflows	Other non cash changes	At 31 March 2023
	£	£	£	£
Cash	*583,123*	216,727	-	799,850

NET DEBT RECONCILIATION *2022 Comparative*	*At 1 April 2021*	*Cashflows*	*Other non cash changes*	*At 31 March 2022*
	£	£	£	£
Cash	*1,298,090*	*(714,967)*	-	*583,123*

18. PROVISION FOR LIABILITIES AND CHARGES

Provision for dilapidation
A provision of £75,450 has been made for the expected property dilapidation cost at the end of the lease based on the lease terms and management's assessment of the property condition. The estimation involves a level of judgement and will be reassessed annually.

	£
Balance at 1 April 2022	75,450
Balance at 31 March 2023	75,450

19. MOVEMENT IN FUNDS

	1 April 2022	Income	Expenditure	Investment (losses)	Fund transfers	31 March 2023
	£	£	£	£	£	£
Endowed Fund						
The James Kinnear Fund	*46,047,665*	-	(188,011)	(2,456,535)	-	43,403,119
Restricted fund						
Heritage Fund	*61,241*	-	(1,359)	(4,384)	-	55,498
Unrestricted Income Funds						
Functional Fixed Assets	*10,316,531*	1,378,758	(851,821)	-	(608,064)	10,235,404
Free Assets	*813,972*	1,355,650	(1,937,918)	-	608,064	839,768
Total Unrestricted Funds	*11,130,503*	2,734,408	(2,789,739)	-	-	11,075,172
Total Funds	*57,239,409*	2,734,408	(2,979,109)	(2,460,919)	-	54,533,789

COMPARATIVE 2022

	1 April 2021	*Income*	*Expenditure*	*Investment gains*	*Fund transfers*	*31 March 2022*
	£	£	£	£	£	£
Endowed Fund						
The James Kinnear Fund	*44,940,876*	-	*(188,538)*	*1,295,327*	-	*46,047,665*
Restricted fund						
Heritage Fund	*62,064*	-	*(3,192)*	*2,369*	-	*61,241*
Unrestricted Income Funds						
Functional Fixed Assets	*10,249,203*	*1,280,455*	*(873,223)*	-	*(339,904)*	*10,316,531*
Free Assets	*750,359*	*1,347,414*	*(1,623,705)*	-	*339,904*	*813,972*
Total Unrestricted Funds	*10,999,562*	*2,627,869*	*(2,496,928)*	-	-	*11,130,503*
Total Funds	*56,002,502*	*2,627,869*	*(2,688,658)*	*1,297,696*	-	*57,239,409*

20. ANALYSIS OF ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2023 £
Tangible Assets	10,235,404	-	-	10,235,404
Investments	-	78,611	43,825,313	43,903,924
Current Assets less Creditors & Provisions	839,768	(23,113)	(422,194)	394,461
	11,075,172	55,498	43,403,119	54,533,789

	Unrestricted Funds £	*Restricted Funds £*	*Endowed Funds £*	*Total 2022 £*
Tangible Assets	*10,316,531*	-	-	*10,316,531*
Investments	-	*83,299*	*46,453,286*	*46,536,585*
Current Assets less Creditors & Provisions	*813,972*	*(22,058)*	*(405,621)*	*386,293*
	11,130,503	*61,241*	*46,047,665*	*57,239,409*

THE JAMES KINNEAR FUND

The James Kinnear Fund is an unexpendable capital (Permanent Endowment) fund whose assets are invested to produce income which each year is recorded in the Unrestricted Income Fund and is freely available for the charitable activities of the Corporation.

HERITAGE FUND

The Heritage Fund is a capital fund which arises from the historic sale of certain of the Corporation's paintings (anciently donated) upon moving premises. Its income each year is recorded in the Unrestricted Income Fund and is freely available for the charitable activities of the Corporation. Its capital assets are available to the Trustees for the purchase of replacement commemorative artefacts for the Corporation's headquarters or such other corporate expenditure as the Trustees may determine.

UNRESTRICTED INCOME FUNDS

These funds represent accumulated income surpluses and consist of functional fixed assets fund and free assets.

(a) Tangible Fixed Assets

Functional fixed assets comprise residential property and the fixtures & fittings within providing accommodation for the elderly and key workers on lower incomes. The Trustees have determined that these assets shall be a capital fund but that upon a disposal of the underlying property, any proceeds not similarly reinvested shall become free assets available at the Trustees' discretion.

20. ANALYSIS OF ASSETS BETWEEN FUNDS

(b) Free Assets

Free assets are available at the Trustees' discretion in the conduct of the Charity's affairs.

21. CAPITAL COMMITMENTS

At 31 March 2023, the Charity has no capital commitment (2022: £70,000).

22. HERITAGE ASSETS

Works of art and ceremonial silverware are not capitalised in these accounts. They are considered to be heritage assets for the purposes of the Charities SORP (FRS 102). They all have very long lives and are worth preserving indefinitely. No value is attributed to heritage assets on the basis that information on cost or valuation of the assets is not available and could not be obtained at reasonable cost. There has been no movement in the heritage assets in the last 5 years.

23. RELATED PARTY TRANSACTIONS

Callum Ross, one of the Trustees, is a designated member of Habitus Collective UK LLP, a company engaged to provide consultancy services to the Charity. The Charity paid £11,940 for this work during the year (2022: £nil). There were no outstanding balances at the reporting date (2022: £nil).

Other than the transactions disclosed above, the Charity had no other related party transactions.

24. POST BALANCE SHEET EVENTS

The Royal Scottish Corporation (ScotsCare) and New Borderline (Borderline) merged on 1 April 2023 to provide a one stop shop for vulnerable Scots across London. On 1 April 2023 the assets and liabilities of New Borderline (Registered Company number 06844151, Charity numbers 11286848 and SC044530) were transferred to ScotsCare.

THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES THE SECOND (ROYAL SCOTTISH

England & Wales - Charity number 207326

Accounts

THE ROYAL SCOTTISH CORPORATION

THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II (OPERATING AS "SCOTSCARE")

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2022

Charity Number: 207326

THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2022

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THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

REFERENCE AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2022

Patron:
His Majesty King Charles III

Principal Office:
22 City Road, London, EC1Y 2AJ

Vice Presidents:
S. J. Steele
P.J.M. Scott

Treasurer
Colin Somerville

Trustees:
Elected Members of the Committee of Management:

J. Chestnut (Chairman)	
D. Guild	
J. Grieve	(resigned July 2022)
B. Griffin	
P.J.M. Scott	
J. Harvie	
A. Christie	(resigned July 2021)
K. Lynch (Vice Chair)	(appointed Vice Chair July 2021)
C. McCahon	
W. Gilmore	
D. McMurtrie	
C. Ross	(appointed July 2021)
F. Oram	(appointed July 2021)

In addition the Treasurer and Honorary Solicitor are Ex Officio Members of the Committee of Management.

Other Appointments:
Chief Executive and Secretary:
Shona Fleming

Honorary Chaplain:
The Reverend Angus MacLeod

Honorary Piper
Pipe Major J. McLucas

Auditors:
Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Honorary Solicitor:
Danny Tsang
Simmons & Simmons LLP
CityPoint
One Ropemaker Street
London
EC2Y 9SS

Bankers:
The Royal Bank of Scotland plc
1, Fleet Street,
London
EC4Y 1BD

Investment Adviser:
Sarasin & Partners LLP
100 St Paul's Churchyard
London
EC4M 8BU

THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

CHAIRMAN'S INTRODUCTION

FOR THE YEAR ENDED 31 MARCH 2022

Dear Friends,

It is with great sadness that we mark the passing of Her Majesty Queen Elizabeth II. Her Majesty was Patron of The Royal Scottish Corporation throughout her reign and our heartfelt sympathy goes to King Charles III and the Royal Family.

I am privileged to be able to present our annual Report and Financial Statements for the year ended 31 March 2022.

Much was achieved during the year despite the continuing effects of the pandemic and to a significant degree the activities of the charity were back to pre-pandemic levels. This was due to the dedication and hard work of our Chief Executive Shona Fleming and her capable team. The charity continues to be strong and stable.

Our mission is to help Scots in need within the Greater London area in a variety of ways, depending on assessed need: housing, health (physical and mental), advocacy, financial grants, training, housing advice, volunteer programme, career coaching, counselling, respite holidays and social events. In recent years we have increased our focus on supporting children and families, the objective being to stop the cycle of poverty, low educational attainment and unemployment.

In the continuing unpredictable Covid environment the charity maintained contact with all clients and whilst some of our programmes had to be curtailed (such as social events) the majority of programmes were in place and in some cases expanded (such as counselling, psychotherapy and family activity holidays). We continued to take a flexible approach to meet the current needs of clients (such as grants to help home schooling and food parcels for those self-isolating).

Our three sheltered housing sites now provide 96 flats in total; 48 in Lewisham, 28 in Barnet and 20 in Wimbledon.

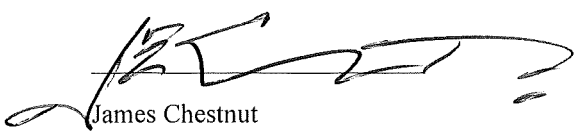
Effective communication continues to be an important area of focus. It is critical that we continue to develop awareness of ScotsCare throughout the Scottish community in London and this year has featured our signature film reaching the finals of the Charity Film Awards, banners at various soccer and rugby events, presence at community events as well as advertising across a range of platforms from Facebook to traditional press.

In addition we have formed a new Ambassadors Club to help raise awareness of and support for ScotsCare and represent the Charity across their various constituencies. Welcome to each of our new Ambassadors.

In the Trustees' Report you will see details of the extensive and varied work done by our staff of 21 and volunteer group of 61. Our CEO and her team have been proactive and flexible and, as an example, have moved quickly to reflect changing work practices by reducing the need for office space. We are fortunate to have such a body of impressive people, particularly in these challenging times. Thank you to everyone.

As a body of trustees, our project to review our governance structure to ensure it is relevant and efficient for a 21st century charity has concluded with the approval by the Charity Commission and the Privy Council of substantial modernising changes to our Constitution. These changes took effect in March 2022. Thank you to all my fellow trustees, including those who have retired during the past year, for their dedication and hard work.

Thank you also to all who generously donated to ScotsCare during the year, whether funds or time and talents, you are critical to our mission.



James Chestnut

Chairman

HIGHLIGHTS 2021 to 2022



TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The Royal Scottish Corporation ("the Corporation") is the working name of the Scottish Hospital of the Foundation of King Charles II. It operates under the name ScotsCare and is registered with the Charity Commission for England and Wales – registration number 207326. Details of the principal office, Trustees, Chief Executive and principal advisers can be found in the reference and administrative information section on pages 1 and 2.

The Trustees present their report and the audited Financial Statements for the year ended 31 March 2022, which have been prepared in accordance with the provisions of the current Statement of Recommended Practice Accounting and Reporting by Charities and the relevant accounting standards.

Governing Document

The Corporation is governed by Royal Charters of 1665, 1676, the Charter of Reincorporation of 1775, as amended in 1974, 1982 and 2022 and by Bye-Laws, which were last amended in July 2022.

The Committee of Management met in June 2019 and agreed to seek to revise the Royal Charter and the Bye-Laws of the Corporation. The revised Charter and Bye-Laws are entirely new documents taking into account the comments of the Committee of Management, Governors, the instructions of the Honorary Solicitor, Chief Executive and Chairman and modern law and recommended best practice for incorporated charities including the Charity Governance Code. The aim of revising the Charter and Bye-Laws was to broaden our Objects and equip the Corporation with a modern Royal Charter that preserves the history of the Corporation while also being a workable document to which the Committee of Management, Governors and staff of the Corporation can easily refer.

The new Royal Charter was duly approved by the Privy Council with Her Majesty Queen Elizabeth II in Council in March 2022 and took legal effect when it was electronically sealed on 1st August 2022.

Appointment and Induction of Trustees

As provided in the Charter and Bye-Laws, there are 5 General Courts each year. The Officers and Trustees are elected at the St Andrew's Day Court. There are up to 15 Trustees, and each serve for a period of 3 years. Up to 5 Trustees retire each year but may stand for re-election.

Trustees, including any Vice President (exercising their right under the Bye-Laws), the Treasurer and the Honorary Solicitor constitute the Committee of Management. Trustees are recruited by recommendation, or through advertisement, and are required to attend two meetings of the Committee of Management and a selection of the Sub Committees preceding their election. Regard is given to the skills and experience of the potential trustee and that required by the Charity.

On appointment, each trustee is required to undertake an induction which includes reviewing information about the charity including its governing document, strategy, finances, staffing structure, risk register and briefings from staff on the work of the organisation. Their attention is drawn to relevant Charity Commission guidance, including The Charity Governance Code.

Organisation

The Committee of Management meets quarterly and can appoint sub-committees to discuss and make recommendations on more detailed aspects of strategy and policy. There are currently five sub-committees: the Audit, the Investment, the Welfare, the Communications and the Nominations sub-committees.

The Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Charity. The Chief Executive has delegated authority, within the terms prescribed by the Trustees, for operational, finance and service delivery related activity.

Key Management

The Chief Executive and the Committee of Management (unpaid Trustees) make up the organisation's key management. The Chief Executive's salary is based on an annual pay and appraisal system set by the Committee of Management.

Trustees' Responsibilities and Risk Management

Law applicable to charities in England and Wales requires Trustees to prepare financial statements for each financial year, which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements that give a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards and SORP have been followed, subject to any departures disclosed and explained in the financial statements; and,
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charity will be able to continue in operation.

The Trustees of the Corporation are responsible for safeguarding the assets of the Corporation, and for taking reasonable steps for the prevention and detection of error, fraud, and other irregularities. They are also responsible for keeping accounting records which disclose, with reasonable accuracy, the financial position of the Corporation at any time, and ensure that the financial statements comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the Royal Charters and Bye-Laws.

