

THE ROYAL CALEDONIAN EDUCATION TRUST

England & Wales · Charity number 310952

Details

Other names	ROYAL CALEDONIAN ASYLUM, ROYAL CALEDONIAN SCHOOLS TRUST, Forces Children Scotland, ROYAL CALEDONIAN EDUCATION TRUST
Status	Registered
Legal form	Other
Registered	1963-03-26
Register	View on the Charity Commission register

Contact

Address	The Melting Pot 15 Calton Road Edinburgh EH8 8DL
Phone	07471315325
Email	admin@forceschildrenscotland.org.uk
Website	www.forceschildrenscotland.org.uk

Activities

Objects: EDUCATION OF CHILDREN OF SOLDIERS, SAILORS AND MARINES, NATIVES OF SCOTLAND, AND OF INDIGENT SCOTCH PARENTS RESIDENT IN LONDON, NOT ENTITLED TO PAROCHIAL RELIEF.

Activities: In support of the education and wellbeing of the offspring of current and former Scottish Armed Forces personnel.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, The Prevention Or Relief Of Poverty, Armed Forces/emergency Service Efficiency
- **Who:** Children/young People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin

Geography

- Scotland
- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£290,505	£734,466	-	-
2024-03-31	£219,493	£727,637	-	-
2023-03-31	£406,745	£832,625	-	-
2022-03-31	£489,251	£696,018	-	-
2021-03-31	£512,353	£602,565	£4,449,335	9

Trustees

Name	Role	Appointed
Harvey Tilley	Chair	2024-03-10
Finlay James Allmond		2025-03-12
Fiona Barbour-Smith		2023-12-06
Fiona Jackson		2024-06-11
Isla Campbell Lupton		2019-05-20
Jessica Bryce		2024-06-11
Max Ogilvy Young		2021-04-23
Rachel Rylance		2025-03-12
Sarah Dickie		2023-09-06

Linked charities

- JOHN HOGG BURSARY (310952-1)
- KAYE GRAY GIFT (310952-2)
- CHILDREN'S HOLIDAY FUND (310952-3)

THE ROYAL CALEDONIAN EDUCATION TRUST

England & Wales - Charity number 310952

Accounts

Charity Registration No. 310952 (England and Wales)

Charity Registration No. SC038722 (Scotland)



ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025



THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
LEGAL AND ADMINISTRATIVE INFORMATION

Patron	His Majesty King Charles III	
Honorary Vice Presidents	Air Vice Marshal R Paterson CB, OBE, ADC, DL	
Vice Presidents	Mr I C Stewart Hunter Mr D Keith Robertson	
Chair	Mr M Young Mr H Tilley	
Deputy Chairman	Ms I Campbell-Lupton	
Committee Of Directors And Sole Trustees	Mr G Gray Mr N McLennan Ms S Wilson Ms I Campbell Lupton Ms C Grant Mr M Young Ms J Bryce Ms F Jackson Ms F Barbour-Smith Ms S Dickie Mr G Rae Mr H Tilley Mr F Allmond Mrs R Rylance	(Resigned July 2024) (Resigned September 2024) (Resigned July 2024) (Resigned December 2024) (Appointed June 2024) (Appointed June 2024) (Appointed December 2024) (Appointed September 2024) (Appointed September 2024) (Appointed March 2025) (Appointed March 2025)
Chief Executive	Mrs Laura Falconer Ms Meg Thomas Mr Steven Sweeney	(Resigned July 2024) (Appointed July 2024) (Appointed December 2024)
Charity number (England and Wales)	310952	
Charity number (Scotland)	SC038722	
Principal address	The Melting Pot 15 Calton Road Edinburgh Scotland EH8 8DL	
Auditor	Myers Clark Suite 7A, Building 6 Croxley Park, Hatters Lane Watford Hertfordshire WD18 8YH	

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
LEGAL AND ADMINISTRATIVE INFORMATION

Bankers

Royal Bank of Scotland
142/144 Princes Street
Edinburgh
EH2 4EQ

Investment advisors

Adam & Company
25 St Andrews Square
Edinburgh
EH2 1AF

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
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THE ROYAL CALEDONIAN EDUCATION TRUST

OPERATIONAL NAME: FORCES CHILDREN SCOTLAND

FOREWORD

FOR THE YEAR ENDED 31 MARCH 2025

We were delighted to be appointed as Co-Chairs in March 2024 and look forward to carrying on the excellent work of our predecessors, Gary Gray and Catriona Sutherland-Hawes. This responsibility is one we undertake with deep commitment and a shared vision for the organisation's future. Working alongside our fellow Trustees and the whole of the Forces Children Scotland team we hope to build on the strong foundations already in place to ensure that we continue to serve the babies, children and young people from Regular, Reservist and Veteran families for many years to come.

The last year has been challenging for both FCS and the sector as a whole with ongoing economic uncertainty and the continued cost of living crisis resulting in pressure on charitable income whilst costs continue to rise. However, we are greatly optimistic about the future with new sources of revenue being identified which will support our future goals and help to underpin our new strategy.

We extend our sincere thanks to our former Trustees, Cara Grant, Gary Gray and Neil McLennan who concluded their terms during the year. Their stewardship and insight have been instrumental in shaping the organisation's culture and progress. We also warmly welcome our newly appointed Trustees, Finlay Allmond, Fiona Barbour-Smith, Jessica Bryce, Sarah Dickie, Fiona Jackson, Gordon Rae and Rachel Rylance. Their new perspectives, individual expertise and enthusiasm are already contributing positively to the FCS board, and their input and support is hugely welcomed by the Co-Chairs.

