

# **The London Scottish Headquarters Trust**

## **Annual Report and Unaudited Financial Statements**

**For the year ended 31 March 2023**

# The London Scottish Headquarters Trust

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# The London Scottish Headquarters Trust

## Legal and Administrative Information

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<b>Trustees</b>	Colonel C. Stagg OBE	
	Lady Rachel Johnstone-Burt	
	Mr M.V. Ormiston	
	Mr M.J. Felstead	
	Major M.D. Randall	
	Mr S.D. Lovelock	
	Mr P.J. Layden TD KC	(Appointed 16 February 2023)
<b>Charity number</b>	251499	
<b>Principal address</b>	London Scottish House 95 Horseferry Road London SW1P 2DX	
<b>Independent examiner</b>	Gilberts Chartered Accountants Pendragon House 65 London Road St Albans Hertfordshire AL1 1LJ	
<b>Bankers</b>	Royal Bank of Scotland Holt's Farnborough Branch Lawrie House Victoria Road Farnborough GU14 7NR	
<b>Investment advisors</b>	RBC Brewin Dolphin Limited 12 Smithfield Street London EC1A 9LA	

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# The London Scottish Headquarters Trust

## Trustees' Report

### For the year ended 31 March 2023

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

The Trust is registered with the Charity Commission for England and Wales charity number 251499.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Trust's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

#### Objectives and activities

The 1886 Trust Deed provides that the objects of the charity are that they shall hold the premises at 59 Buckingham Gate:

1. To provide and maintain a place of reunion and meeting in pursuit of military, athletic, social and other purposes of recreation and improvement for such natives of Scotland resident in London and under such regulations and restrictions as may be specified and imposed from time to time by the Trustees.
2. To permit the Regiment of London Scottish Rifle Volunteers or any other military body in the service of the Crown which from time to time may in the opinion of the Trustees represent or by its organisation and nationality be entitled to stand in the place of the said London Scottish Rifle Volunteers to occupy the said premises or any part of part thereof for drill, gymnastics or other purpose for any term of years.
3. In the event of the disbandment of the said regiment or body as aforesaid then at the discretion of the Trustees to hold in trust for the Highland Society of London, the Corporation (now Scotsware) and the Caledonian Asylum (now the Royal Caledonian Education Trust) or for such bodies in existence at such a time..
4. The deed provided extensive powers for the Trustees to sell and replace the building with any equality money received to be held under the same trusts.

In 1985 the Trustees made an agreement to sell the premises at 59 Buckingham Gate and to purchase a site at 95 Horseferry Road to build a new Headquarters. Equality money was received to be held as capital of the endowment fund.

Legal title to the property of the Trust is held by The London Scottish Trustee Limited.

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

#### Structure, governance and management

The charity is established under a Trust Deed dated 23rd August 1886 as amended by Charity Commission Schemes for the administration of the Trust sealed by the Charity Commission on 7th February 1939 and 9th August 1993.

The Trustees who served during the year and up to the date of signature of the financial statements were:

Air Vice Marshal R.T.I. Munro CBE TD VR DL (Chair)	(Tenure expired 30 April 2023)
Brigadier A. Bruce of Crionach OBE VR ADC DL	(Resigned 1 April 2021)
Mr W.D. Foot	(Resigned 1 October 2021)
Colonel C. Stagg OBE	
Mr P. Lindsay	(Resigned 3 January 2023)
Mrs N. Miller	(Appointed 1 August 2020 and resigned 28 October 2021)
Lady Rachel Johnstone-Burt	
Commodore The Hon M. Cochrane OBE	(Appointed 25 April 2020 and resigned 6 October 2021)
Mr M. V. Ormiston	
Mr M.J. Felstead	
Major M.D. Randall	
Mr S.D. Lovelock	
Mr P.J. Layden TD KC	

# **The London Scottish Headquarters Trust**

## **Trustees' Report (Continued)**

### **For the year ended 31 March 2023**

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The governing documents provide that there shall be 1 ex officio Trustee, being the Regimental Colonel, and up to 7 co-opted Trustees. The post of Regimental Colonel was discontinued by MOD with effect from 30th April 2023.

Accordingly, the post of Regimental Colonel is vacant.

Under the terms of the governing documents, the Trustees have power to co-opt new Trustees to fill vacancies within the number of Trustees required therein.