We have overall responsibility for:

- keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Corporation and the funds held in trust;
- establishing and monitoring a system of internal control;
- ensuring that the Financial Statements comply with applicable law and regulations; and,
- establishing arrangements for safeguarding the assets of the Corporation and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The systems of internal control are designed to mitigate risk and include a strategic plan, regular consideration by the Committee of Management of the actual results compared to budget and any variances arising, formal written policies and procedures and detailed terms of reference for Sub Committees.

Detailed consideration of the risks to which the Corporation is exposed is delegated to the Audit Sub-Committee, which is assisted by the management team. White it is not possible to fully mitigate the risk, through established risk management processes, we are satisfied those systems and procedures are in place to manage the risks identified while recognising that these systems can only provide reasonable and not absolute assurance.

The key risks to which the Charity is exposed are the loss of investment income, the resignation or ill health of the CEO and the health and safety of staff. The Trustees have borne the investment income risk in mind when determining the level of free reserves and regularly review our reserves policy. Our CEO manages a strong senior management team with the appropriate skills and experience to manage the day to day operations should there be a loss of key staff. In relation to the health and safety of the charity's employees, the charity followed government Covid-19 guidance and implemented the appropriate risk assessments. Furthermore, the Charity considers its staff may be at personal risk when working with clients and interview rooms have been designed to mitigate this risk, together with appropriate written procedures and a lone working alert system (Look Out Call) for staff to use and follow when working outside the office.

Related parties

None of the trustees receives remuneration or other benefits from their work with the charity. Trustees are invited to declare any relevant interests at each board meeting and are formally requested to submit an annual related party and conflicts of interest form. Board members have reported no relevant interests or transactions.

Equality and diversity

We are committed to equality and diversity at ScotsCare and ensure that within the framework of the law that our workplace is free from unlawful or unfair discrimination because of protected characteristics as defined by the Equality Act 2010. All employees are provided with a copy of our policy as part of their induction process and are expected to abide by it. Failure to do so, resulting in discrimination, can be treated as gross misconduct. This policy applies both to behaviour in the workplace and recruitment practices. We are engaged in monitoring at board and staff level equality and diversity within the organisation.

Strategy

ScotsCare has provided support to Scots and their families in London for over 400 years. Our strategy for 2019 to 2022 sets out our objectives for three priority clients: children and families; older people and working age adults.

Royal Charter

The objects of the Corporation shall be for the public benefit to relieve either generally or individually persons resident or found within a radius of 35 miles of Charing Cross who are in conditions of need, hardship or distress in such ways that are charitable in law, being persons who were born in Scotland or persons one of whose parents in each case was born in Scotland or widows, widowers and survivors of civil partnerships of persons who were born in Scotland or widows, widowers and survivors of civil partnerships of persons one of whose parents in each case was born in Scotland.

Vision

Our vision is an end to the cycle of deprivation experienced by Scots and their families living within a 35-mile radius of Charing Cross.

Purpose

Our purpose is to provide financial, practical, and emotional support to Scots and their families living within a 35-mile radius of Charing Cross.

Values

Our values are that we are a caring, progressive, and effective organisation.

- **Caring**
  To provide a high quality of support to Scots and their families.

- **Progressive**
  Listening to the needs of our beneficiaries and responding to that need in a way that breaks the cycle of deprivation.

- **Effective**
  Good governance, partnership working and investment in our people is key to our success.

Our clients

ScotsCare assists Scots and their families who are in need of financial, practical, and emotional assistance.

Historically, the organisation has delivered a grant giving programme but has evolved to provide a holistic service to clients that includes a needs led assessment to provide direct services or signposting to specialist support services.

Our clients (continued)

Most of our clients have support needs over and above financial assistance. Many are socially excluded from society and face a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, living in areas of high crime, bad health and family breakdown. These problems are linked and mutually reinforcing so that they can create a vicious cycle in people's lives.

Our clients receive state benefits or are on low incomes, generally without support networks, socially isolated and often unable to negotiate the public sector system, including the benefits system. A significant number of our clients have additional support needs such as mental and physical ill health, debt problems and issues around substance misuse.

Our priority clients are:

- Children and families
- Older people
- Working age adults

Strategic objectives

Children and families
All families can face difficult times, whether it's a parent with a diagnosed mental health problem, substance misuse issues or poor housing exacerbated by long term poverty. We want to help families by providing services that will support them to address difficult situations that will improve the life chances and future opportunities for their children.

Our objectives will be to help them:
- reduce the effects of poverty through financial assistance;
- have their voices heard through advocacy on issues that are important to them;
- address the issues faced by children and families to improve their mental and physical wellbeing;
- engage with training and employment opportunities; and,
- access social, cultural and educational opportunities for their children.

Older people
Building a sense of community; reducing social isolation and loneliness; promoting well-being and healthy living is all part of providing our clients with services that are suited to their needs.

Our objectives will be to help them:
- increase their independence within the community;
- reduce their social isolation and loneliness;
- access housing appropriate to their needs;
- increase their digital skills and knowledge; and,
- access social activities.

Working age adults
Providing access to training and job coaching support which moves individuals closer to employment is an important aim of this strategy. Our experience is that not all clients can engage with these opportunities, but for those who can, we will provide access to tailored support.

Our objectives will be to help them:
- identify barriers to employment;
- engage with personalised job coaching;
- access grants for specific training or education courses; and,
- move into employment.

Support services

To realise our strategic objectives we will aim to provide:

All clients, as appropriate, with:

- access to our helpline and walk-in service as the first point of contact;
- individual assessment of need and benefits check;
- budgeting advice and debt referral if appropriate;
- financial grants to purchase household items;
- advocacy;
- counselling;
- signposting to health and substance misuse services;
- housing advice; and,
- access to volunteering opportunities.

Children and families with:

- job coaching and grants for training;
- volunteer befrienders;
- access to a programme of annual social events;
- access to our volunteering opportunities;
- children's clothing and activity grants; and,
- children and families activity holidays.

Older people with:

- assessment of need for ScotsCare's sheltered housing;
- programme of annual social events;
- volunteer befrienders; and,
- volunteer tech buddy programme.

Working age adults with:

- grants for training or study; and,
- job coaching.

Achievements and Performance

Public Benefit

The Trustees have had regard to the Charity Commission's guidance on public benefit during the year. The Charity meets the Public Benefit test set out by the Charity Commission by providing the following services:

- sheltered housing on three sites in London: Grove Park in Lewisham; Whetstone in Barnet; and Worple Road in Wimbledon. Residents must be over 55, or over 50 with a significant disability, to qualify for the sheltered housing;
- an extensive menu of financial grants and regular monthly allowances;
- support services: advocacy; psychotherapy and job coaching;
- signposting to other services generally;
- volunteering opportunities across the organisation;
- grants to help students and the unemployed who require additional training before returning to work; and,
- an annual programme of social events for families and older people.

To qualify for any of the above, an applicant must be assessed by the Corporation's professional staff and have exhausted state or other welfare provision. The Corporation's staff assists in this process by carrying out a benefits check to ensure the proper take-up of state benefit entitlement as well as signposting to relevant services.

Numbers of the members of the public benefitting from our services

	2021-22	2020-21	2019-20
Affordable housing	96	96	84
Regular monthly allowances	34	49	49
Financial grants	896	807	1,056
Trained and supported volunteers	61	76	77
Blether Buddies befriending project	55	73	-
Number of people attending social events	840	-	1,548
Helpline calls	6,368	6,269	7,070
Student and training grants	25	30	29
Adults assessed for services	538	564	724
Children benefitting from services	423	255	452
Advocacy cases	95	71	91
Counselling sessions	244	268	317
Job coaching	-	-	6

Detailed one-to-one assessments are carried out at the client's home, on the telephone or at our office on City Road. The assessment includes the collection of information that helps us to provide the most appropriate services that tackle long-term deprivation. Our objective is to identify and achieve defined outcomes for each client, thus measuring and quantifying the impact we have on our clients' lives. This more focused approach has resulted in more grants and services to the most vulnerable of clients, and the impact of our intervention has been greater for most clients.

Expenditure by Priority	**2021-22** £	**2020-21** £	**2019-20** £
S1- children and families	190,445	194,337	229,830
S2 -older people	75,314	63,526	80,842
S3- working age adults	95,709	94,176	123,488
Total	361,468	352,039	434,160

Volunteer programme

Our volunteers provide significant support and assistance across the organisation. Due to Covid-19 many of the support roles to assist staff and clients on an in-person basis were stopped. Our telephone befriending service has expanded to support existing and new clients during the pandemic and beyond. In total, our volunteers gave 2,502 hours to various roles across the organisation.

We are fully committed to providing our volunteers with the best training so that the organisation continues to benefit from their input. Over the past year, our volunteers were able to fulfil the following roles:

Blether Buddy befriender (at home)	15
Blether Buddy befriender (telephone)	25
Tech Buddy	-
Travel Buddy	1
Reception	10
Monthly lunch clubs for over 50s	32
Attendance at annual client outings	15
Administrative	2
Communications team support	2
Residents' coffee mornings	2

Monitoring and Evaluation

In line with our strategic objectives, we monitor and evaluate our work by using an outcomes framework to track the progress of individual clients over the course of their involvement with us. These outcomes consider a range of indicators and are reported to Trustees on a quarterly basis. Our client database and theory of change dashboard provide further ways to monitor, evaluate and report on our work. As part of our theory of change work, we collect information from our children and families' clients so that we can build a picture of longer-term outcomes by tracking their children's progress through the national pupil database.

We continue to use a series of surveys developed to receive regular feedback from clients, tenants, and volunteers to measure satisfaction levels and areas for improvement or additional services. The purpose of these surveys is to help determine future strategy and to assist with the planning and improvement of specific services. The feedback also provides the necessary evidence of ScotsCare's effectiveness and increases awareness of our services amongst our beneficiaries.

Raising our profile

Increasing Awareness

The importance of raising awareness through our communications is important to us if we are to reach more Scots in London who need our help. Our Communications Strategy for 2020-22 was developed to strengthen the brand identity and to ensure that we continue to communicate effectively internally and externally with the appropriate key messages to our staff, volunteers, clients, and key stakeholders.

New Ambassadors Club

ScotsCare needs help to raise awareness of its work and to raise funds. Our Ambassadors play a vital role in representing the Charity amongst their personal and professional network, speaking about our work and the importance of the funds our supporters raise. The role involves our Ambassadors using their network of contacts in the business, commercial, political, and other sectors in and around London to increase awareness and support for ScotsCare. We hope to expand the Club over the coming year.

Marketing

An organic social media campaign ran from April to July with the help of consultancy firm Tuesday Media to promote support services and our Signature and other films which resulted in an increase in our social media reach. Lessons learned from this campaign have been carried forward into the ongoing social media plan within the charity. We continue to use the GP surgery and A&E leaflet distribution service which saw leaflet pickup rates gradually increase as surgeries reopened post pandemic. We produced a new 'interim' leaflet to promote our new children's psychotherapy service and partnership with Westminster Centre for Young People. We were delighted to reach the finals of the Charity Film Awards in March 2022 with our Signature film and although we didn't win, the exposure was invaluable.

Advertising

Adverts promoting ScotsCare and our services, in particular our sheltered housing were in several papers: Camden News Journal, Westminster Extra, Islington Tribune, South London Press, Mercury, Islington Gazette, Hackney Gazette, and the

East London Advertiser. Adverts also featured in magazines: Primrose House, Directions Magazine, GP Health Magazines, and Caledonian Club Magazine.

To further enhance our branding and overall exposure to more Scots, we had pitch side banners at several soccer (Scotland friendly ahead of the Euros) and rugby (Scotland games in the Nations Cup) matches. This enabled us to reach more Scots, clients, and supporters, not just in London. A goal scored by Scotland in the Scotland friendly soccer game was featured in the BBC Ten O'clock news that evening and clearly showed our ScotsCare pitch side banner.

Events
Due to COVID-19 restrictions we were unable to have stalls at community events. Smaller community events such as the Rothesay Court Garden Party to promote and fill vacancies at the site were well received and the Annual Festival Dinner went ahead after a two-year gap due to Covid-19. Similar to previous years, this event was an excellent opportunity to promote the work of the charity by showcasing one of our films highlighting our mental health service and support.

Working with other organisations
We have continued our involvement with Scots in London, a group of 17 Scots organisations working in London. The group aims to support the Scottish community in London, including its charity members. The purpose of this group will be to continue networking and collaborating to promote our individual organisations across the Scottish diaspora in the broad "London" area.

Covid-19
Before the end of the financial year to March 2021, we continued to face significant challenges due to Covid-19. Our initial response was to ensure the safety and wellbeing of our staff, clients, and volunteers. We followed government guidance and worked from home when it was compulsory to do so and transitioned back to a level of outreach work and working in the office when restrictions were lifted and with the correct risk assessments in place.

Our grants programme decreased due to lower than usual demand, but we adapted to the needs of our clients and their children by offering new grants such as tablets for children who were home schooling, food parcels to those who were self-isolating and expanded our volunteer befriending service to include those who were more socially isolated than normal. As always, we pay close attention to the mental health needs of our clients, including children, and began the process of developing a new children and families psychotherapy service in May 2021 which has now been up and running since November 2021.

We are proud of the resilience shown by our staff and volunteers since the early days of lockdown and throughout the past 24 months of the pandemic; their commitment in difficult and ever-changing circumstances has been admirable throughout.

Fundraising

ScotsCare is registered with the Fundraising Regulator but does not engage in public fundraising and does not use professional fundraisers or commercial participators. Nonetheless, we do observe the relevant fundraising regulations and codes. ScotsCare will never call to ask someone to donate or pass on their details. We do use databases to keep track of clients' needs and to communicate better with our volunteers. How we use this information is clearly stated in our Privacy Policy which is available on our website. No complaints were received during 2021/22.