We wish to formally acknowledge and thank Laura Falconer for her dedicated service. Her leadership and commitment have been deeply valued, particularly in ensuring that FCS was able to successfully navigate the societal and financial impacts of the Covid-19 pandemic. Laura's work greatly increased the recognition and profile of FCS and we are very grateful for this. We extend our best wishes to her in her future endeavours.

We also wish to express our profound gratitude to Meg Thomas for her excellent leadership during the approximate 6-month period from Laura standing down to the new Chief Executive being appointed. Her professionalism, dedication, and guidance were vital during this time of transition, and was greatly appreciated by the Co-Chairs and fellow Trustees. We thank her for her continued support.

We are delighted to welcome Steven Sweeney to the organisation as new Chief Executive. His appointment marks an exciting new chapter, and we are confident that his experience, enthusiasm and strategic insight will be of great benefit as we move forward into the next financial year.

We would like to express our appreciation to the FCS entire team for their exceptional work throughout the year, during which the organisation has seen significant transition and change. Their dedication, creativity, and collaborative spirit have enabled us to continue to deliver for the communities that we serve. Their work has been, and will, be critical in ensuring the success of our new strategy.

With the launch of our new strategic period, we are entering a dynamic and ambitious phase as the strategy is embedded and delivered over the next 3 years. The strategy sets a clear direction for the coming years, grounded in our values and informed by the communities we serve. We are excited about the opportunities ahead and remain committed to continuing the excellent work of FCS.

Max Young and Harvey Tilley
Co-Chairs
Forces Children Scotland

THE ROYAL CALEDONIAN EDUCATION TRUST

OPERATIONAL NAME: FORCES CHILDREN SCOTLAND

COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

The committee of directors and sole trustees present their report and accounts for the year ended 31 March 2025.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the requirements of the trust's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), 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)" (as amended for accounting periods commencing from 1 January 2019).

ORGANISATION

The Royal Caledonian Education Trust (RCET) is a charity established by a Charter of Incorporation created by an Act of Parliament, which received the Royal Assent from King George III on 14th June 1815.

Our aim today is to support and encourage the education, training and wellbeing of a) the offspring of Scottish members of Her Majesty's forces and b) the Scottish offspring of members of Her Majesty's Forces. For these purposes, a person shall be considered Scottish if our Trustees, in their absolute discretion, determine that they have a sufficient connection to Scotland, or who demonstrate to the Trustees' satisfaction links with Scotland, including those who may be considered Scottish regardless of their place of residence.

Following a rebranding exercise, on 23rd June 2021, we changed our operational name to 'Forces Children Scotland'.

OBJECTIVES

This was the final year in delivering our current strategy, 'Step Change'. We have also spent time developing our new strategy, 'HEAR. INVOLVE. SUPPORT.' This has been co-produced with children for forces families, our partners, staff team and Trustees, and launches Summer 2025. As we transition from one strategic plan to another, the activities and achievements documented in this performance report summarise the difference our work has made. More detail can be found in our Impact Report will be released in Autumn 2025.

PUBLIC BENEFIT

The Board of Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when planning, implementing and reviewing all current and future activities. They follow the updated governing principles adopted on 5th December 2018. This defines our charitable purpose and how it benefits Armed Forces children and young people.

ACTIVITIES AND ACHIEVEMENTS

Highlights

We deliver services to improve the emotional, social and mental wellbeing of children from forces families. We provided 1:1 support to 78 young people, with 100% reporting an improvement in clinical scores as a result. Our online Hub supported a further 278 young people to access resources to support them with their own wellbeing. We also distributed 200 Wellbeing Journals to young people within the Naval community to promote self-management and positive mental health.

We developed a range of resources to support educational achievement. In the reporting period, 341 young people have accessed our Deployment Rollercoaster resource to help navigate their own families' deployment journey. The Deployment Rollercoaster was co-produced across 18 participation sessions in an education setting with 139 young people from forces families involved.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

ACTIVITIES AND ACHIEVEMENTS (CONTINUED)

We delivered 10 Learning and Development events in the reporting period, 5 were in person courses, 5 delivered as webinars. The 85 attendees left better informed on forces life from the perspective of children and young people in the armed forces community. Topics included deployment, mobility, transition to veteran status, the Armed Forces Covenant, young carers and more.

We continued to provide financial assistance to young people from forces families with student costs, short breaks for forces young carers, for a range of educational supports and access to hobbies. A total of £95,445 was awarded, with 273 children from forces families benefiting from this support. Also this year we sought to improve financial health through our Future Transactions project. We had 141 young people from forces families supported with enhanced understanding and capability around increased independence and management of their finances.

Our ongoing policy and practice work saw the development of our Rights Report, activity around Young Carers Action Day, and the co-production work ahead of the launch of the Children's Rights Charter in April 2025. Young people from forces families met directly with policy shapers and decision makers to share their experiences and perspectives, advocating for change. This included sessions with MSPs Natalie Don-Innes, Martin Whitfield and Paul Sweeney.