The Trustees meet regularly to discuss operational matters as required.

New Trustees were appointed on 28th October 2021. Their immediate responsibility was to review the activity of the Trust and its future.

#### **Public Benefit**

The Trustees are confident that they have complied with their duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales. The Headquarters Trust provides a public benefit in that it supports the Army community and the Scottish community in London and abroad. Through its grants programme and access to London Scottish House, the Trust also enables other charities to maximise their public benefit, in support of the military family, public welfare, education and the promotion of Scottish culture and the arts.

#### **Financial review**

The lease of the premises ran out in March 2018 and the Trustees were unable to agree terms with the Reserve Forces and Cadets Association to renew the lease. This resulted in the relocation of the serving unit "A" London Scottish Company, The London Regiment to other military accommodation with the consequent loss of income and contribution to the running costs of the premises.

The Trustees embarked on an ambitious scheme to convert the premises into a Hub for Scots people in London. The plan would have involved quite extensive alteration to the building and relied heavily on raising substantial sums of capital either by loan or philanthropy. Feasibility studies and plans were commissioned as well as a fundraising initiative and advice from various consultants.

Other regimental funds were used to finance the plan.

At the same time a trading company, London Scottish Volunteer Enterprises Limited (LSVE), was created in the joint ownership of the Trust and The London Scottish Regimental Trust (LSRT) to exploit the premises from events and other commercial activities.

The timing was not propitious and it became apparent that fundraising had failed and the trading company did not succeed in raising funds sufficient to cover the overheads of the premises. In fact, the company suffered significant losses.

The future of the Trust is in some serious doubt.

#### **Trading activity**

From when LSVE was formed, it managed and operated London Scottish House on behalf of the Trust. It occupied the building on a tenancy at will and paid an annual rent to the Trust. The Trust also recovered an appropriate proportion of the rates and insurance from the trading company in addition to the rent.

LSVE was liquidated in June 2022.

A new trading company has been established, London SH Ltd, which now manages the premises. It is owned jointly with the London Scottish Regimental Trust.

# The London Scottish Headquarters Trust

## Trustees' Report (Continued)

### For the year ended 31 March 2023

#### Results

Unrestricted income for the year amounts to £87,870 (2022: £35,689).

Unrestricted income	2023	2022
	£	£
London Scottish Regimental Trust	52,500	-
London SH Ltd	12,500	-
Donations from individuals	-	5,331
Other income	22,870	30,358
<b>Total income</b>	<b>87,870</b>	<b>35,689</b>

The results show that there was an overall deficit in the year of £24,644 (2022; deficit of £402,773) and investment losses of £277 (2022: gain of £125).

The balances on the funds at 31st March 2023 are as follows:

Total funds	2023	2022
	£	£
Endowment and restricted funds	15,356,365	15,356,703
Unrestricted fund (deficit)	(2,410,519)	(2,386,213)
<b>Total funds</b>	<b>12,945,846</b>	<b>12,970,490</b>

The deficit of Unrestricted Funds indicates that an equivalent amount of the Endowment Fund has been expended.

#### Investment

The Trust has a small investment portfolio with RBC Brewin Dolphin Ltd.

#### Plans for future periods

The Trustees are very concerned about the position of the Trust and the impact of events during the year and earlier. They have taken action to reduce costs and generate income and will be considering what can be done to rectify the position, particularly of the Endowment Fund and the possibility of recovering funds. Legal advice has been taken.

New Trustees were appointed in 2021 and during the current financial year who have, with the Trustees of the other regimental charities, been considering what can be done to rectify the position.

A loan facility for £1.2m was taken with the Hoare's Bank in 2020. This was secured on the Freehold premises. At the year end £8,184 remained unused and held in an account at Hoare's Bank. There is a possibility, which the Trustees are actively pursuing, that they may be able to secure funding to settle the Hoare loan when it falls due in 2025 without selling the building and to pay the interest on the loan until that time.

# **The London Scottish Headquarters Trust**

## **Trustees' Report (Continued)**

**For the year ended 31 March 2023**

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### **Risk management**

The Trustees are acutely aware of the risks to which the Trust has been exposed since the termination of the lease of the premises in March 2018 at which point there was a significant loss of income and a very substantial increase in the burden of cost relating to the building.