Financial Review

The results for the year are shown in the Statement of Financial Activities

- Incoming resources totalled £2,627,869 (2021: £2,713,850) and total resources expended were £2,688,658 (2021: £2,516,470). This resulted in a deficit of £60,789 (2021: surplus £197,380);
- Incoming resources for the year derive predominantly from investment income and interest of £1,252,485 (2021: £1,369,303) plus rental income from residential housing of £1,280,455 (2021: £1,141,808);
- Legacies, covenants/gift aid events and donations amounted to £24,381 (2021: £41,092). Grants £0 (2021: £85,295).
- Realised loss on investments amounted to £402 (2021 realised gains: £590,805);
- Unrealised gain on investments amounted to £1,298,098 (2021 unrealised gain: £6,619,399);
- The total funds as at 31 March 2022 amounted to £57,239,409 (2021: £56,002,502).

Associated Charities & Related Charities

The Corporation is the sole Trustee of the Kinloch Bequest (Charity No. 210067) and has been given power to delegate its responsibilities to a committee drawn from among the Trustees of the Corporation.

Trustees of the Corporation are also appointed as Trustees of the St Andrews Scottish Soldiers' Club Fund (Charity No 233297).

The objects of the above charities are distinct from those of the Corporation and, accordingly, they are not considered to be subsidiary charities. Their results, assets and liabilities do not form part of these financial statements.

Investment Management

The investments of the Corporation are managed by the investment adviser, Sarasin & Partners LLP under discretionary mandates that provide for annual fees based on the average value of the respective portfolios managed by them.

The Corporation has adopted guidelines for the investment of its funds which are intended to allow flexibility in the range and classes of investment subject to protection against imprudent investment actions, decisions and practices. The primary objectives are:

- The generation of income at a level consistently and reasonably balanced between the need to conserve and increase long-term capital and the need to generate income for the activities of the Corporation
- The achievement of a level of income sufficient to enable the Corporation to grow the scale of its charitable activities in real terms

No specific investment exclusions have been set. However, the Sarasin's fund in which ScotsCare invests does not invest in tobacco and avoids investment in companies that have more than 10% of their turnover in alcohol manufacture, armaments, gambling or pornography.

The Investment Sub Committee reviews the performance of the portfolio with the Investment Adviser quarterly and reports to the Committee of Management.

The Investment Sub Committee conducts an evaluation of the Investment Adviser on an annual basis. The evaluation includes consideration of the investment strategy and the process of the Investment Adviser and performance against benchmarks.

In the year to 31 March 2022 the investment income amounted to £1,252,485 (2021: £1,369,303). The brokerage commission amounted to £167,946 (2021: £109,164) and the investment management fees were £179,693 (2021: £188,262). The market value of the portfolio at 31 March 2022 amounted to £46,536,585 (2021: £45,418,040).

Reserves
The position disclosed by these Financial Statements shows that at 31 March 2022 the unrestricted reserves of the Corporation amounted to £11,130,503. This sum comprises (a) £10,316,531 of Functional Fixed Assets and (b) £813,972 the balance of unrestricted free reserves. The target fund of free reserves is £1.35 million. The Trustees are confident that the charity holds sufficient reserves for operational purposes which include a ten-year cyclical maintenance plan. We regularly review our reserves policy which is linked to the major risks and opportunities for the organisation. The restricted funds as at the year-end amounted to £61,241.

Functional Fixed Assets
These assets are the Corporation's three residential properties providing accommodation for the elderly.

Unrestricted Free Reserves
Unrestricted free reserves are represented by other net assets available at the Trustees full discretion in the conduct of the Corporation's affairs.

We consider that for the smooth running of the Corporation and as a protection against exceptional expenditure or a drop in income, a level of available expendable reserves is necessary. The current level of available expendable reserves of £813,972 represents approximately 1.42% of the net assets of the Corporation and approximately four months of normal expenditure.

The total reserves at 31 March 2022 are £57,239,409. It comprises unrestricted fund: £11,130,503, restricted fund: £61,241, endowed fund: £46,047,665.

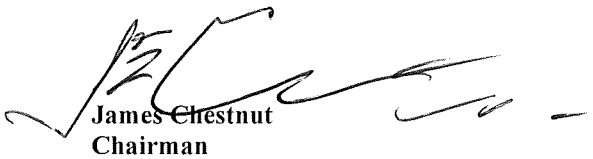
Future plans
We have agreed on an annual budget to support and contribute to the ongoing development and delivery of client support services throughout the coming year with a spend of £3 million in 2022-23.

The annual programme of services will be delivered:

- using direct interventions where resources can be most effective;
- identifying and signposting to other appropriate services for the benefit of clients;
- supporting and investing in our staff and volunteers through training and development; and,
- working with other organisations, societies, churches, charities and agencies.

Next year we will:
- review and revisit our operational strategy for 2019-22;
- embed our new children and family's psychotherapy service to support vulnerable families, in particular those children with special educational and mental health needs;
- review and develop our IT provision; database capabilities and refresh our theory of change to ensure we are focused on the best services to end the cycle of deprivation amongst our clients;
- expand our volunteering programme to include a befriending service for families;
- review and revisit our communications strategy for 2020-22 to increase the number of individuals benefitting from our services;
- monitor and expand our new Ambassadors Club; and
- adopt our new Supplemental Charter and Bye-laws.

Approval
This report was approved by the Trustees on 12 October 2022 and signed on their behalf by:



James Chestnut
Chairman

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF

THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

FOR THE YEAR ENDED 31 MARCH 2022

Opinion

We have audited the financial statements of The Scottish Hospital Of The Foundation Of King Charles The Second (Royal Scottish Corporation) for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet and the Cash Flow Statement and 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 charity's affairs as at 31 March 2022 and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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 trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements
As explained more fully in the trustees' responsibilities statements on page 6, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
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.

Based on our understanding of The Royal Scottish Corporation, we identified that the principal risks of non-compliance with laws and regulations relates to the regulatory requirements of tenancy regulations, Charity Law, Health and Safety Act and employment law and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and the application of FRS 102 and payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to application of controls around authorisation of journals, expenditure and payments. Audit procedures performed by the engagement team included:

- Enquiries of management regarding correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular, journal entries, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates;
- Reviewing the procedures around approval of grants and authorisation of payments.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF

THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

FOR THE YEAR ENDED 31 MARCH 2022

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP

Haysmacintyre LLP
Statutory Auditors
10 Queen Street Place
London EC4R 1AG

Date: 15 November 2022

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Endowed Funds 2022 £	Total 2022 £	*Total 2021 £*
Income from:						
Donations and legacies	2	24,381	-	-	24,381	*41,092*
Grants - CJRS		-	-	-	-	*85,295*
Investments	3	1,252,485	-	-	1,252,485	*1,369,303*
Charitable activities						
Income from residential property	4	1,280,455	-	-	1,280,455	*1,141,808*
Income from services in respect of homeless people	5	70,548	-	-	70,548	*76,352*
Total income		2,627,869	-	-	2,627,869	*2,713,850*
Expenditure on:						
Raising funds						
Investment management costs	6	62,846	-	188,538	251,384	*283,217*
Charitable activities						
Welfare	7	1,560,859	-	-	1,560,859	*1,455,095*
Residential housing	7	873,223	-	-	873,223	*778,158*
Other		-	3,192	-	3,192	-
Total expenditure		2,496,928	3,192	188,538	2,688,658	*2,516,470*
Net income/(expenditure) before investment gains/(losses)		130,941	(3,192)	(188,538)	(60,789)	*197,380*
Realised (losses)/gains on investments		-	-	(402)	(402)	*590,805*
Unrealised gains on investments		-	2,369	1,295,729	1,298,098	*6,619,399*
Net realised/unrealised gains	12	-	2,369	1,295,327	1,297,696	*7,210,204*
Net movement in funds		130,941	(823)	1,106,789	1,236,907	*7,407,584*
Total funds brought forward		10,999,562	62,064	44,940,876	56,002,502	*48,594,918*
TOTAL FUNDS CARRIED FORWARD		11,130,503	61,241	46,047,665	57,239,409	*56,002,502*

All transactions are derived from continuing activities. All recognised gains and losses are included in the Statement of Financial Activities.

THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

BALANCE SHEET

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	*2021 £*
FIXED ASSETS			
Tangible assets	11	10,316,531	*10,249,203*
Investments	12	46,536,585	*45,418,040*
		56,853,116	*55,667,243*
CURRENT ASSETS			
Debtors and prepayments	13	152,362	*135,035*
Cash at bank and in hand		582,670	*637,920*
		735,032	*772,955*
CREDITORS: amounts falling due within one year	14	(219,109)	*(312,516)*
NET CURRENT ASSETS		515,923	*460,439*
CREDITORS: amounts falling due after more than one year	15	(54,180)	*(49,730)*
Provisions for liabilities and charges	18	(75,450)	*(75,450)*
		57,239,409	*56,002,502*
FUND BALANCES			
Endowed Funds	19 & 20	46,047,665	*44,940,876*
Restricted Income Fund	19 & 20	61,241	*62,064*
Unrestricted Income Fund	19 & 20	11,130,503	*10,999,562*
TOTAL FUNDS		57,239,409	*56,002,502*

The financial statements were approved and authorised for issue by the Trustees on 12 October 2022 and are signed on its behalf by:

J. Chestnut
Chairman

C. Somerville
Treasurer

THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	*2021 £*
Cash flows from operating activities	(1,217,654)	*(862,459)*
Cash flows from investing activities		
Dividends and interest	1,252,485	*1,369,303*
Purchase of investments	(480,789)	*(12,769,787)*
Purchase of fixed assets	(269,232)	*(1,367,741)*
Proceeds from sale of investments	223	*13,194,455*
Net cash provided by investing activities	502,687	*426,230*
Change in cash and cash equivalents in the year	(714,967)	*(436,229)*
Cash and cash equivalents at the beginning of the year	1,298,090	*1,734,319*
Cash and cash equivalents at the end of the reporting year	583,123	*1,298,090*

NOTES TO THE CASH FLOW STATEMENT

	2022 £	*2021 £*
Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities		
Net movement in funds	1,236,907	*7,407,584*
(Gains) on investments	(1,297,696)	*(7,210,204)*
Depreciation charges	201,904	*136,210*
(Increase)/decrease in debtors	(17,327)	*56,706*
(Decrease)/increase in creditors	(88,957)	*116,548*
Dividends and interest from investments	(1,252,485)	*(1,369,303)*
Net cash used in operating activities	(1,217,654)	*(862,459)*

Analysis of Cash and Cash Equivalents

	2022 £	*2021 £*
Cash at bank and in hand	582,670	*637,920*
Cash held by investment managers	453	*660,170*
	583,123	*1,298,090*

Note 17 shows the net movement in funds/debt.

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 2nd edition effective for periods commencing on or after 1 January 2019 – (Charities SORP FRS102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going Concern

Given the charity's level of free reserves available at the year end, the Trustees consider that the charity has adequate resources to continue in operational existence for the foreseeable future and that there is no material uncertainty connected with the charity's ability to continue to operate as a going concern. Accordingly, the financial statements have been prepared on a going concern basis.

Significant judgements and estimates

Judgements made by the trustees, in the application of these accounting policies have significant effect on the financial statements. In the opinion of the trustees, in 2021-22 the significant judgements and estimates were applied to retired staff pensions, the useful economic life of the residential properties, and the provision for dilapidation. The details of these judgements and estimates are included in the relevant notes.

1.2 INVESTMENTS

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. All movements in value arising from investment changes or revaluation are shown in the Statement of Financial Activities.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and either their opening carrying value, or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value and the carrying value at year end. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

1.3 TANGIBLE FIXED ASSETS

Freehold Land & Buildings

Under the previous GAAP, land and buildings were stated at valuation. On transition to FRS 102 an election was made to use the valuation at 2014 as the deemed cost and no depreciation on buildings was made as the amount involved was deemed immaterial. Following reappraisal in 2019-20 depreciation of buildings is now made annually at 2% of deemed cost.

Fixtures, Fittings & Equipment

Fixtures, fittings and equipment are depreciated at an annual rate of 10% of cost.

IT Equipment

IT equipment is depreciated at an annual rate of 33.33% of cost.

1.4 DEBTORS
Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. A specific provision is made for debts for which recoverability is in doubt.

1.5 CASH AT BANK AND IN HAND
Cash at bank and cash in hand includes cash and short term highly liquid investments.

1.6 CREDITORS AND PROVISIONS
Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Creditors and provisions are recognised at the amount the Charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

1.7 UNFUNDED PENSIONS
Unfunded pensions are paid by the Charity to certain former employees. The pensions are to be paid during their lifetime. The pension liability was calculated using the return on investment and to the assumed age of 88 years. This decision was taken in the view of probable life expectancy of the retired staff who are already above the age of average life expectancy of women in the UK.

1.8 PROVISION FOR LIABILITIES
Provision has been made for expected property costs at the end of the leases based on the lease terms, management's assessment of the property condition and the likely costs. The estimation involves a level of trustee judgement and will be reassessed annually.

1.9 FUND ACCOUNTING
Funds held by the charity are either:

- Unrestricted funds – which can be used in accordance with the charitable objects at the discretion of the trustees
- Endowment funds – the income from which can be used for the general purposes of the charity, in accordance with the charitable objectives and at the discretion of the trustees
- Restricted funds – which can only be used for particular restricted purposes within the objects of the charity, either when specified by the donor or when funds are raised for particular restricted purposes

1.10 INCOME RECOGNITION
Income is recognised in the period in which the Charity has entitlement to the income, where the amount of income can be measured reliably, and it is probable that the income will be received. In accordance with Charities SORP FRS 102, volunteer time is not recognised.

1.11 LEGACIES, GIFT AID & DONATIONS
Legacies, covenants and donations are accounted for on a cash received basis. The Coronavirus Job Retention Scheme (CJRS) grant has been recorded as a separate unrestricted income. The grant was recognised on an accruals basis.