Our participation work creates opportunities for young people to engage with their wider community and gain new skills. Regular participation forums and 5 Residentials have supported 85 young people to have their voice heard, influencing change locally. Our Ruby Boots project has also built some momentum. Connecting with 14 networks and 91 stakeholders enabled 326 young people to be reached in Schools, with 16 involved in co-production workshops, helping set the new stage of the project in the next reporting period up for success.

Our Talking Mats project has been a highlight in how we empower young people to participate in decision making locally. Through school support and awareness work, 5 staff have been trained, and 85 young people have participated across 9 discovery workshops. This led to the creation of a visual communication framework to support children from forces families to express their feelings and views.

Social Value to the Armed Forces Community

As an organisation we would like to increase the social value we deliver with and for the Armed Forces community. In terms of people, 64% of our staff and Trustees have come from a background with experience themselves as a Regular, Reservist or Veteran. From an employment and employability skills perspective, young people from forces families have an equal share in decision making as part of our recruitment practices. Most recently in the appointment of our new CEO.

Our work includes a significant amount of community engagement and outreach, from young peoples' participation to adult learning. In terms of civic responsibilities, we have increased the number of events we attend across the country to engage directly with the Army Forces community. This included activity around Armed Forces Day, Month of the Military Child, Remembrance Day, and Wellbeing events at various bases and barracks.

Fundraising

Our fundraising approach prioritises trusts and foundations as the most effective route to delivering medium-term financial sustainability. We are focusing on securing multi-year, core funding that supports strategic growth and stability, with a clear emphasis on long-term relationships and impact-led proposals.

A special thanks goes to our strategic partner, Greenwich Hospital. An award of up to £103,921 over 12 months to cover 20% of core staff costs was confirmed in September 2024, with £49,940 expended in this reporting period. These funds are restricted for children from Naval and Marine families as the beneficiaries. We aspire to deliver upon the desired outcomes of this collaboration, allowing us to perhaps move to a multi-year arrangement. We also hope to encourage tri-service equity across funding partners, leveraging in additional funds with similar arrangements with other trusts and foundations.

Thank you to our range of project partners who have invested in our impact during this financial year. Thanks in particular go to the Armed Forces Covenant Fund Trust, the Army Benevolent Fund, the Army Central Fund, the MacRobert Trust, the Veterans Foundation and the Scottish Government, for their continued support.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

ACTIVITIES AND ACHIEVEMENTS (CONTINUED)

Looking Ahead

Next year will be the first of our new strategic period, that of 'HEAR. INVOLVE. SUPPORT.'

Our mission over the following 3 years will be as follows:

We provide support and opportunities to enable babies, children and young people from Regular, Reservist and Veteran families to realise their potential and thrive.

We have 4 strategic themes:

- Co-operating, co-ordinating and collaborating
- Education and community supports
- "Hear Us, Involve Us, Support Us"
- A healthy, happy and energised FCS

The key actions across the 3 years for each of the themes are documented in our business plan and will be reported upon in our next annual report and set of financial statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Board of Trustees meets four times per year. They are responsible for overall strategy, financial and risk management. There are currently 10 Trustees. The officers are the Co-Chairpersons, Deputy Chairperson, and Treasurer.

Our Board of Trustees brings a broad mix of professional and lived experience, including education, finance, safeguarding, mental health, and armed forces family life. They meet quarterly, with finance, risk, and performance as standing agenda items, supported by our Finance Sub-Committee. The Senior Leadership Team meets weekly to review both strategic and operational matters, with monthly in-person all-staff meetings to ensure cross-team communication and collaboration.

The Board of Trustees are responsible for the organisation's system of internal controls. The system of controls aims to give the Board assurance that issues identified as they arise are dealt with appropriately in an effective, timely manner.

The main objectives of the control system are as follows:

- To ensure Forces Children Scotland continues to maintain proper accounting records
- To safeguard the organisation's assets from unauthorized disposal or use
- To ensure integrity and reliability of financial and operational information used for decision making within the organization and for external publication.

Forces Children Scotland's internal controls include as follows:

- A strategy, business plan and annual budget approved by the Trustees
- Regular consideration by the Trustees of financial performance and oversight of the monitoring and reporting on the business plan
- Delegation of authority and segregation of duties
- Identification and management of risks

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

FINANCIAL REVIEW

The challenging financial climate, both locally and globally, has impacted our charity due to an ongoing inflationary pressures, which although easing now, have led to increased costs and reduced available funding. However, certain cost savings have been realized in the year primarily in relation to gapped positions. Additionally, significant sources of unrestricted income have identified and there is strong confidence that these sources of income will be realised in the next financial year. Should this income be realised then this will support the Charity in building its unrestricted reserves with a medium term goal of retaining unrestricted funds at a level equivalent to 6-12 months of funding.

Fortunately, we have been able to counter some of these negative impacts through the income generated from our investments, including dividends and interest, as well as through the disposal of investments, enabling us to realize capital returns in line with our 'Total Return' investment policy. However, the Trustees are mindful of the need to preserve the value of our investments to avoid adverse long-term effects on the charity. Therefore, they are developing a financial framework aimed at maintaining the real value of our investments, growing our unrestricted funds, and ensuring sufficient funding to achieve our broader strategic goals.

We have confidence in the professional management of our investments by our advisors and believe that the proposed financial framework will safeguard the charity's long-term financial stability.

The committee of directors and sole trustees' report was approved by the Board of Committee of Directors and Sole Trustees.