The Trustees, through London SH Ltd, have taken measures which enable the building to operate as a going concern on a day to day basis. They are in discussion with the trustees of the other Regimental Trusts to secure funding to enable the Headquarters Trust to meet some upcoming capital commitments. The Headquarters Trust Trustees are actively engaging with the residuary beneficiaries with a view to adjusting the Trust purposes and are keeping the Charity Commission fully informed as to their present and future plans.

Accordingly, while there remain concerns about the future viability of the Trust, the Trustees have at present good reason to believe that the current financial difficulties may be overcome and that the charity will be able to continue into the foreseeable future.

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

### **Trustee**

15 December 2023



# The London Scottish Headquarters Trust

## Independent Examiner's Report

### To the Trustees of The London Scottish Headquarters Trust

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I report to the Trustees on my examination of the financial statements of The London Scottish Headquarters Trust (the Trust) for the year ended 31 March 2023.

#### **Responsibilities and basis of report**

As the Trustees of the Trust you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the Trust's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **Independent examiner's statement**

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

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the Trust as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I draw attention to the wording contained in the Trustees' Report and the going concern accounting policy at Note 1.2 which explain that a material uncertainty exists that may cast doubt on the Trust's ability to continue as a going concern.

I confirm that there are no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

#### **Gilberts Chartered Accountants**

Pendragon House  
65 London Road  
St Albans  
Hertfordshire  
AL1 1LJ

Dated: 15 December 2023



# The London Scottish Headquarters Trust

## Statement of Financial Activities

For the year ended 31 March 2023

		Unrestricted funds 2023 £	Endowment funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
	Notes						
<b>Income from:</b>							
Donations and legacies	3	52,500	-	52,500	5,331	-	5,331
Investments	4	47,960	-	47,960	30,358	-	30,358
<b>Total income</b>		100,460	-	100,460	35,689	-	35,689
<b>Expenditure on:</b>							
Raising funds	5	61	-	61	54,367	-	54,367
Charitable activities	6	124,705	-	124,705	384,172	-	384,172
Other		-	61	61	-	48	48
<b>Total expenditure</b>		124,766	61	124,827	438,539	48	438,587
Net gains/(losses) on investments	9	-	(277)	(277)	-	125	125
<b>Net movement in funds</b>		(24,306)	(338)	(24,644)	(402,850)	77	(402,773)
Fund balances at 1 April 2022		(2,386,213)	15,356,703	12,970,490	(1,983,363)	15,356,626	13,373,263
<b>Fund balances at 31 March 2023</b>		(2,410,519)	15,356,365	12,945,846	(2,386,213)	15,356,703	12,970,490

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

The notes on pages 8 to 16 form part of these financial statements.

# The London Scottish Headquarters Trust

## Balance Sheet

As at 31 March 2023

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11	15,028,124		15,075,840	
Investments	12	13,035		13,425	
		<u>15,041,159</u>		<u>15,089,265</u>	
<b>Current assets</b>					
Debtors	13	19,480		458	
Cash at bank and in hand		44,748		80,739	
		<u>64,228</u>		<u>81,197</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(959,541)</u>		<u>(999,972)</u>	
Net current liabilities		<u>(895,313)</u>		<u>(918,775)</u>	
<b>Total assets less current liabilities</b>		<b>14,145,846</b>		<b>14,170,490</b>	
<b>Creditors: amounts falling due after more than one year</b>		<b>(1,200,000)</b>		<b>(1,200,000)</b>	
<b>Net assets</b>		<b><u>12,945,846</u></b>		<b><u>12,970,490</u></b>	
<b>Capital funds</b>					
Endowment funds - general	16	15,356,365		15,356,703	
<b>Income funds</b>					
Unrestricted funds		<u>(2,410,519)</u>		<u>(2,386,213)</u>	
		<b><u>12,945,846</u></b>		<b><u>12,970,490</u></b>	

The notes on pages 8 to 16 form part of these financial statements.

The financial statements were approved by the Trustees on 15 December 2023

Trustee

# The London Scottish Headquarters Trust

## Notes to the Financial Statements

For the year ended 31 March 2023

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### 1 Accounting policies

#### Charity information

The London Scottish Headquarters Trust is a an unincorporated charitable trust registered with the Charity Commission in England and Wales, number 251499. Its principal office is London Scottish House, 95 Horseferry Road, London, SW1P 2DX .

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the Trust's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The Trust is a Public Benefit Entity as defined by FRS 102.