1.12 INVESTMENT INCOME & INTEREST
Investment income is recognised once the dividend has been declared and notification has been received of the dividend due. Interest on funds held on deposit is included when it is receivable, and the amount can be measured reliably by the Charity; this is normally upon notification from the bank of the interest payable or paid.

1.13 RENTAL INCOME
Income from the rental of functional properties is recognised when the income is receivable under the contract for hire or lease document, when the amount can be measured reliably, and it is probable such income will be received.

1.14 EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to make a payment 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. All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. Support costs are allocated in the same proportion as direct costs are incurred. All expenditure is stated inclusive of irrecoverable VAT.

All eligible members of staff are auto enrolled in a workplace pension scheme. Employer contributions to the scheme are charged to the statement of Financial Activities in the year in which they are payable to the scheme. In addition, supplementary pension payments are made directly to certain former employees.

1.15 OPERATING LEASES

Rentals payable under operating leases for equipment are charged on a straight-line basis over the terms of the leases.

1.16 EMPLOYEE BENEFITS

- **Short term benefits**
  Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.
- **Employee termination benefits**
  Termination benefits are accounted for on an accruals basis and in line with FRS 102.

1.17 HERITAGE ASSETS

No value is attributed to heritage assets on the basis that information on cost or valuation of the assets is not available and could not be obtained at reasonable cost. The age, variety and lack of comparable market data would make any attempt at valuation extremely onerous and costly compared with the benefit derived by users of the account.

2. DONATIONS AND LEGACIES

	2022 £	*2021 £*
Legacies	11,066	*11,092*
Donations	8,881	*30,000*
Events	4,434	-
	24,381	*41,092*

All income from donations and legacies in 2021 and 2022 was unrestricted.

3. INVESTMENT INCOME – UNRESTRICTED FUNDS

	2022 £	*2021 £*
Dividend and interest on investments	1,251,784	*1,368,840*
Bank Deposit Interest	701	*463*
	1,252,485	*1,369,303*

4. INCOME FROM CHARITABLE ACTIVITIES – UNRESTRICTED FUNDS

	Total 2022 £	*Total 2021 £*
Income from residential property	1,280,455	*1,141,808*
	1,280,455	*1,141,808*

5. MANAGEMENT FEE – UNRESTRICTED FUNDS

	2022 £	*2021 £*
Fees for services in respect of homeless people	70,548	*76,352*
	70,548	*76,352*

6. RAISING FUNDS

	2022 £	*2021 £*
Brokerage commission and investment management fees	347,657	*297,426*
Less: accounted for as investment transactions	(167,964)	*(109,164)*
	179,693	*188,262*
Support costs (note 9)	71,691	*94,955*
	251,384	*283,217*

7. EXPENDITURE ON CHARITABLE ACTIVITIES

	2022 £	*2021 £*
Welfare		
Staff costs	546,414	514,518
Other direct costs	207,848	100,687
Grants to individuals	361,468	352,039
Support costs (note 9)	445,129	487,851
	1,560,859	1,455,095
Residential Housing		
Staff costs	133,293	*126,669*
Other direct costs	490,903	*390,596*
Support costs (note 9)	249,027	*260,893*
	873,223	*778,158*

8. GOVERNANCE COSTS

	Total 2022 £	*Total 2021 £*
Auditors' remuneration – audit fees	17,400	*16,200*
Auditors' remuneration – additional audit fees	-	*3,000*
Auditors' remuneration – other services	3,600	*6,480*
Other direct costs	6,845	*11,476*
Legal and professional fees – internal audit fees	-	*4,200*
	27,845	*41,356*

Governance costs have been allocated across investment management costs and the cost of charitable activities in proportion to direct expenditure.

9. ANALYSIS OF DIRECT AND SUPPORT COSTS

	Direct Individual Grants	Direct Salary Costs	Other Direct Costs	Support Staff Costs	Support Premises Costs	Support Communica-tions Costs	Support Other Costs	Support Governance Costs	2022 Total Support & Governance	2022 Total Costs	*2021 Total Costs*
	£	£	£	£	£	£	£	£	£	£	*£*
Investment	-	-	179,693	29,576	20,122	11,006	8,380	2,607	71,691	251,384	*283,217*
Charitable - Residential	-	133,293	490,903	102,737	69,898	38,230	29,108	9,054	249,027	873,223	*778,158*
Charitable - Welfare	361,468	546,414	207,848	183,640	124,940	68,335	52,030	16,184	445,129	1,560,859	*1,455,095*
Total	**361,468**	**679,707**	**878,444**	**315,953**	**214,960**	**117,571**	**89,518**	**27,845**	**765,847**	**2,685,466**	*2,516,470*

In addition to the cost noted above, a sum of £3,192 was spent on the maintenance and the insurance valuation of the heritage assets.

COMPARATIVE 2021

	Direct Individual Grants	Direct Salary Costs	Other Direct Costs	Support Staff Costs	Support Premises Costs	Support Communica-tions Costs	Support Other Costs	Support Governance Costs	Total Support & Governance	Total Costs
	£	£	£	£	£	£	£	£	£	£
Investment	-	-	*188,262*	*36,840*	*35,356*	*9,285*	*8,819*	*4,655*	*94,955*	*283,217*
Charitable - Residential	-	*126,669*	*390,596*	*101,221*	*97,143*	*25,511*	*24,230*	*12,788*	*260,893*	*778,158*
Charitable - Welfare	*352,039*	*514,518*	*100,687*	*189,275*	*181,650*	*47,704*	*45,309*	*23,913*	*487,851*	*1,455,095*
Total	*352,039*	*641,187*	*679,545*	*327,336*	*314,149*	*82,500*	*78,358*	*41,356*	*843,699*	*2,516,470*

10. STAFF COSTS

	2022 £	*2021 £*
Wages and subsidiaries	821,519	*794,299*
Social Security costs	83,186	*81,778*
Other pension costs	90,955	*92,446*
	995,660	*968,523*

Employees

	2022 £	*2021 £*
The average number of employees during the year		
Charitable	18	*19*
Support	5	*4*
	23	*23*

	2022 £	*2021 £*
The average number of FTE during the year		
Charitable	17	*13*
Support	4	*5*
	21	*18*

There was one employee in the salary band £80,000 to £90,000 during the financial year to 31 March 2022 (2021: one).

The key management of the Charity consists of the Chief Executive together with the Trustees.

Total remuneration for the Chief Executive, including social security and pension costs was £107,853 (2021: £110,741).

The Trustees received no remuneration in the current or prior year. No reimbursement was made to Trustees in 2022 (2021: £Nil).

Donations of £2 were received from the Trustees in 2022 (2021: £120).

11. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings	Fixtures & Fittings	Office Equipment	IT Equipment	Total
	£	£	£	£	£
COSTS					
1 April 2021	10,104,746	511,812	85,002	30,034	10,731,594
Additions	-	273,366	-	4,654	278,020
Transfer	(592)	-	-	(8,196)	(8,788)
At 31 March 2022	10,104,154	785,178	85,002	26,492	11,000,826
DEPRECIATION					
1 April 2021	206,597	188,862	85,002	1,930	482,391
Charge for the year	143,284	50,349	-	8,271	201,904
At 31 March 2022	349,881	239,211	85,002	10,201	684,295
NET BOOK AMOUNT					
At 31 March 2022	**9,754,273**	**545,967**	**-**	**16,291**	**10,316,531**
At 31 March 2021	*9,898,149*	*322,950*	*-*	*28,104*	*10,249,203*

12 INVESTMENTS

	2022	*2021*
	£	*£*
Opening value at 1 April 2021	44,757,870	*37,972,333*
Cost of additions	480,789	*12,769,787*
Less proceeds of disposals	(223)	*(13,194,455)*
Realised (loss)/gain	(402)	*590,805*
Unrealised gain	1,298,098	*6,619,400*
Market value at 31 March 2022	46,536,132	*44,757,870*
Funds on deposit with investment manager	453	*660,170*
Total value as at 31 March 2022	**46,536,585**	*45,418,040*
Cost at 31 March 2022	36,672,486	*36,505,103*
Unrealised gains at 31 March 2022	9,864,099	*8,912,937*
Market value at 31 March 2022	**46,536,585**	*45,418,040*

12. INVESTMENTS (Continued)

The Investment allocation at the year-end based on market value is as follows:
7.0% fixed interest, 69.5% equities, 5.6% property, 12.7% alternative investments, 5.2% liquid assets.
100% of the portfolio is held through a common investment fund. All investments are in UK entities.

13. DEBTORS

	2022 £	*2021 £*
Accrued income and prepayment	88,971	*44,011*
Trade debtors	63,391	*91,024*
	152,362	*135,035*

14. CREDITORS: Amounts falling due within one year

	2022 £	*2021 £*
Trade creditors	72,375	*78,752*
Other creditors	28,208	*31,541*
Deferred income	11,217	*15,142*
Accruals	107,309	*187,081*
	219,109	*312,516*

Other creditors include £12,937 (2021 £13,573) related to unfunded pensions.

Deferred income comprises rental income received in advance, as follows:

	2022 £	*2021 £*
Balance at 1 April	15,142	*15,788*
Amount released to rental income	(15,142)	*(15,788)*
Amount deferred in year	11,217	*15,142*
Balance at 31 March	**11,217**	*15,142*

15. CREDITORS: Amounts falling due after more than one year

	2022 £	*2021 £*
Unfunded pensions	54,180	*49,730*
	54,180	*49,730*

16. OPERATING LEASES

	Equipment		Buildings	
	2022 £	*2021 £*	2022 £	*2021 £*
Under 1 year	5,718	*7,364*	124,544	*124,544*
2 – 5 years	-	*2,244*	311,361	*443,171*
	5,718	*9,608*	**435,905**	*567,715*

17. NET DEBT RECONCILIATION

	At 1 April 2021 £	Cashflows £	Other non cash changes £	At 31 March 2022 £
Cash	*1,298,090*	(714,967)	-	583,123

NET DEBT RECONCILIATION 2021 Comparative

	At 1 April 2020 £	*Cashflows £*	*Other non cash changes £*	*At 31 March 2021 £*
Cash	*1,734,319*	*(436,229)*	-	*1,298,090*

18. PROVISION FOR LIABILITIES AND CHARGES

Provision for dilapidation
A provision of £75,450 has been made for the expected property dilapidation cost at the end of the lease based on the lease terms and management's assessment of the property condition. The estimation involves a level of judgement and will be reassessed annually.

	£
Balance at 1 April 2021 and at 31 March 2022	75,450

19. MOVEMENT IN FUNDS

	1 April 2021 £	Income £	Expenditure £	Investment gains £	Fund transfers £	31 March 2022 £
Endowed Fund						
The James Kinnear Fund	*44,940,876*	-	(188,538)	1,295,327	-	46,047,665
Restricted fund						
Heritage Fund	*62,064*	-	(3,192)	2,369	-	61,241
Unrestricted Income Funds						
Functional Fixed Assets	*10,249,203*	1,280,455	(873,223)	-	(339,904)	10,316,531
Free Assets	*750,359*	1,347,414	(1,623,705)	-	339,904	813,972
Total Unrestricted Funds	*10,999,562*	2,627,869	(2,496,928)	-	-	11,130,503
Total Funds	*56,002,502*	2,627,869	(2,688,658)	1,297,696	-	57,239,409

COMPARATIVE 2021

	1 April 2020 £	Income £	Expenditure £	Investment gains £	Fund transfers £	31 March 2021 £
Endowed Fund						
The James Kinnear Fund	*37,952,735*	-	*(212,413)*	*7,200,554*	-	*44,940,876*
Restricted fund						
Heritage Fund	*52,414*	-	-	*9,650*	-	*62,064*
Unrestricted Income Funds						
Functional Fixed Assets	*9,017,672*	*1,141,808*	*(778,158)*	-	*867,881*	*10,249,203*
Housing Maintenance Fund	*232,348*	-	-	-	*(232,348)*	-
Free Assets	*1,339,749*	*1,572,042*	*(1,525,899)*		*(635,533)*	*750,359*
Total Unrestricted Funds	*10,589,769*	*2,713,850*	*(2,304,057)*	-	-	*10,999,562*
Total Funds	*48,594,918*	*2,713,850*	*(2,516,470)*	*7,210,204*	-	*56,002,502*

20. ANALYSIS OF ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2022 £
Tangible Assets	10,316,531	-	-	10,316,531
Investments	-	83,299	46,453,286	46,536,585
Current Assets less Creditors & Provisions	813,972	(22,058)	(405,621)	386,293
	11,130,503	61,241	46,047,665	57,239,409

	Unrestricted Funds £	*Restricted Funds £*	*Endowed Funds £*	*Total 2021 £*
Tangible Assets	*10,249,203*	-	-	*10,249,203*
Investments	-	*81,250*	*45,336,790*	*45,418,040*
Current Assets less Creditors & Provisions	*750,359*	*(19,186)*	*(395,914)*	*335,259*
	10,999,562	*62,064*	*44,940,876*	*56,002,502*

THE JAMES KINNEAR FUND

The James Kinnear Fund is an unexpendable capital (Permanent Endowment) fund whose assets are invested to produce income which each year is recorded in the Unrestricted Income Fund and is freely available for the charitable activities of the Corporation.

HERITAGE FUND

The Heritage Fund is a capital fund which arises from the historic sale of certain of the Corporation's paintings (anciently donated) upon moving premises. Its income each year is recorded in the Unrestricted Income Fund and is freely available for the charitable activities of the Corporation. Its capital assets are available to the Trustees for the purchase of replacement commemorative artefacts for the Corporation's headquarters or such other corporate expenditure as the Trustees may determine.

UNRESTRICTED INCOME FUNDS

These funds represent accumulated income surpluses and consist of functional fixed assets fund and free assets.

(a) Tangible Fixed Assets

Functional fixed assets comprise residential properties and the fixtures & fittings within providing accommodation for the elderly and key workers on lower incomes. The Trustees have determined that these assets shall be a capital fund but that upon a disposal of the underlying property, any proceeds not similarly reinvested shall become free assets available at the Trustees' discretion.