Mr M Young
Co-Chair

Dated: 24 September 2025

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
STATEMENT OF COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2025

The committee of directors and sole trustees are responsible for preparing the Committee Of Directors And Sole Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland and in England and Wales requires the committee of directors and sole trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the trust and of the incoming resources and application of resources of the trust for that year.

In preparing these accounts, the committee of directors and sole trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The committee of directors and sole trustees is responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the trust and enable them to ensure that the accounts comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The law applicable to charities in England and Wales requires the committee of directors and sole trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the trust and of the incoming resources and application of resources of the trust for that year.

In preparing these financial statements, the committee of directors and sole trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The committee of directors and sole trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the trust and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
INDEPENDENT AUDITOR'S REPORT

**TO THE COMMITTEE OF DIRECTORS AND SOLE TRUSTEES OF THE ROYAL
CALEDONIAN EDUCATION TRUST**

Opinion

We have audited the financial statements of The Royal Caledonian Education Trust (the 'trust') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including 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 its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the trust 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 committee of directors and sole 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 trust'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 committee of directors and sole trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The committee of directors and sole trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE COMMITTEE OF DIRECTORS AND SOLE TRUSTEES OF THE ROYAL CALEDONIAN EDUCATION TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the committee of directors and sole trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of committee of directors and sole trustees

As explained more fully in the statement of committee of directors and sole trustees' responsibilities, the committee of directors and sole 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 committee of directors and sole 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 committee of directors and sole trustees are responsible for assessing the trust'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 committee of directors and sole trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE COMMITTEE OF DIRECTORS AND SOLE TRUSTEES OF THE ROYAL CALEDONIAN EDUCATION TRUST

The extent to which the audit was considered capable of detecting irregularities including fraud

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following;

- The nature of the industry and sector, control environment and business performance including the design of the remuneration policies, key drivers for trustee remuneration, bonus levels and performance targets;
- results of our enquiries of Management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and review the charitable company's documentation of their policies and procedures relating to;
 - identifying, evaluating and complying with laws and regulation and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

We also obtained an understanding of the legal and regulatory frameworks that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Employment law.

Audit response to risks identified

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE COMMITTEE OF DIRECTORS AND SOLE TRUSTEES OF THE ROYAL
CALEDONIAN EDUCATION TRUST**

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) 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.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Windmill (Senior Statutory Auditor)

For and on behalf of Myers Clark, Statutory Auditor
Chartered Accountants
Suite 7A, Building 6
Croxley Park, Hatters Lane
Watford
Hertfordshire
WD18 8YH
16 December 2025

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2025 £	Total 2024 £
Income from:						
Donations and legacies	2	22,318	153,327	-	175,645	109,276
Investments	3	1,243	-	113,617	114,860	110,217
Other income		300,000	-	(300,000)	-	-
Total income		323,561	153,327	(186,383)	290,505	219,493
Expenditure on:						
Raising funds	4	105,277	9,274	-	114,551	122,884
Charitable activities	5	436,521	183,394	-	619,915	604,753
Total resources expended		541,798	192,668	-	734,466	727,637
Net gain/(loss) on investments	11	181	-	(17,469)	(17,288)	244,133
Net movement in funds		(218,056)	(39,341)	(203,852)	(461,249)	(264,011)
Fund balances at 1 April 2024		(112,262)	53,742	3,683,709	3,625,189	3,889,200
Fund balances at 31 March 2025		(330,318)	14,401	3,479,857	3,163,940	3,625,189

The statement of financial activities includes all gains and losses recognised in the year.

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

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Prior Year Comparative Detail


	Unrestricted funds	Restricted funds	Endowment funds	Total 2024
	£	£	£	£
<u>Income from:</u>				
Donations and legacies	12,635	96,641	-	109,276
Investments	705	-	109,512	110,217
Other income	450,000	-	(450,000)	-
	<u>463,340</u>	<u>96,641</u>	<u>(340,488)</u>	<u>219,493</u>
Total income				
<u>Expenditure on:</u>				
Raising funds	122,884	-	-	122,884
Charitable activities	411,598	193,155	-	604,753
	<u>534,482</u>	<u>193,155</u>	<u>-</u>	<u>727,637</u>
Total resources expended				
Net gain/(loss) on investments	5,453	-	238,680	244,133
	<u>(65,689)</u>	<u>(96,514)</u>	<u>(101,808)</u>	<u>(264,011)</u>
Net movement in funds				
Fund balances at 1 April 2023	(46,573)	150,256	3,785,517	3,889,200
	<u>(112,262)</u>	<u>53,742</u>	<u>3,683,709</u>	<u>3,625,189</u>
Fund balances at 31 March 2024				

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025		2024	
		£	£	£	£
Fixed assets					
Investments	13		3,310,642		3,645,496
Current assets					
Debtors	14	21,828		19,397	
Cash at bank and in hand		82,598		161,448	
			104,426		180,845
Creditors: amounts falling due within one year	15	(251,128)		(201,152)	
Net current liabilities			(146,702)		(20,307)
Total assets less current liabilities			3,163,940		3,625,189
Capital funds					
Endowment funds					
Endowment funds - general	16		3,479,857		3,683,709
Income funds					
Restricted funds	17	14,401		53,742	
Unrestricted funds		(330,318)		(112,262)	
			3,163,940		3,625,189

The accounts were approved by the Committee of Directors and Sole Trustees on 24 September 2025


 Mr M Young
 Co-Chair

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

1.1 Accounting convention

The accounts have been prepared in accordance with the trust's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice: Accounting and Reporting by Charities 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 accounts 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 applying 'Statement of Recommended Practice: 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) effective 1 January 2019' rather than the version of the Statement of Recommended Practice referred to in the regulation but has since been withdrawn.