The Trust has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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

The financial statements are prepared in sterling, which is the functional currency of the Trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

These financial statements are prepared on the going concern basis. The Trustees have a reasonable expectation that the Trust will continue in operational existence for the foreseeable future, however, the Trustees are aware of certain material uncertainties which may cause doubt on the Trust's ability to continue as a going concern.

The Trustees are concerned that the Trust will have insufficient liquid funds to continue to meet its objects. The Trustees are working towards a plan that would allow the Trust to continue in operation, however it is not certain at this time that the plan will be successful.

#### 1.3 Charitable funds

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

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

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

#### 1.4 Income

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

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

# The London Scottish Headquarters Trust

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

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### 1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the Trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

#### 1.5 Expenditure

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

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

#### 1.6 Tangible fixed assets

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

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

Freehold land and buildings	No depreciation charged
Fixtures and fittings	10% - 33% straight line

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

The freehold property became a Grade II listed building in December 2021.

#### 1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

#### 1.8 Impairment of fixed assets

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

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# The London Scottish Headquarters Trust

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

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### 1 Accounting policies

(Continued)

#### 1.10 Financial instruments

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

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

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

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

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

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

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

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

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

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

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

### 2 Critical accounting estimates and judgements

In the application of the Trust's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**The London Scottish Headquarters Trust**  
**Notes to the Financial Statements (Continued)**  
**For the year ended 31 March 2023**

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**3 Income from donations and legacies**

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Donations and gifts	-	331
Grants receivable	52,500	5,000
	<u>52,500</u>	<u>5,331</u>

**4 Income from investments**

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Rental income	47,500	30,000
Income from listed investments	8	318
Interest receivable	452	40
	<u>47,960</u>	<u>30,358</u>

**5 Expenditure on raising funds**

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
<b>Fundraising and publicity</b>		
Other fundraising costs	-	54,319
Investment management	61	48
Total costs	<u>61</u>	<u>54,367</u>

# The London Scottish Headquarters Trust

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

### 6 Expenditure on charitable activities

	Charitable activities 2023 £	Charitable activities 2022 £
<b>Direct costs</b>		
Depreciation and impairment	47,716	46,190
Grant funding of activities (see note 7)	12,500	36,305
<b>Share of support and governance costs (see note )</b>		
Support	64,489	301,677
	<u>124,705</u>	<u>384,172</u>
<b>Analysis by fund</b>		
Unrestricted funds	<u>124,705</u>	<u>384,172</u>

### 7 Grants payable

	Charitable activities 2023 £	Charitable activities 2023 £
Grants to institutions:		
The London Scottish Regimental Trust	12,500	36,305
-		

### 8 Trustees

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

### 9 Gains and losses on investments

	Endowment funds 2023 £	Endowment funds 2022 £
Gains/(losses) arising on:		
Revaluation of investments	(277)	125

### 10 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

# The London Scottish Headquarters Trust

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

### 11 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Total
	£	£	£
<b>Cost</b>			
At 1 April 2022	15,000,000	212,939	15,212,939
Disposals	-	(3,814)	(3,814)
At 31 March 2023	15,000,000	209,125	15,209,125
<b>Depreciation and impairment</b>			
At 1 April 2022	-	137,099	137,099
Depreciation charged in the year	-	45,618	45,618
Eliminated in respect of disposals	-	(1,716)	(1,716)
At 31 March 2023	-	181,001	181,001
<b>Carrying amount</b>			
At 31 March 2023	15,000,000	28,124	15,028,124
At 31 March 2022	15,000,000	75,840	15,075,840

The investment property rented to another group entity has been accounted for using the cost model. The carrying value of this investment property included within tangible fixed assets is £15,000,000 (2022 - £15,000,000).