20. ANALYSIS OF ASSETS BETWEEN FUNDS

(b) Free Assets

Free assets are available at the Trustees' discretion in the conduct of the Charity's affairs. The Housing Maintenance Fund, a designated fund earmarked for maintenance of the Corporation's housing stock, was merged with the Free Assets in 2021.

21. CAPITAL COMMITMENTS

At 31 March 2022, the Charity has a £70k capital commitment to convert an onsite office at a residential property to a one bed flat (2021: £Nil).

22. HERITAGE ASSETS

Works of art and ceremonial silverware are not capitalised in these accounts. They are considered to be heritage assets for the purposes of the Charities SORP (FRS 102). They all have very long lives and are worth preserving indefinitely.
No value is attributed to heritage assets on the basis that information on cost or valuation of the assets is not available and could not be obtained at reasonable cost. There has been no movement in the heritage assets in the last 5 years.

23. RELATED PARTY TRANSACTIONS

There were no other related party transactions other than those noted under note 10.

THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES THE SECOND (ROYAL SCOTTISH

England & Wales - Charity number 207326

Accounts

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THE ROYAL SCOTTISH CORPORATION

THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II (OPERATING AS "SCOTSCARE")

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2021

Charity Number: 207326

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THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH2021

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THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

REFERENCE AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2021

Patron:
Her Majesty the Queen

Principal Office:
22 City Road, London, EC1Y 2AJ

Vice Presidents:

S. J. Steele	
W.G.C.White	(resigned November 2020)
P. R. Hay	(resigned November 2020)
P.J.M. Scott	

Treasurer

A. H. Gilroy	(resigned November 2020)
C. Somerville	(appointed November 2020)

Trustees:
Elected Members of the Committee of Management:

J. Chestnut (Chairman)	
D. Guild	
J. Grieve	
B. Griffin	
P.J.M. Scott	
J. Harvie	
D. Coughtrie	(retired November 2020)
A. Christie	(resigned July 2021)
K. Lynch	(appointed Vice Chair July 2021)
C. McCahon	
S. Clark	(resigned September 2020)
C. Somerville	(resigned November 2020)
W. Gilmore	(appointed October 2020)
D. McMurtrie	(appointed January 2020)
C. Ross	(appointed July 2021)
F. Oram	(appointed July 2021)

In addition the Treasurer and Honorary Solicitor are Ex Officio Members of the Committee of Management.

Other Appointments:
Chief Executive and Secretary:
S. Fleming

Honorary Chaplains:

The Reverend P. Majcher	(resigned November 2020)
The Reverend Angus MacLeod	

Honorary Piper
Pipe Major J. McLucas

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Auditors:
Haysmacintyre LLP
10 Queen Street Place
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EC4R 1AG

Honorary Solicitor:
Danny Tsang
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CityPoint
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EC2Y 9SS

Bankers:
The Royal Bank of Scotland plc
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EC4Y 1BD

Investment Adviser:
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EC4M 8BU

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THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

CHAIRMAN'S INTRODUCTION

FOR THE YEAR ENDED 31 MARCH 2021

Dear Friends,

I am privileged to be able to present our annual Report and Financial Statements for the year ended 31 March 2021.

The year was truly a unique year in that everything we did was impacted by the covid pandemic. The world was dealing with a deadly disease and in the UK we were subject to a range of protective measures as the government struggled to combat the threat. As infection and death rates varied these measures at times became quite restrictive.

In an environment where at many times personal movement and contact with others was restricted and human interaction was affected by requirements to be masked and physically distanced, ScotsCare continued to operate and to serve our clients to the greatest extent possible. Credit must go to our Chief Executive Shona Fleming and her team of capable, dedicated people. The charity continues to be strong and stable.

Our mission is to help Scots in need within the Greater London area in a variety of ways, depending on assessed need: housing, health (physical and mental), advocacy, financial grants, training, housing advice, volunteer programme, career coaching, counselling, respite holidays and social events. In recent years we have increased our focus on supporting children and families, the objective being to stop the cycle of poverty, low educational attainment and unemployment.

In the covid environment inevitably some of our programmes were not possible (such as social events) and some were curtailed (such as counselling) but to the extent possible adjustments were made to meet the current needs of clients (such as grants to help home schooling and food parcels for those self-isolating). Importantly, the charity maintained contact with all clients.

Our three sheltered housing sites now provide 96 flats in total. Our construction project to build 12 new flats at our site in Lewisham was completed within budget and with minimal delay, despite the constraints of the pandemic.

Effective communication continues to be an important area of focus. It is critical that we continue to develop awareness of ScotsCare throughout the Scottish community in London and this year has featured the launch of our signature film, which clearly communicates examples of our services, and advertising across a range of platforms from Facebook to traditional press.

In the Trustees' Report you will see details of the extensive and varied work done by our staff of 21 and volunteer group of 76. We are fortunate to have such a body of impressive people, particularly in these unusual times. Thank you to everyone.

As a body of trustees, we continue to review our governance structure to ensure that it is relevant and efficient for a 21st century charity. Thank you to all my fellow trustees, including those who have retired during the past year, for their dedication and hard work.

Thank you also to all who generously donated to ScotsCare during the year, whether funds or time and talents; you are critical to our mission.

DocuSigned by:
James Chestnut
8A2571B08DCB4E1...

James Chestnut

Chairman

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HIGHLIGHTS 2020 to 2021

255 grants awarded were for children's clothing

1648

Wellbeing calls made to clients in the first weeks of lockdown

A total of 807 grants were awarded to clients

268 individual counselling sessions offered

98% of volunteers enjoyed volunteering with us

128 emergency grants distributed

Advocacy assistance results in 70 clients receiving back payments totalling £240,000 over last 3 years

Over 400 years of ScotsCare



The charity for Scots in London

80 children's activity grants were awarded. Children took part in activities like martial arts & learning piano

41.8% increase in Instagram followers

17,500 plus impressions on Twitter monthly

12 new sheltered housing flats completed and 14 new residents across all housing

5.4% increase in clients on database since 2020

93% success rate in accessing services with Advocacy

70%

said ScotsCare helped improve their quality of life

60,526 minutes of Blether Buddies speaking with clients

359 household grants were awarded to clients in the last year

98%

of clients either very satisfied or satisfied with their experience of ScotsCare's services

70

Tablets provided to families to support home schooling during lockdowns

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The Royal Scottish Corporation ("the Corporation") is the working name of the Scottish Hospital of the Foundation of King Charles II. It operates under the name ScotsCare and is registered with the Charity Commission for England and Wales – registration number 207326. Details of the principal office, Trustees, Chief Executive and principal advisers can be found in the reference and administrative information section on pages 1 and 2.

The Trustees present their report and the audited Financial Statements for the year ended 31 March 2021, which have been prepared in accordance with the provisions of the current Statement of Recommended Practice Accounting and Reporting by Charities and the relevant accounting standards.

Governing Document

The Corporation is governed by Royal Charters of 1665, 1676, the Charter of Reincorporation of 1775, as amended in 1974 and 1982 and by Bye-Laws, which were last amended on 14 July 2004.

Appointment and Induction of Trustees

As provided in the Charter and Bye-Laws, there are 5 General Courts each year. The Officers and Trustees are elected at the St Andrew's Day Court. There are up to 15 Trustees, and each serve for a period of 3 years. Up to 5 Trustees retire each year but may stand for re-election.

Trustees, including any Vice President (exercising their right under the Bye-Laws), the Treasurer and the Honorary Solicitor constitute the Committee of Management. Trustees are recruited by recommendation, or through advertisement, and are required to attend two meetings of the Committee of Management and a selection of the Sub Committees preceding their election. Regard is given to the skills and experience of the potential trustee and that required by the Charity.

On appointment, each trustee is required to undertake an induction which includes reviewing information about the charity including its governing document, strategy, finances, staffing structure, risk register and briefings from staff on the work of the organisation. Their attention is drawn to relevant Charity Commission guidance, including The Charity Governance Code.

Organisation

The Committee of Management meets quarterly and can appoint sub-committees to discuss and make recommendations on more detailed aspects of strategy and policy. There are currently five sub-committees: the Audit, the Investment, the Welfare, the Communications and the Nominations sub-committees.

The Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Charity. The Chief Executive has delegated authority, within the terms prescribed by the Trustees, for operational, finance and service delivery related activity.

Key Management

The Chief Executive and the Committee of Management (unpaid Trustees) make up the organisation's key management. The Chief Executive's salary is based on an annual pay and appraisal system set by the Committee of Management.

Trustees Responsibilities and Risk Management

Law applicable to charities in England and Wales requires Trustees to prepare financial statements for each financial year, which give a true and fair view of the Foundation's financial activities during the year and of its financial position at the end of the year. In preparing financial statements that give a true and fair view, the Trustees should follow best practice and

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards and SORP have been followed, subject to any departures disclosed and explained in the financial statements; and,
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charity will be able to continue in operation.

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Trustees Responsibilities and Risk Management (continued)

The Trustees of the Corporation are responsible for safeguarding the assets of the Corporation, and for taking reasonable steps for the prevention and detection of error, fraud and other irregularities. They are also responsible for keeping accounting records which disclose, with reasonable accuracy, the financial position of the Corporation at any time, and ensure that the financial statements comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the Royal Charters and Bye-Laws.

We have overall responsibility for:

- keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Corporation and the funds held in trust;
- establishing and monitoring a system of internal control;
- ensuring that the Financial Statements comply with applicable law and regulations; and,
- establishing arrangements for safeguarding the assets of the Corporation and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The systems of internal control are designed to mitigate risk and include a strategic plan, regular consideration by the Committee of Management of the actual results compared to budget and any variances arising, formal written policies and procedures and detailed terms of reference for Sub Committees.

Detailed consideration of the risks to which the Corporation is exposed is delegated to the Audit Sub-Committee, which is assisted by the management team. Through established risk management processes, we are satisfied those systems and procedures are in place to manage the risks identified while recognising that these systems can only provide reasonable and not absolute assurance.

The key risks to which the Charity is exposed are the loss of investment income, the resignation or ill health of the CEO and the health and safety of staff. The Trustees have borne the investment income risk in mind when determining the level of free reserves and regularly review our reserves policy. Our CEO manages a strong senior management team with the appropriate skills and experience to manage the day to day operations should there be a loss of key staff. In relation to the health and safety of the charity's employees, the charity has followed government Covid-19 guidance at all times and implemented the appropriate risk assessments. Furthermore, the Charity considers its staff may be at personal risk when working with clients and interview rooms have been designed to mitigate this risk together with appropriate written procedures and a lone working alert system (Look Out Call) for staff to use and follow when working outside the office.

Related parties

None of the trustees receives remuneration or other benefits from their work with the charity. Trustees are invited to declare any relevant interests at each board meeting and are formally requested to submit an annual related party and conflicts of interest form. Board members have reported no relevant interests or transactions.

Equality and diversity

We are committed to equality and diversity at ScotsCare and ensure that within the framework of the law that our workplace is free from unlawful or unfair discrimination because of protected characteristics as defined by the Equality Act 2010. All employees are provided with a copy of our policy as part of their induction process and are expected to abide by it. Failure to do so, resulting in discrimination, can be treated as gross misconduct. This policy applies both to behaviour in the workplace and recruitment practices. We are engaged in monitoring at board and staff level equality and diversity within the organisation.

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Strategy

ScotsCare has provided support to Scots and their families in London for over 400 years. Our strategy for 2019 to 2022 sets out our objectives for three priority clients: children and families; older people and working age adults.

Royal Charter

The object of the Corporation is: "to relieve either generally or individually persons resident or found within a radius of 35 miles of Charing Cross, who are in conditions of need hardship or distress, being persons who were born in Scotland or persons one of whose parents was born in Scotland and widows of persons born in Scotland."

Vision

Our vision is an end to the cycle of deprivation experienced by Scots and their families living within a 35-mile radius of Charing Cross.

Purpose

Our purpose is to provide financial, practical and emotional support to Scots and their families in London.

Values

Our values are that we are a caring, progressive, and effective organisation.

- **Caring**
  To provide a high quality of support to Scots and their families.
- **Progressive**
  Listening to the needs of our beneficiaries and responding to that need in a way that breaks the cycle of deprivation.
- **Effective**
  Good governance, partnership working and investment in our people is key to our success.

Our clients

ScotsCare assists Scots and their families who are in need of financial, practical and emotional assistance.

Historically, the organisation has delivered a grant giving programme but has evolved to provide a holistic service to clients that includes a needs led assessment to provide direct services or signposting to specialist support services.

Most of our clients have support needs over and above financial assistance. Many are socially excluded from society and face a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, living in areas of high crime, bad health and family breakdown. These problems are linked and mutually reinforcing so that they can create a vicious cycle in people's lives.

Our clients receive state benefits or are on low incomes, generally without support networks, socially isolated and often unable to negotiate the public sector system, including the benefits system. A significant number of our clients have additional support needs such as mental and physical ill health, debt problems and issues around substance misuse.

Our priority clients are:

- Children and families
- Older people
- Working age adults

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Strategic objectives

Children and families

All families can face difficult times, whether it's a parent with a diagnosed mental health problem, substance misuse issues or, poor housing exacerbated by long term poverty. We want to help families by providing services that will support them to address difficult situations that will improve the life chances and future opportunities for their children.

Our objectives will be to help them:

- reduce the effects of poverty through financial assistance;
- have their voices heard through advocacy on issues that are important to them;
- address the issues faced by children and families to improve their mental and physical wellbeing;
- engage with training and employment opportunities; and,
- access social, cultural and educational opportunities for their children.

Older people

Building a sense of community; reducing social isolation and loneliness; promoting well-being and healthy living is all part of providing our clients with services that are suited to their needs.

Our objectives will be to help them:

- increase their independence within the community;
- reduce their social isolation and loneliness;
- access housing appropriate to their needs;
- increase their digital skills and knowledge; and,
- access social activities.