The trust constitutes a Public Benefit Entity.

The trust has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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 with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

The Trust comprises a public benefit entity as defined by FRS 102.

1.2 Going concern

At the time of approving the financial statements, the committee of directors and sole trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. Thus the committee of directors and sole trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are donations and other income received or generated for the objects of the charity without further specified purpose and are available as general funds. Designated funds are unrestricted funds earmarked by the Directors for particular applications.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of overheads and support costs.

Permanent endowment funds are funds which have been given to the charity to be held as capital with no power to convert the funds to income.

Expendable endowment funds are funds given to the charity to be held as capital. The Trustees may convert the funds to income if no other income funds are available.

1.4 Incoming resources

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.

Income from government and other grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that income will be received and the amount can be measured and is not deferred.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by investment managers of the receipt of the dividend.

Income received in advance of recognition criteria being met is deferred until the criteria for recognition are met.

1.5 Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the trust. Single or multi-year grants are accounted for when the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside the control of the trust.

Allocation of costs

Expenditure is allocated to a particular activity where the costs relate directly to that activity. Direct expenditure has been allocated on the basis indicated below:

Cost of generating funds: These include all expenditure spent in generating the voluntary income.

Charitable activities: These include all expenditure directly related to the objects of the charity.

Support costs comprise costs incurred in support of the above activities. Included in support costs are costs incurred in the governance of the charity which are primarily associated with the constitutional and statutory requirements. Support costs are allocated to activities based on an estimate of staff time spend on each activity during the financial period.

Irrecoverable value added tax

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Grants

Grants payable made to third parties in the furtherance of the charitable objects of the charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant. Grants awarded that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to the grant is outside the control of the charity.

Pension contributions

The charity makes payments to a defined contribution pension scheme for its employees. Contributions are charged to the Statement of Financial Activities in the period they are payable.

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. All items of capital expenditure over £500 are capitalised.

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

Fixtures and fittings	over 5 years
Computers	over 4 years

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

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.

1.7 Fixed asset investments

Listed investments are a form of basic financial interest and are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date using the mid- market value.

1.8 Cash and cash equivalents

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

1.9 Financial instruments

The trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' 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.

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.

Derecognition of financial liabilities

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

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2025	Total 2024
	£	£	£	£
Donations and gifts	22,318	153,327	175,645	109,276
For the year ended 31 March 2024	<u>12,635</u>	<u>96,641</u>		<u>109,276</u>

3 Investments

	Unrestricted funds 2025 £	Endowment funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
Income from listed investments	-	113,617	113,617	-	109,512	109,512
Interest receivable	1,243	-	1,243	705	-	705
	<u>1,243</u>	<u>113,617</u>	<u>114,860</u>	<u>705</u>	<u>109,512</u>	<u>110,217</u>

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

4 Raising funds

	Unrestricted funds	Restricted funds	Total 2025	Total 2024
	£	£	£	£
Costs of generating voluntary income				
Direct costs	56,599	9,274	65,873	72,960
Support & governance costs	28,940	-	28,940	29,283
	<u>85,539</u>	<u>9,274</u>	<u>94,813</u>	<u>102,243</u>
Costs of generating voluntary income	85,539	9,274	94,813	102,243
<u>Costs of generating investment income</u>				
Investment management fees	19,738	-	19,738	20,641
	<u>105,277</u>	<u>9,274</u>	<u>114,551</u>	<u>122,884</u>

5 Charitable activities

	Family Support	Learning & Development	Participation	Mental Health & Wellbeing	Total 2025	Total 2024
	£	£	£	£	£	£
Direct costs	51,765	71,715	157,852	75,756	357,088	361,964
Grant funding of activities (see note 6)	81,555	-	-	-	81,555	69,190
Share of support & governance costs (see note 8)	58,697	19,494	69,325	33,756	181,272	173,599
	<u>192,017</u>	<u>91,209</u>	<u>227,177</u>	<u>109,512</u>	<u>619,915</u>	<u>604,753</u>

	Family Support	Learning & Development	Participation	Mental Health & Wellbeing	Total 2024
	£	£	£	£	£
Direct costs	98,228	35,127	158,720	69,889	361,964
Grant funding of activities (see note 6)	69,190	-	-	-	69,190
Share of support & governance costs (see note 8)	67,206	14,038	63,762	28,593	173,599
	<u>234,624</u>	<u>49,165</u>	<u>222,482</u>	<u>98,482</u>	<u>604,753</u>

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

6 Grants payable

	2025	2024
	£	£
Grants to individuals	81,555	69,190
	<u>81,555</u>	<u>69,190</u>

7 Committee Of Directors And Sole Trustees

Trustee remuneration and expenses

None of the committee of directors and sole trustees (or any persons connected with them) received any remuneration or benefits from the trust during the year.