**The London Scottish Headquarters Trust**  
**Notes to the Financial Statements (Continued)**  
**For the year ended 31 March 2023**

**12 Fixed asset investments**

	<b>Listed investments</b>	<b>Unlisted investments</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost or valuation</b>			
At 1 April 2022	13,424	1	13,425
Additions	8	-	8
Valuation changes	(277)	-	(277)
Investment management fees	(121)	-	(121)
At 31 March 2023	<b>13,034</b>	<b>1</b>	<b>13,035</b>
<b>Carrying amount</b>			
At 31 March 2023	<b>13,034</b>	<b>1</b>	<b>13,035</b>
At 31 March 2022	13,424	1	13,425

**13 Debtors**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Amounts owed by fellow group undertakings	<b>19,480</b>	-
Prepayments and accrued income	-	458
	<b>19,480</b>	458

**14 Loans and overdrafts**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Bank loan - secured	<b>1,200,000</b>	1,200,000
Loans from related regimental trusts	<b>912,950</b>	912,950
	<b>2,112,950</b>	2,112,950
Payable within one year	<b>912,950</b>	912,950
Payable after one year	<b>1,200,000</b>	1,200,000

The bank loan is secured by a fixed charge over the freehold property (95 Horseferry Road, London, SW1P 2DX). It is repayable in full before July 2025 and carries a fixed interest rate of 5.5% pa.

# The London Scottish Headquarters Trust

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

### 15 Creditors: amounts falling due within one year

	2023 £	2022 £
Loans from related regimental trusts	912,950	912,950
Trade creditors	19,524	40,415
Amounts owed to related regimental trusts	-	28,496
Other creditors	1	-
Accruals and deferred income	27,066	18,111
	<u>959,541</u>	<u>999,972</u>

### 16 Endowment funds

Endowment funds represent assets which must be held for the ultimate benefit of the capital beneficiaries by the Trust. Income arising on the endowment funds can be used in accordance with the objects of the Trust and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	At 1 April 2022 £	Resources expended £	Gains and losses £	At 31 March 2023 £
<b>Permanent endowments</b>				
Freehold Fund	15,069,017	(61)	(277)	15,068,679
1986 Fund	287,686	-	-	287,686
	<u>15,356,703</u>	<u>(61)</u>	<u>(277)</u>	<u>15,356,365</u>
<b>Previous year:</b>				
	At 1 April 2021 £	Resources expended £	Gains and losses £	At 31 March 2022 £
<b>Permanent endowments</b>				
Freehold Fund	15,069,017	-	-	15,069,017
1986 Fund	287,609	(48)	125	287,686
	<u>15,356,626</u>	<u>(48)</u>	<u>125</u>	<u>15,356,703</u>

The Freehold Fund represents the carrying value of The London Scottish Regimental Trust Headquarters and funds subsequently received for dilapidations.

The 1986 Fund represents the residue of the equality money received from the sale of 59 Buckingham Gate and the development of 95 Horseferry Road in accordance with the Court Order dated 20th January 1986 and is to be held as part of and on the same terms as the Endowment Fund. The Trustees have power to expend the income from this Fund and the future income of the Trust from rents and investments for the benefit of The Regiment.

# The London Scottish Headquarters Trust

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2023

### 17 Analysis of net assets between funds

	Unrestricted funds 2023 £	Endowment funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:						
Tangible assets	28,124	15,000,000	<b>15,028,124</b>	75,840	15,000,000	15,075,840
Investments	-	13,035	<b>13,035</b>	-	13,425	13,425
Current assets/(liabilities)	(903,497)	8,184	<b>(895,313)</b>	(987,489)	68,714	(918,775)
	(875,373)	15,021,219	<b>14,145,846</b>	(911,649)	15,082,139	14,170,490
Long term liabilities	-	(1,200,000)	<b>(1,200,000)</b>	-	(1,200,000)	(1,200,000)
	(875,373)	13,821,219	<b>12,945,846</b>	(911,649)	13,882,139	12,970,490
Interfund loan	(1,535,146)	1,535,146	-	(1,474,564)	1,474,564	-
	(2,410,519)	15,356,365	<b>12,945,846</b>	(2,386,213)	15,356,703	12,970,490

### 18 Related party transactions

#### Transactions with related parties

The Charity paid a grant of £12,500 in the year to The London Scottish Regimental Trust (2022: £36,305), a charity with common trustees. The charity owed £5,978 to The London Scottish Regimental Trust at the balance sheet date. (2022: £23,027).

The Charity had long term loans outstanding of £816,850 (2022: £816,850) to the London Scottish Regiment 1995 Charity and £96,100 (2022: £96,100) to the London Scottish 1990 Fund at the balance sheet date.

London Scottish Volunteer Enterprises Limited was placed into voluntary liquidation on 30th June 2022. London SH Ltd was formed to manage the property. The Charity charged rent of £22,500 to London SH Ltd in the year.