Working age adults

Providing access to training and job coaching support which moves individuals closer to employment is an important aim of this strategy. Our experience is that not all clients can engage with these opportunities, but for those who can, we will provide access to tailored support.

Our objectives will be to help them:

- identify barriers to employment;
- engage with personalised job coaching;
- access grants for specific training or education courses; and,
- move into employment.

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Support services

To realise our strategic objectives we will aim to provide:

All clients, as appropriate, with:

- access to our helpline and walk-in service as the first point of contact;
- individual assessment of need and benefits check;
- budgeting advice and debt referral if appropriate;
- financial grants to purchase household items;
- advocacy;
- counselling;
- signposting to health and substance misuse services;
- housing advice; and,
- access to volunteering opportunities.

Children and families with:

- job coaching and grants for training;
- volunteer befrienders;
- access to a programme of annual social events;
- access to our volunteering opportunities;
- children's clothing and activity grants; and,
- children and families activity holidays.

Older people with:

- assessment of need for ScotsCare's sheltered housing;
- programme of annual social events;
- volunteer befrienders; and,
- volunteer tech buddy programme.

Working age adults with:

- grants for training or study; and,
- job coaching.

Achievements and Performance

Public Benefit

The Trustees have had regard to the Charity Commission's guidance on public benefit during the year. The Charity meets the Public Benefit test set out by the Charity Commission by providing the following services:

- sheltered housing on three sites in London: Grove Park in Lewisham; Whetstone in Barnet; and Worple Road in Wimbledon. Residents must be over 55, or over 50 with a significant disability, to qualify for the sheltered housing;
- a menu of financial grants and regular monthly allowances;
- support services: advocacy; psychotherapy and job coaching;
- signposting to other services generally;
- volunteering opportunities across the organisation;
- grants to help students and the unemployed who require additional training before returning to work; and,
- annual programme of social events for families and older people.

To qualify for any of the above, an applicant must be assessed by the Corporation's professional staff and have exhausted state or other welfare provision. The Corporation's staff assists in this process by carrying out a benefits check to ensure the proper take-up of state benefit entitlement as well as signposting to relevant services.

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Numbers of the members of the public benefiting from our services

	2020-21	2019-20	2018-19
Affordable housing	96	84	84
Regular monthly allowances	49	49	60
Financial grants	807	1,056	1,019
Trained and supported volunteers	76	77	75
Blether Buddies befriending project	73		
Number of people attending social events	0	1,548	1,553
Helpline calls	6,269	7,070	2,213
Student and training grants	30	29	30
Adults assessed for services	564	724	552
Children benefiting from services	255	452	462
Advocacy cases	71	91	85
Counselling sessions	268	317	274
Job coaching	0	6	5

Detailed one-to-one assessments of our clients are carried out at their home, on the telephone or at our office on City Road. The assessment includes the collection of information that helps us to provide the most appropriate services that tackle long-term deprivation. Our objective is to identify and achieve defined outcomes for each client, thus measuring and quantifying the impact we have on our clients' lives. This more focused approach has resulted in more grants and services to the most vulnerable of clients, and the impact of our intervention has been greater for most clients.

Expenditure by Priority	**2020-21 £**	**2019-20 £**	**2018-19 £**
S1- children and families	194,337	229,830	176,020
S2- older people	63,526	80,842	98,511
S3- working age adults	94,176	123,488	131,957
Total	**352,039**	**434,160**	**406,488**

Volunteer programme

Our volunteers provide significant support and assistance across the organisation. Due to Covid-19 many of the support roles to assist staff and clients on an in-person basis were stopped. Our telephone befriending service expanded quickly to support existing and new clients during the pandemic. In total, our Blether Buddy volunteers made 2,744 calls totalling 1,009 hours.

We are fully committed to providing our volunteers with the best training so that the organisation continues to benefit from their input. Over the past year, our volunteers were able to fulfil the following roles:

Blether Buddy befriender (at home)	27
Blether Buddy befriender (telephone)	5
Tech Buddy	4
Travel Buddy	1
Reception	0
Monthly lunch clubs for over 50s	0
Attendance at annual client outings	0
Administrative	0
Communications team support	0
Residents' coffee mornings	0

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Development of 12 new homes for older people

In 1984, ScotsCare began to provide supported sheltered housing for some of the most vulnerable older people in London and has 96 flats across three sites: Barnet, Wimbledon, and Lewisham. In 2019, we were granted permission to build an additional 12 flats at our Lewisham site in Grove Park. The value of the contract was £2,671,734. Construction began in July 2019 and completed 29 September 2020. Despite the Covid-19 pandemic, we completed this project with a six-week delay and on budget. The development of these 12 one-bedroomed homes increases our stock to 96 flats and provide much needed housing and support to older Scots living in London.

Monitoring and Evaluation

In line with our strategic objectives, we monitor and evaluate our work by using an outcomes framework to track the progress of individual clients over the course of their involvement with us. These outcomes consider a range of indicators and are reported to Trustees on a quarterly basis. Our client database and theory of change dashboard provide further ways to monitor, evaluate and report on our work. As part of our theory of change work, we collect information from our children and families' clients so that we can build a picture of longer-term outcomes by tracking their children's progress through the national pupil database.

We continue to use a series of surveys developed to receive regular feedback from clients, tenants, and volunteers to measure satisfaction levels and areas for improvement or additional services. The purpose of these surveys is to help determine future strategy and to assist with the planning and improvement of specific services. The feedback also provides the necessary evidence of ScotsCare's effectiveness and increases awareness of our services amongst our beneficiaries.

Increasing Awareness

The importance of raising awareness through our communications is important to us if we are to reach more Scots in London who need our help. Our Communications Strategy for 2020-22 was developed to strengthen the brand identity and to ensure that we continue to communicate effectively internally and externally with the appropriate key messages to our staff, volunteers, clients and key stakeholders.

Raising our profile

Marketing

To coincide with the launch of our new website and signature film in October 2020, we engaged the support of a digital public relations company to assist us with Facebook advertisements. The adverts focused on ScotsCare services and used the films to showcase how the different clients featured had received services. Our aim was that new and existing clients would be able to identify with the participants and access support for themselves or know of someone who needed our support. To maximise the impact, we engaged the PR company in a re-targeting campaign to capture anyone that had previously viewed the adverts but did not take initially take any action.

To coincide with the new website going live, we sent out a press release just after St Andrew's Day to promote the launch of the signature film covering services such as counselling, advocacy, financial grants, social events, sheltered housing and more. The press release led to stories appearing in the Camden News Journal, Charity Today and South London Press. On social media we encouraged supporters to share/retweet our posts relating to the launch which led to BBC Football pundit (and former Scottish International player) Pat Nevin retweeting the signature film launch post to his supporters.

In February 2021, we sent out ScotsCare presentation folders with services related marketing materials, alongside other merchandise (tote bags and oyster wallets) to new clients. A similar exercise had been done in August 2019 to capture all active clients on our system prior to that date.

Acknowledging that 2020 had been a difficult year for many of us due to Covid 19, we produced a Christmas card to go out to all clients, supporters, and donors. This exercise allowed us to remind them that we were thinking of them and here to help.

We have maintained our general services leaflet campaign across London GP surgeries and hospital A&E departments. From November 2020 to April 2021 just over 82,000 leaflets were picked up. The first quarter of this financial saw a small increase on the previous quarter, and it is expected that pickup rates should significantly increase in the coming months as GP surgeries return to in person appointments.

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Advertising
Adverts promoting our services have appeared in the Camden New Journal, London Metro, Westminster Extra, Caledonian Club magazine, GP Health Magazine and Direction's magazine. A digital ScotsCare advert banner appeared briefly in some London based gyms in December 2020.
Pitch side advertisements at several 2020 rugby internationals were organised and screened on Amazon Prime and highlighted on Channel 4 thus increasing our media reach.

Events
Due to Covid-19 restrictions limiting face to face interaction, all events were cancelled during the year.

Working with other organisations
Our involvement on the Scots in Great War London working group, set up to highlight the contribution of Scots during World War One was a successful collaboration with 10 other Scottish organisations operating in London. The organisations that came together to form Scots in Great War London has now grown to 17 organisations who will build on the success of the networking and collaboration during 2016-19 by forming a new Scots in London umbrella group. The work required to formally set up this umbrella group was put on hold during the pandemic but will be progressed now that restrictions have lifted. The purpose of this group will be to continue the networking and collaboration that proved so beneficial during the SIGWL project, and together to promote our individual organisations across the Scottish diaspora in the broad "London" area.

Covid-19
Before the end of the financial year to March 2020, we were faced with significant challenges due to Covid-19. Our initial response was to ensure the safety and wellbeing of our staff, clients and volunteers. We have always followed government guidance and worked from home when it was compulsory to do so and transitioned back to a level of outreach work and working in the office when restrictions were lifted and with the correct risk assessments in place.

We have made regular contact with all clients to provide support where it was needed, problem solving along the way to provide bespoke support, and ensured that our clients know how to contact us. Our grants programme was interrupted due to the closure of many of our suppliers, but we adapted to the needs of our clients and their children by offering new grants such as tablets for children who were home schooling, food parcels to those who were self-isolating and expanded our volunteer befriending service to include those who were more socially isolated than normal. We have paid close attention to the mental health needs of our clients, including children, and begun the process of developing a new children and families psychotherapy service which we hope will be available from November 2021.

Whilst face to face assessments with clients have significantly reduced, we have maintained contact with our clients by phone and have regular and scheduled staff, volunteer, and trustee meetings. The Senior Management Team continue to meet on a weekly basis to address any issues or concerns as they arise. This has been particularly important to ensure staff wellbeing and to manage the transition back to outreach work for our outreach staff as well as continuing to provide our other services.

Over the past year, all staff were assessed and provided with new IT equipment which will enable a smooth transition and provide more flexibility for staff as we adopt a hybrid working environment. These new working arrangements allowed us to reduce our head office space and reconfigure it to accommodate the reduced number of staff returning to the office in September 2021.

We have been incredibly proud of our staff and volunteers since the early days of lockdown and throughout the past 18 months of the pandemic; their resilience and commitment in difficult circumstances has been admirable throughout.

Fundraising

ScotsCare is registered with the Fundraising Regulator but does not engage in public fundraising and does not use professional fundraisers or commercial participators. Nonetheless, we do observe the relevant fundraising regulations and codes. ScotsCare will never call to ask someone to donate or pass on their details. We do use databases to keep track of clients' needs and to communicate better with our volunteers. How we use this information is clearly stated in our Privacy Policy which is available on our website. No complaints were received during 2020/21.

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Financial Review

The results for the year are shown in the Statement of Financial Activities

- Incoming resources totalled £2,713,850 (2020: £2,655,119) and total resources expended were £2,516,470 (2020: £2,684,352). This resulted in a surplus of £197,380 (2020: deficit £29,233);
- Incoming resources for the year derive predominantly from investment income and interest of £1,369,303 (2020: £1,394,620) plus rental income from residential housing of £1,141,808 (2020: £1,165,281);
- Legacies, covenants/gift aid events and donations amounted to £41,092 (2020: £23,155). Coronavirus Job Retention Scheme (CJRS) Grants £85,295 (2020: £0).
- Realised gains on investments amounted to £590,805 (2020: £365,935);
- Unrealised gain on investments amounted to £6,619,399 (2020 unrealised loss: £3,274,713);
- The total funds as at 31 March 2021 amounted to £56,002,502 (2020: £48,594,918).

The construction of an additional 12 units at our residential site at Grove Park, Lewisham completed in September 2020 within budget. Fees for this project, incurred during 2020-21, were capitalised and appear on the balance sheet.

Associated Charities & Related Charities

The Corporation is the sole Trustee of the Kinloch Bequest (Charity No. 210067) and has been given power to delegate its responsibilities to a committee drawn from among the Trustees of the Corporation.

Trustees of the Corporation are also appointed as Trustees of the St Andrews Scottish Soldiers' Club Fund (Charity No 233297).

The objects of the above charities are distinct from those of the Corporation and, accordingly, they are not considered to be subsidiary charities. Their results, assets and liabilities do not form part of these financial statements.

Investment Management

The investments of the Corporation are managed by the investment advisers, Sarasin & Partners LLP and UBS AG (until September 2020) under discretionary mandates that provide for annual fees based on the average value of the respective portfolios managed by them.

The Corporation has adopted guidelines for the investment of its funds which are intended to allow flexibility in the range and classes of investment subject to protection against imprudent investment actions, decisions and practices. The primary objectives are:

- The generation of income at a level consistently and reasonably balanced between the need to conserve and increase long-term capital and the need to generate income for the activities of the Corporation
- The achievement of a level of income sufficient to enable the Corporation to grow the scale of its charitable activities in real terms

No specific investment exclusions have been set. However, the Sarasins Fund in which ScotsCare invests does not invest in tobacco and avoids investment in companies that have more than 10% of their turnover in alcohol manufacture, armaments, gambling or pornography.

The Investment Sub Committee reviews the performance of the portfolio with the Investment Advisers quarterly and reports to the Committee of Management.

The Investment Sub Committee conducts an evaluation of the Investment Advisers on an annual basis. The evaluation includes consideration of the investment strategy and the process of the Investment Advisers and performance against benchmarks.

In the year to 31 March 2021 the investment income amounted to £1,369,303 (2020: £1,394,620). The brokerage commission amounted to £109,164 (2020: £57,130) and the investment management fees were £188,262 (2020: £212,773). The market value of the portfolio as at 31 March 2021 amounted to £45,418,040 (2020: £38,416,356).

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Reserves

The position disclosed by these Financial Statements shows that as at 31 March 2021 the unrestricted reserves of the Corporation amounted to £10,999,562. This sum comprises (a) £10,249,203 of Functional Fixed Assets and (b) £750,359 the balance of unrestricted free reserves. The target fund of free reserves is £1.3 million. The Trustees are confident that the charity holds sufficient reserves for operational purposes which include a ten-year cyclical maintenance plan. We regularly review our reserves policy which is linked to the major risks and opportunities for the organisation. The restricted funds as at the year-end amounted to £62,064.