4 Trustees (2024: 2) were reimbursed travel expenses totalling £412 (2024: £99).

8 Support & governance costs

	2025	2024
	£	£
SUPPORT COSTS		
Staff costs	138,329	144,970
Recruitment and staff development	6,304	4,809
Premises expenses	7,677	11,374
PR, marketing and Annual Review	2,150	1,476
Printing, stationery, postage and phone	14,098	5,049
Travelling	6,556	3,021
Other	11,782	7,795
Accountancy	5,186	1,504
Computer & office equipment costs	7,930	7,484
GOVERNANCE COSTS	10,200	15,400
	<u>210,212</u>	<u>202,882</u>
Analysed between		
Fundraising	28,940	29,283
Charitable activities	181,272	173,599
	<u>210,212</u>	<u>202,882</u>

Governance costs includes payments to the auditors of £10,200 (2024 - £9,960) for audit fees.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

9 Employees

The average monthly number of employees (head count based on number of staff employed) during the year was:

	2025	2024
	Number	Number
Raising funds	1	2
Charitable activities	7	10
Support and Governance	3	3
	<u>11</u>	<u>15</u>

Employment costs	2025	2024
	£	£
Wages and salaries	384,698	410,401
Social security costs	33,544	39,240
Other pension costs	15,373	16,167
	<u>433,615</u>	<u>465,808</u>

There was one employee (2024 - 1) whose annual emoluments were £60,000 or more.

The number of employees whose annual remuneration was £60,000 or more were:

	2025	2024
	Number	Number
£70,001 to £80,000	<u>1</u>	<u>1</u>

10 Taxation

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

11 Net gains/(losses) on investments

	Unrestricted	Endowment	Total	Total
	funds	funds	2025	2024
	£	general	£	£
		£		
Revaluation of investments	181	(17,469)	(17,288)	244,133
	<u>181</u>	<u>(17,469)</u>	<u>(17,288)</u>	<u>244,133</u>
For the year ended 31 March 2024	<u>5,453</u>	<u>238,680</u>		<u>244,133</u>

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

12 Tangible fixed assets

	Fixtures and fittings	Computers	Total
	£	£	£
Cost			
At 1 April 2024	869	2,976	3,845
At 31 March 2025	869	2,976	3,845
Depreciation and impairment			
At 1 April 2024	869	2,976	3,845
At 31 March 2025	869	2,976	3,845
Carrying amount			
At 31 March 2025	-	-	-
At 31 March 2024	-	-	-

13 Fixed asset investments

	2025	2024
	£	£
Cost or valuation		
At 31 March 2024	3,645,496	3,872,005
Income reinvested	2,180	-
Investment manager fees	(19,738)	(20,641)
Withdrawn	(300,000)	(450,000)
Valuation changes	(17,296)	244,132
At 31 March 2025	3,310,642	3,645,496
Impairment		
At 31 March 2024	-	-
At 31 March 2025	-	-
Carrying amount		
At 31 March 2025	3,310,642	3,645,496
At 31 March 2024	3,645,496	3,872,005
	2025	2024
	£	£
Investments at fair value comprise:		
Investment assets held in the UK	1,884,696	2,251,582
Investment assets held outside the UK	1,425,946	1,393,914
	3,310,642	3,645,496

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

13 Fixed asset investments **(Continued)**

	2025	2024
	£	£
Investments representing over 5% by value of portfolio comprise:		
JPMorgan Fund ICVC JPM US Equity Income C Net Dis	252,816	248,247
Aberdeen Asian Income Fund Shares	233,662	228,072
Natixis Investment Funds UK ICVC Loomis Sayles US Eqty Leaders IA USD Acc	284,466	271,224
	<u>770,944</u>	<u>747,543</u>

Fixed asset investments revalued

Fixed asset investment are valued at market value at the year end.

The historical cost of the fixed asset investments is £2,441,774 (2024: £2,639,646).

Fixed asset investments include cash held awaiting investment of £18,946 (2024: £66,401).

14 Debtors

	2025	2024
	£	£
Amounts falling due within one year:		
Prepayments and accrued income	<u>21,828</u>	<u>19,397</u>

15 Creditors: amounts falling due within one year

	2025	2024
	£	£
Other taxation and social security	-	8,500
Accruals and deferred income	<u>251,128</u>	<u>192,652</u>
	<u>251,128</u>	<u>201,152</u>

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

16 Endowment funds

Endowment funds represent assets which must be held permanently 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.

	Balance at 1 April 2024	Incoming resources	Movement in funds		Release from unapplied total return fund / Transfers	Balance at 31 March 2025
	£	£	Resources expended	Gains and losses	£	£
Permanent endowments						
Sale of the school	3,683,709	113,617	-	(17,469)	(300,000)	3,479,857
	<u>3,683,709</u>	<u>113,617</u>	<u>-</u>	<u>(17,469)</u>	<u>(300,000)</u>	<u>3,479,857</u>
	<u><u>3,683,709</u></u>	<u><u>113,617</u></u>	<u><u>-</u></u>	<u><u>(17,469)</u></u>	<u><u>(300,000)</u></u>	<u><u>3,479,857</u></u>

	Balance at 1 April 2023	Incoming resources	Movement in funds prior period		Release from unapplied total return fund / Transfers	Balance at 31 March 2024
	£	£	Resources expended	Gains and losses	£	£
Permanent endowments						
Sale of the school	3,785,517	109,512	-	238,680	(450,000)	3,683,709
	<u>3,785,517</u>	<u>109,512</u>	<u>-</u>	<u>238,680</u>	<u>(450,000)</u>	<u>3,683,709</u>
	<u><u>3,785,517</u></u>	<u><u>109,512</u></u>	<u><u>-</u></u>	<u><u>238,680</u></u>	<u><u>(450,000)</u></u>	<u><u>3,683,709</u></u>