Functional Fixed Assets

These assets are the Corporation's three residential properties providing accommodation for the elderly.

Unrestricted Free Reserves

Unrestricted free reserves are represented by other net assets available at the Trustees full discretion in the conduct of the Corporation's affairs.

We consider that for the smooth running of the Corporation and as a protection against exceptional expenditure or a drop in income, a level of available expendable reserves is necessary. The current level of available expendable reserves of £805,358 represents approximately 1.44% of the net assets of the Corporation and approximately four months of normal expenditure.

The total reserves at 31 March 2021 are £56,002,502. It comprises unrestricted fund: £10,999,562, restricted fund: £62,064, endowed fund: £44,940,876.

Future plans

We have agreed on an annual budget to support and contribute to the ongoing development and delivery of client support services throughout the coming year with a spend of £2.7 million in 2021-22.

The annual programme of services will be delivered: -

- using direct interventions where resources can be most effective;
- identifying and signposting to other appropriate services for the benefit of clients;
- supporting and investing in our staff and volunteers through training and development; and,
- working with other organisations, societies, churches, charities and agencies.

Next year we will:

- continue to monitor and progress the objectives set out in our operational strategy for 2019-22;
- develop a children and families support service to assist vulnerable families to access services and support, in particular those children with special educational and mental health needs;
- continue to develop and implement a new children and families psychotherapy service;
- expand our volunteering programme to include a befriending service for children and families;
- continue to implement our communications strategy for 2020-22 to increase the number of individuals benefitting from our services; and,
- complete the formal process to modernise our Bye-Laws and Charter.

Approval

This report was approved by the Trustees on 13 October 2021 and signed on their behalf by: -

DocuSigned by:
James Chestnut
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James Chestnut
Chairman

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF

THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

FOR THE YEAR ENDED 31 MARCH 2021

Opinion

We have audited the financial statements of The Scottish Hospital Of The Foundation Of King Charles II (Royal Scottish Corporation) for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet and the Cash Flow Statement and 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 charity's affairs as at 31 March 2021 and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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 trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

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Responsibilities of trustees for the financial statements
As explained more fully in the trustees' responsibilities statement on page 5 and 6, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements 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.

Based on our understanding of The Royal Scottish Corporation, we identified that the principal risks of non-compliance with laws and regulations relates to the regulatory requirements of Trust law, Health and Safety Act and Employment law and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and the application of FRS 102 and payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to application of controls around authorisation of journals and, expenditure and payments. Audit procedures performed by the engagement team included:

- Enquiries of management regarding correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular, journal entries, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates;
- Reviewing the procedures around approval of grants and authorisation of payments.

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

Use of our report
This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP

Haysmacintyre LLP
Statutory Auditors
10 Queen Street Place
London EC4R 1AG
Date: 17 November 2021

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THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Endowed 2021 £	Total 2021 £	*Total 2020 (Restated)* £
Income from:						
Donations and legacies	2	41,092	-	-	41,092	*23,155*
Grants - CJRS		85,295			85,295	-
Investments	3	1,369,303	-	-	1,369,303	*1,394,620*
Charitable activities						
Income from residential property	4	1,141,808	-	-	1,141,808	*1,165,281*
Income from services in respect of homeless people	5	76,352	-	-	76,352	*72,063*
Total income		**2,713,850**	-	-	**2,713,850**	*2,655,119*
Expenditure on:						
Raising funds						
Investment management costs	6	70,804	-	212,413	283,217	*316,225*
Charitable activities						
Welfare	7	1,455,095	-	-	1,455,095	*1,750,493*
Residential property	7	778,158	-	-	778,158	*617,634*
Total expenditure		**2,304,057**	-	-	**2,516,470**	*2,684,325*
Net income/(expenditure) before investment gains/(losses)		**409,793**	-	**(212,413)**	**197,380**	*(29,233)*
Realised gains/(losses) on investments		-	(2,070)	592,875	590,805	*365,935*
Unrealised gains/(losses) on investments		-	11,720	6,607,679	6,619,399	*(3,274,713)*
Net realised/unrealised gains/ (losses)	12	-	**9,650**	**7,200,554**	**7,210,204**	*(2,908,778)*
Net movement in funds		**409,793**	**9,650**	**6,988,141**	**7,407,584**	*(2,938,011)*
Reconciliation of funds:						
Total funds previously stated in 2020 accounts		10,672,577	52,414	37,952,735	48,677,726	*51,532,929*
Prior year adjustment in 2021 accounts	19	(82,808)	-	-	(82,808)	-
Total funds brought forward (restated)		10,589,769	52,414	37,952,735	48,594,918	*51,532,929*
TOTAL FUNDS AT CARRIED FORWARD		**10,999,562**	**62,064**	**44,940,876**	**56,002,502**	*48,594,918*

All transactions are derived from continuing activities. All recognised gains and losses are included in the Statement of Financial Activities.

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THE ROYAL SCOTTISH CORPORATION
THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

BALANCE SHEET

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	*2020 (Restated) £*
FIXED ASSETS			
Tangible assets	11	10,249,203	*9,017,672*
Investments	12	45,418,040	*38,416,356*
		55,667,243	*47,434,028*
CURRENT ASSETS			
Debtors	13	135,035	*191,741*
Cash at bank and in hand		637,920	*1,290,297*
		772,955	*1,482,038*
CREDITORS: amounts falling due within one year	14	(312,516)	*(148,858)*
NET CURRENT ASSETS		460,439	*1,333,180*
CREDITORS: amounts falling due after one year	15	(49,730)	*(62,290)*
Provisions for liabilities and charges	18	(75,450)	*(110,000)*
		56,002,502	*48,594,918*
FUND BALANCES			
Endowed Funds	20&21	44,940,876	*37,952,735*
Restricted Income Fund	20&21	62,064	*52,414*
Unrestricted Income Fund (restated)	20&21	10,999,562	*10,589,769*
TOTAL FUNDS		56,002,502	*48,594,918*

The financial statements were approved and authorised for issue by the Trustees on 13 October 2021 and are signed on its behalf by:

DocuSigned by:
James Chestnut
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J. Chestnut
Chairman

Colin Somerville

C. Somerville
Treasurer

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THE ROYAL SCOTTISH CORPORATION

THE SCOTTISH HOSPITAL OF THE FOUNDATION OF KING CHARLES II

CASH FLOW STATEMNT

FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	*2020* *£*
Cash flows from operating activities	(862,459)	*(1,355,540)*
Cash flows from investing activities		
Dividends and interest	1,369,303	*1,394,620*
Purchase of investments	(12,769,787)	*(8,600,962)*
Purchase of fixed assets	(1,367,741)	*(1,486,721)*
Proceeds from sale of investments	13,194,455	*10,265,767*
Net cash provided by investing activities	426,230	*1,572,704*
Change in cash and cash equivalents in the year	(436,229)	*217,164*
Cash and cash equivalents at the Beginning of the year	1,734,319	*1,517,155*
Cash and cash equivalents at the end of the reporting year	1,298,090	1,734,319

NOTES TO THE CASH FLOW STATEMENT

	2021 £	*2020* *£*
Reconciliation of Net Movement in Funds to Net Cash Flow from operating Activities		
Net movement in funds	7,407,584	*(2,938,011)*
(Gains)/losses on investments	(7,210,204)	*2,908,778*
Depreciation charges	136,210	*104,000*
Decrease in debtors	56,706	*1,257*
Increase/(decrease) in creditors	116,548	*(36,944)*
Dividends and interest from investments	(1,369,303)	*(1,394,620)*
Net cash used in operating activities	(862,459)	*(1,355,540)*

Analysis of Cash and Cash Equivalents	2021 £	*2020* *£*
Cash at bank and in hand	637,920	*1,290,297*
Cash held by investment managers	660,170	*444,022*
	1,298,090	*1,734,319*

Note 17 shows the net movement in funds/debt.

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1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 2nd edition effective for periods commencing on or after 1 January 2019 – (Charities SORP FRS102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going Concern

Given the charity's level of free reserves available at the year end, the Trustees consider that the charity has adequate resources to continue in operational existence for the foreseeable future and that there is no material uncertainty connected with the charity's ability to continue to operate as a going concern. Accordingly, the financial statements have been prepared on a going concern basis.

The Trustees acknowledge and recognise the impact of the COVID-19 pandemic on the operations of the Charity, its beneficiaries, partners, stakeholders and on the wider society, and have ensured that both resources and processes are in place to mitigate any disruption to its operations. As a result, the impact of the COVID-19 pandemic does not warrant any adjustments to these financial statements.

Significant judgements and estimates

Judgements made by the trustees, in the application of these accounting policies have significant effect on the financial statements. In the opinion of the trustees, in 2020-21 the significant judgements and estimates were applied to retired staff pensions, the useful economic life of the residential properties, and the provision for dilapidation. The details of these judgements and estimates are included in the relevant notes.

1.2 INVESTMENTS

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. All movements in value arising from investment changes or revaluation are shown in the Statement of Financial Activities.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and either their opening carrying value, or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value and the carrying value at year end. Realised and unrealised investment gains (or losses) are combined in the Statement of Financial Activities and are credited (or debited) in the year in which they arise.

1.3 TANGIBLE FIXED ASSETS

Freehold Land & Buildings

Under the previous GAAP, land and buildings were stated at valuation. On transition to FRS 102 an election was made to use the valuation at 2014 as the deemed cost and no depreciation on buildings was made as the amount involved was deemed immaterial. Following reappraisal in 2019-20 depreciation of buildings is now made annually at 2% of deemed cost.

Fixtures, Fittings & Equipment

Fixtures, fittings and equipment are depreciated at an annual rate of 10% of cost.

IT Equipment

IT equipment is depreciated at an annual rate of 33.33% of cost.

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1.4 DEBTORS
Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. A specific provision is made for debts for which recoverability is in doubt.

1.5 CASH AT BANK AND IN HAND
Cash at bank and cash in hand includes cash and short term highly liquid investments.

1.6 CREDITORS AND PROVISIONS
Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Creditors and provisions are recognised at the amount the Charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

1.7 PROVISION FOR UNFUNDED PENSIONS
Provision has been made for the unfunded pensions paid by the Charity to certain former employees. The pensions are to be paid during their lifetime. The pension liability was calculated using the return on investment and average life expectancy of women.

1.8 PROVISION FOR LIABILITIES
Provision has been made for expected property costs at the end of the leases based on the lease terms, management's assessment of the property condition and the likely costs. The estimation involves a level of trustee judgement and will be reassessed annually.

1.9 FUND ACCOUNTING
Funds held by the charity are either:

- Unrestricted funds – which can be used in accordance with the charitable objects at the discretion of the trustees
- Endowment funds – the income from which can be used for the general purposes of the charity, in accordance with the charitable objectives and at the discretion of the trustees
- Restricted funds – which can only be used for particular restricted purposes within the objects of the charity, either when specified by the donor or when funds are raised for particular restricted purposes

1.10 INCOME RECOGNITION
Income is recognised in the period in which the Charity has entitlement to the income, where the amount of income can be measured reliably, and it is probable that the income will be received. In accordance with Charities SORP FRS 102, volunteer time is not recognised.

1.11 LEGACIES, GIFT AID & DONATIONS
Legacies, covenants and donations are accounted for on a cash received basis. The Coronavirus Job Retention Scheme (CJRS) grant has been recorded as a separate unrestricted income. The grant was recognised on an accruals basis.

1.12 INVESTMENT INCOME & INTEREST
Investment income is recognised once the dividend has been declared and notification has been received of the dividend due. Interest on funds held on deposit is included when it is receivable, and the amount can be measured reliably by the Charity; this is normally upon notification from the bank of the interest payable or paid.

1.13 RENTAL INCOME
Income from the rental of functional properties is recognised when the income is receivable under the contract for hire or lease document, when the amount can be measured reliably, and it is probable such income will be received.

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1.14 EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to make a payment 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. All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. Support costs are allocated in the same proportion as direct costs are incurred. All expenditure is stated inclusive of irrecoverable VAT.

All eligible members of staff are auto enrolled in a workplace pension scheme. Employer contributions to the scheme are charged to the Statement of Financial Activities in the year in which they are payable to the scheme. In addition, supplementary pension payments are made directly to certain former employees.

1.15 OPERATING LEASES

Rentals payable under operating leases for equipment are charged on a straight-line basis over the terms of the leases.

1.16 EMPLOYEE BENEFITS

- **Short term benefits**
  Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.
- **Employee termination benefits**
  Termination benefits are accounted for on an accruals basis and in line with FRS 102.

1.17 HERITAGE ASSETS

No value is attributed to heritage assets on the basis that information on cost or valuation of the assets is not available and could not be obtained at reasonable cost. The age, variety and lack of comparable market data would make any attempt at valuation extremely onerous and costly compared with the benefit derived by users of the account.

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2. DONATIONS AND LEGACIES

	2021 £	*2020 £*
Legacies	11,092	*5,776*
Donations	30,000	*13,689*
Events	-	*3,600*
Other Items	-	*90*
	41,092	*23,155*

All income from donations and legacies in 2020 and 2021 was unrestricted.