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

17 Restricted funds

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

	Movement in funds current year			
	Balance at 1 April 2024	Incoming resources	Resources expended	Balance at 31 March 2025
	£	£	£	£
Armed Forces Covenant - Ruby Boots	-	17,196	(17,196)	-
Armed Forces Covenant - Deployment Pack	-	13,916	(13,916)	-
BFBS - Deployment Pack	-	2,000	(2,000)	-
ABF - Talking Mats	-	25,277	(25,277)	-
Board Game	(967)	-	-	(967)
MacRoberts Trust - YMM	-	24,285	(24,285)	-
Kingdom HA Community - YP Activities in Fife	-	500	(500)	-
ACF Residentials	-	2,520	(2,520)	-
Armed Forces Covenant Fund Trust Funding - YMM	34,040	-	(18,672)	15,368
Veterans Scotland	19,798	(9,042)	(10,756)	-
Scottish Government - Future Transactions	294	26,735	(27,029)	-
Brit + FGN	577	-	(577)	-
Greenwich Hospital - Core Funding	-	49,940	(49,940)	-
	<u>53,742</u>	<u>153,327</u>	<u>(192,668)</u>	<u>14,401</u>

	Movement in funds prior period			
	Balance at 1 August 2023	Incoming resources	Resources expended	Balance at 31 March 2024
	£	£	£	£
ABF The Soldiers Charity	10,369	-	(10,369)	-
Scottish Children's Lottery	2,171	5,000	(7,171)	-
Paul Hamlyn	-	33,000	(33,000)	-
Board Game	(967)	-	-	(967)
Veterans Scotland	25,997	17,499	(23,698)	19,798
Scottish Government - Future Transactions	-	28,902	(28,608)	294
Brit + FGN	12,679	(12,102)	-	577
Armed Forces Covenant Fund Trust Funding - YMM	75,007	7,575	(48,542)	34,040
Armed Forces Covenant	25,000	16,767	(41,767)	-
	<u>150,256</u>	<u>96,641</u>	<u>(193,155)</u>	<u>53,742</u>

Included within incoming resources is an amount returned to 1 funder totalling £12,102 as a result of an underspend during the year ended 31 March 2023.

**THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2025

18 Unrestricted funds

	Balance at 1 April 2024	Movement in funds current year				Balance at 31 March 2025
		Incoming resources	Resources expended	Gains and losses	Released from unapplied total return fund / Transfers	
	£	£	£	£	£	£
General Unrestricted Funds	(112,262)	23,561	(541,798)	181	300,000	(330,318)
Total unrestricted funds	(112,262)	23,561	(541,798)	181	300,000	(330,318)

	Balance at 1 April 2023	Movement in funds prior year				Balance at 31 March 2024
		Incoming resources	Resources expended	Gains and losses	Released from unapplied total return fund/ Transfers	
	£	£	£	£	£	£
General Unrestricted Funds	(46,573)	13,340	(534,482)	5,453	450,000	(112,262)
Total unrestricted funds	(46,573)	13,340	(534,482)	5,453	450,000	(112,262)

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

19 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Fund balances at 31 March 2025 are represented by:				
Investments	(169,215)	-	3,479,857	3,310,642
Current assets/(liabilities)	(161,103)	14,401	-	(146,702)
	<u>(330,318)</u>	<u>14,401</u>	<u>3,479,857</u>	<u>3,163,940</u>
	£	£	£	£
Fund balances at 31 March 2024 are represented by:				
Investments	(38,213)	-	3,683,709	3,645,496
Current assets/(liabilities)	(74,049)	53,742	-	(20,307)
	<u>(112,262)</u>	<u>53,742</u>	<u>3,683,709</u>	<u>3,625,189</u>

20 Permanent Endowment

	Endowment Fund £	Unapplied Total Return £	Total Endowment Fund £
At 1 April 2024			
Sale of school	2,600,000	-	2,600,000
Unapplied total return	-	1,083,709	1,083,709
Total	<u>2,600,000</u>	<u>1,083,709</u>	<u>3,683,709</u>
Movements to 31 March 2025			
Investment return - dividends	-	113,617	113,617
Investment return - realised & unrealised gains	-	(17,469)	(17,469)
	-	96,148	96,148
Unapplied total return allocated to income in the year	-	(300,000)	(300,000)
Net movements in the year	<u>-</u>	<u>(203,852)</u>	<u>(203,852)</u>
At 31 March 2025			
Sale of school	2,600,000	-	2,600,000
Unapplied total return	-	879,857	879,857
Total	<u>2,600,000</u>	<u>879,857</u>	<u>3,479,857</u>

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

21 Operating lease commitments

At the reporting end date the trust had no outstanding commitments for future minimum lease payments under non-cancellable operating leases.

22 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, including redundancy payments, employers NI and employers pension contributions is as follows:

	2025	2024
	£	£
Aggregate compensation	129,485	76,885
	<u>129,485</u>	<u>76,885</u>

Transactions with related parties

During the year, 4 trustees (2024: 2) were reimbursed for travel and subsistence costs totalling £412 (2024: £99).