3. INVESTMENT INCOME – UNRESTRICTED FUNDS

	2021 £	*(Restated) 2020 £*
Dividend and interest on investments	1,368,840	*1,394,494*
Bank deposit interest	463	*126*
	1,369,303	*1,394,620*

	As previously stated in the 2020 accounts £	Adjustment £	*As restated in the 2021 accounts £*
Investment income	1,477,428	(82,808)	*1,394,620*
	2,737,927	(82,808)	*2,655,119*

4. INCOME FROM CHARITABLE ACTIVITIES – UNRESTRICTED FUNDS

Rent	2021 £	*2020 £*
Income from residential property	1,141,808	*1,165,281*
	1,141,808	*1,165,281*

5. MANAGEMENT FEE – UNRESTRICTED FUNDS

	2021 £	*2020 £*
Fees for services in respect of homeless people	76,352	*72,063*
	76,352	*72,063*

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6. RAISING FUNDS

	2021 £	*2020 £*
Brokerage commission and investment management fees	297,426	*269,903*
Less: accounted for as investment transactions	(109,164)	*(57,130)*
	188,262	*212,773*
Support costs (note 9)	94,955	*103,452*
	283,217	316,225

7. EXPENDITURE ON CHARITABLE ACTIVITIES

	2021 £	*2020 £*
Residential Housing		
Staff costs	126,669	*108,009*
Other direct costs	390,596	*313,418*
Support costs (note 9)	260,893	*196,207*
	778,158	*617,634*
Welfare		
Staff costs	514,518	*591,088*
Other direct costs	100,687	*158,695*
Grants to individuals	352,039	*434,160*
Support costs (note 9)	487,851	*566,550*
	1,455,095	*1,750,493*
Total	**2,233,253**	*2,368,127*

8. GOVERNANCE COSTS

	2021 £	*2020 £*
Auditors remuneration – audit fees	16,200	*15,237*
Auditors remuneration – additional audit fees	3,000	-
Auditors remuneration – other services	6,480	*4,098*
Other direct costs	11,476	*31,221*
Legal and professional fees – internal audit fees	4,200	-
	41,356	*50,556*

Governance costs have been allocated across investment management costs and the cost of charitable activities in proportion to direct expenditure.

9. ANALYSIS OF DIRECT AND SUPPORT COSTS

	Direct Individual Grants	Direct Salary Costs	Other Direct Costs	Support Staff Costs	Support Premises Costs	Support Communica-tions Costs	Support Other Costs	Support Governance Costs	2021 Total Support & Governance	2021 Total Costs	*2020 Total Costs*
	£	£	£	£	£	£	£	£	£	£	*£*
Investment	-	-	188,262	36,840	35,356	9,285	8,819	4,655	94,955	283,217	*316,225*
Charitable -Residential	-	126,669	390,596	101,221	97,143	25,511	24,230	12,788	260,893	778,158	*617,634*
Charitable - Welfare	352,039	514,518	100,687	189,275	181,650	47,704	45,309	23,913	487,851	1,455,095	*1,750,493*
Total	**352,039**	**641,187**	**679,545**	**327,336**	**314,149**	**82,500**	**78,358**	**41,356**	**843,699**	**2,516,470**	*2,684,352*

COMPARATIVE 2020

	Direct Individual Grants	Direct Salary Costs	Other Direct Costs	Support Staff Costs	Support Premises Costs	Support Communica-tions Costs	Support Other Costs	Support Governance Costs	2021 Total Support & Governance	*2020 Total Costs*
	£	£	£	£	£	£	£	£	£	*£*
Investment	-	-	212,773	33,727	32,994	14,816	16,478	5,437	103,452	*316,225*
Charitable -Residential	-	108,009	313,418	66,802	65,350	29,346	22,876	11,833	196,207	*617,634*
Charitable - Welfare	434,160	591,088	158,695	187,671	183,591	82,442	79,560	33,286	566,550	*1,750,493*
Total	434,160	**699,097**	**684,886**	**288,200**	**281,935**	**126,604**	**118,914**	**50,556**	**866,209**	*2,684,352*

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10. STAFF COSTS

	2021 £	*2020 £*
Wages and salaries	794,299	*820,471*
Social Security costs	81,778	*80,283*
Other pension costs	92,446	*86,544*
	968,523	*987,298*

Employees

	2021 No	*2020 No*
The average number of employees during the year		
Charitable	19	*19*
Support	4	*4*
	23	*23*

	2021 No	*2020 No*
The average number of FTE during the year		
Charitable	13	*13*
Support	5	*5*
	18	*18*

There was one employee in the salary band £80,000 to £90,000 during the financial year to 31 March 2021 (2020: one)

The key management of the Charity consists of the Chief Executive together with the Trustees.

Total remuneration for the Chief Executive, including social security and pension costs was £110,741 (2020: £102,014).

Th trustees received no remuneration in the current or prior year. No reimbursement of expenses was made to trustees in 2021 (2020: £108 – one trustee).

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11. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings	Asset under Construction	Fixtures & Fittings	Office Equipment	IT Equipment	Total
	£	£	£	£	£	£
COST						
1 April 2020	7,430,000	1,557,672	291,179	85,002	-	9,363,853
Additions	-	1,117,074	220,633	-	30,034	1,367,741
Transfer	2,674,746	(2,674,746)	-	-	-	-
At 31 March 2021	10,104,746	-	511,812	85,002	30,034	10,731,594
DEPRECIATION						
1 April 2020	90,600	-	170,579	85,002	-	346,181
Charge for the year	115,997	-	18,283	-	1,930	136,210
At 31 March 2021	206,597	-	188,862	85,002	1,930	482,391
NET BOOK VALUE						
At 31 March 2021	**9,898,149**	-	**322,950**	-	**28,104**	**10,249,203**
At 31 March 2020	7,339,400	1,557,672	120,600	-	-	9,017,672

12 INVESTMENTS

	2021	*2020*
	£	£
Opening value at 1 April 2020	37,972,333	*42,545,918*
Cost of additions	12,769,787	*8,600,961*
Less proceeds of disposals	(13,194,455)	*(10,265,768)*
Realised gain	590,805	*365,935*
Unrealised gain/(loss)	6,619,400	*(3,274,713)*
Market value at 31 March 2021	44,757,870	*37,972,333*
Funds on deposit with Investment Manager	660,170	*444,021*
Total value as at 31 March 2021	**45,418,040**	*38,416,356*
Cost at 31 March 2021	36,505,103	*36,560,628*
Unrealised gains at 31 March 2021	8,912,937	*1,855,728*
Market value at 31 March 2021	**45,418,040**	*38,416,356*

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12. INVESTMENTS (Continued)

The Investment allocation at the year-end based on market value is as follows:
11.0% fixed interest, 71.0% equities, 2.4% property, 7.9% alternative investments, 7.7% liquid assets.
100% of the portfolio is held through a common investment fund.

13. DEBTORS

	2021	*2020 (Restated)*
	£	£
Accrued Income & Prepayments	44,011	*114,929*
Debtors	91,024	*76,812*
	135,035	*191,741*

	As previously stated in the 2020 accounts	**Adjustment**	***As restated in the 2021 accounts***
	£	£	£
Debtors, Prepayments & Accrued Income	274,549	(82,808)	*191,741*

Please refer to note 19 for further details on the prior year adjustment.

14. CREDITORS: Amounts falling due within one year

	2021	*2020*
	£	£
Trade creditors	78,752	*31,441*
Other creditors	31,541	*19,761*
Deferred income	15,142	*15,788*
Accruals	187,081	*81,868*
	312,516	*148,858*

Other creditors include £13,573 (2020 £12,560) related to unfunded pensions

Deferred income comprises of rental income received in advance

	2021	*2020*
	£	£
Balance at 1 April	15,788	*25,734*
Amount released to rental income	(15,788)	*(25,734)*
Amount deferred in year	15,142	*15,788*
Balance at 31 March	**15,142**	*15,788*

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15. CREDITORS: Amounts falling due after more than one year

	2021 £	*2020 £*
Unfunded pensions	49,730	*62,290*
	49,730	*62,290*

16. OPERATING LEASES

	Equipment		*Buildings*	
	2021	*2020*	2021	*2020*
Under 1 year	7,364	*8,410*	124,544	*186,932*
2 – 5 years	2,244	*7,835*	443,171	*93,466*
	9,608	***16,245***	567,715	*280,398*

17. NET DEBT RECONCILIATION

	At 1 April 2020 £	Cashflows £	Other non Cash changes £	At 31 March 2021 £
Cash	1,734,319	(436,229)	-	*1,298,090*

NET DEBT RECONCILIATION 2020 Comparative	At 1 April 2019 £	Cashflows £	Other non Cash changes £	At 31 March 2020 £
Cash	*1,517,155*	*217,164*	-	*1,734,319*

18. PROVISION FOR LIABILITIES AND CHARGES

Provision for dilapidation

A provision of £75,450 has been made for the expected property dilapidation cost at the end of the lease based on the lease terms and management's assessment of the property condition. The estimation involves a level of judgement and will be reassessed annually.

Movement in provision for Dilapidation	£
Balance at 1 April 2020	110,000
Amount released re surrender of LGF, 22 City Road	(34,550)
Balance at 31 March 2021	**75,450**

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19. PRIOR YEAR ADJUSTMENT

Further to a review undertaken this year, it has been established that the Charity had over accrued the investment income in 2019-20 accounts.

	£	£	£	£
Funds at 31 March 2020 as previously stated	10,672,577	52,414	37,952,735	48,677,726
Prior year adjustment – accrued investment income	(82,808)	-	-	(82,808)
Funds at 31 March 2020 as restated	10,589,769	52,414	37,952,735	48,594,918

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20. MOVEMENT IN FUNDS

	At 1 April 2020 (restated)	Income	Expenditure	Investment gains	Fund transfers	At 31 March 2021
	£	£	£	£	£	£
Endowed Fund						
The James Kinnear Fund	*37,952,735*	-	(212,413)	7,200,554	-	44,940,876
Restricted fund						
Heritage Fund	*52,414*	-	-	9,650	-	62,064
Unrestricted Income Funds						
Functional Fixed Assets	*9,017,672*	1,141,808	(778,158)	-	867,881	10,249,203
Housing Maintenance Fund	*232,348*	-		-	(232,348)	-
Free Assets	*1,339,749*	1,572,042	(1,525,899)		(635,533)	750,359
Total Unrestricted Funds	*10,589,769*	2,713,850	(2,304,057)	-	-	10,999,562
Total Funds	***48,584,918***	**2,713,850**	**(2,516,470)**	**7,210,204**	**-**	**56,002,502**

COMPARATIVE 2020 (RESTATED)

	At 1 April 2019 (restated)	Income	Expenditure	Investment (losses)	Fund transfers	At 31 March 2020
	£	£	£	£	£	£
Endowed Fund						
The James Kinnear Fund	*41,078,800*	-	(237,169)	(2,888,896)	-	37,952,735
Restricted fund						
Heritage Fund	*66,413*	-	-	(13,999)	-	52,414
Unrestricted Income Funds						
Functional Fixed Assets	*7,634,951*	1,165,281	(602,945)	-	820,385	9,017,672
Housing Maintenance Fund	*141,037*	-	(14,689)	-	106,000	232,348
Free Assets	*2,611,728*	1,489,838	(1,829,549)	(5,883)	(926,385)	1,339,749
Total Unrestricted Funds	*10,387,716*	2,655,119	(2,447,183)	(5,883)	-	10,589,769
Total Funds	*51,532,929*	2,655,119	(2,684,352)	(2,908,778)	-	48,594,918

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21. ANALYSIS OF ASSETS BETWEEN FUNDS 31 MARCH 2021

	Unrestricted	Restricted	Endowed	Total 2021	Total 2020 (restated)
	£	£	£	£	£
Tangible Assets	10,249,203	-	-	10,249,203	*9,017,672*
Investments	-	81,250	45,336,790	45,418,040	*38,416,356*
Current Assets less Creditors & Provisions	750,359	(19,186)	(395,914)	335,259	*1,160,890*
	10,999,562	**62,064**	**44,940,876**	**56,002,502**	*48,594,918*

ANALYSIS OF ASSETS BETWEEN FUNDS 31 MARCH 2020

	Unrestricted	Restricted	Endowed	Total 2020
	£	£	£	£
Tangible Assets	9,017,672	-	-	9,017,672
Investments	-	71,866	38,344,491	38,416,356
Current Assets less Creditors & Provisions	1,572,097	(19,452)	(391,756)	1,160,890
	10,589,769	**52,414**	**37,952,735**	**48,594,918**

THE JAMES KINNEAR FUND

The James Kinnear Fund is an unexpendable capital (Permanent Endowment) fund whose assets are invested to produce income which each year is recorded in the Unrestricted Income Fund and is freely available for the charitable activities of the Corporation.

HERITAGE FUND

The Heritage Fund is a capital fund which arises from the historic sale of certain of the Corporation's paintings (anciently donated) upon moving premises. Its income each year is recorded in the Unrestricted Income Fund and is freely available for the charitable activities of the Corporation. Its capital assets are available to the Trustees for the purchase of replacement commemorative artefacts for the Corporation's headquarters or such other corporate expenditure as the Trustees may determine.

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UNRESTRICTED INCOME FUNDS

These funds represent accumulated income surpluses and consist of functional fixed assets fund and free assets.

(a) Tangible Fixed Assets

Functional fixed assets comprise of residential property and the fixtures & fittings within providing accommodation for the elderly and key workers on lower incomes. The Trustees have determined that these assets shall be a capital fund but that upon a disposal of the underlying property, any proceeds not similarly reinvested shall become free assets available at the Trustees' discretion.

(b) Free Assets

Free assets are available at the Trustees' discretion in the conduct of the Charity's affairs. The Housing Maintenance Fund, a designated fund earmarked for maintenance of the Corporation's housing stock, has been merged with the Free Assets in 2021.

21. CAPITAL COMMITMENTS

At 31 March 2021, the Charity has no capital commitments.

22. RELATED PARTY TRANSACTIONS

Other than the transactions noted in note 10 there are transactions with two associated charities. The total amount of transaction in 2020-21 with Charity of William Kinloch Fund is £1,118 (2020: £2,158) and St. Andrew's Scottish Soldiers' Club Fund £778 (2020: £78)

23. HERITAGE ASSETS

Works of art, cups are not capitalised in these accounts. They are considered to be heritage assets for the purposes of the Charities SORP (FRS 102). They all have very long lives and are worth preserving indefinitely.
No value is attributed to heritage assets on the basis that information on cost or valuation of the assets is not available and could not be obtained at reasonable cost. There has been no movement in the heritage assets in the last 5 years.

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