THE ROYAL CALEDONIAN EDUCATION TRUST

England & Wales - Charity number 310952

Accounts

Charity Registration No. 310952 (England and Wales)

Charity Registration No. SC038722 (Scotland)



**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

THE ROYAL CALEDONIAN EDUCATION TRUST

OPERATIONAL NAME: FORCES CHILDREN SCOTLAND

LEGAL AND ADMINISTRATIVE INFORMATION

Patron	His Majesty King Charles III	
Honorary Vice Presidents	Air Vice Marshal R Paterson CB, OBE, ADC, DL	
Vice Presidents	Mr I C Stewart Hunter Mr D Keith Robertson	
Chair	Ms S Wilson (relinquished role September 2023) Mrs C Sutherland Hawes (appointed co-Chair September 2023 and resigned March 2024) Mr G Gray (appointed co-Chair September 2023 and resigned March 2024) Mr M Young (appointed co-Chair March 2024) Mr H Tilley (appointed co-Chair March 2024)	
Deputy Chairman	Ms I Campbell-Lupton	
Committee Of Directors And Sole Trustees	Mr G Gray Mr N McLennan Ms S Wilson Mr C Cook Ms I Campbell Lupton Ms C Grant Mrs C Sutherland-Hawes Mr M Young Ms K Lindsay Ms J Bryce Ms F Jackson Ms F Barbour-Smith Ms S Dickie Mr G Rae Mr H Tilley	(Resigned July 2024) (Resigned September 2024) (Resigned July 2024) (Resigned March 2024) (Resigned March 2024) (Resigned March 2024) (Appointed June 2024) (Appointed June 2024) (Appointed December 2024) (Appointed September 2024) (Appointed September 2024) (Appointed March 2024)
Chief Executive	Mrs Laura Falconer Ms Meg Thomas	(Resigned July 2024) (Appointed July 2024)
Charity number (England and Wales)	310952	
Charity number (Scotland)	SC038722	
Principal address	The Melting Pot 15 Calton Road Edinburgh Scotland EH8 8DL	
Auditor	Myers Clark Egale 1 80 St Albans Road Watford Hertfordshire WD17 1DL	

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
LEGAL AND ADMINISTRATIVE INFORMATION

Bankers

Royal Bank of Scotland
142/144 Princes Street
Edinburgh
EH2 4EQ

Investment advisors

Adam & Company
25 St Andrews Square
Edinburgh
EH2 1AF

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
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THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2024

The committee of directors and sole trustees present their report and accounts for the year ended 31 March 2024.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the requirements of the trust's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), 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)" (as amended for accounting periods commencing from 1 January 2019).

Objectives and Activities

The Royal Caledonian Education Trust (RCET) is a charity established by a Charter of Incorporation created by an Act of Parliament, which received the Royal Assent from King George III on 14th June 1815.

Our aim today is to support and encourage the education, training and wellbeing of a) the offspring of Scottish members of Her Majesty's forces and b) the Scottish offspring of members of Her Majesty's Forces. For these purposes, a person shall be considered Scottish if our Trustees, in their absolute discretion, determine that they have a sufficient connection to Scotland, or who demonstrate to the Trustees' satisfaction links with Scotland, including those who may be considered Scottish regardless of their place of residence.

The Board of Trustees had, on 3rd March 2021, agreed to commission a re-branding exercise, involving the appointment of a creative agency to co-produce a new brand identity. The process involved extensive consultation with Trust staff, Armed Forces children and young people, and stakeholders.

On 23rd June 2021, the Board of Trustees adopted re-branding proposals covering vision, mission, strategic aims, visual identity, and a change of our Operational Name to 'Forces Children Scotland'.

Our vision is to make Scotland a place where all Armed Forces children and young people can thrive.

Our mission is to be the sector leading children and young people's Armed Forces charity in Scotland, by providing empowering opportunities and amplifying their voices to inspire change.

Our values:

- We are passionate, as children from Armed Forces families are too often overlooked.
- We are trusted, not only because we have over two centuries of experience but because we continue to evolve our approach, based on children and young people's unique experiences and evidence-based research.
- We are collaborative, whether that be with partners, staff or our children and young people, because only by working together will we deliver meaningful change.
- We are honest, promising to Armed Forces children, young people and their families that we will always act with integrity when supporting them.

Our strategic aims:

- To support and empower children and young people from Armed Forces families to reach their potential and thrive.
- We achieve this by working collaboratively across sectors to drive improvements which reflect and support the unique challenges they face.
- We amplify their voices, ensuring they are heard and influence the development of policy and practice.

We realise our objectives as follows:

- We deliver services that support children and young people including, for example, supporting mental health and wellbeing.
- We give financial support.
- We provide advice and support to those agencies responsible for the education and wellbeing of Armed Forces Children and young people through a programme of training, resources, research and access to our advisory service.
- We create opportunities for children and young people to get involved, participate and be heard.
- We build partnerships to help influence big change.

THE ROYAL CALEDONIAN EDUCATION TRUST

OPERATIONAL NAME: FORCES CHILDREN SCOTLAND

COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Public Benefit

The Board of Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when planning, implementing and reviewing all current and future activities. They follow the updated governing principles adopted on 5th December 2018. This defines our charitable purpose and how it benefits Armed Forces children and young people.

Achievements and Performance

Our report details significant developments over the year 2022/23. The operational name, FORCES CHILDREN SCOTLAND, sets out what we do and where we are located: supporting children from military families from a base in Scotland. We are also working on changes on how we present the charity and its services.

Finance Assistance

Summary

The financial assistance programme experienced significant staff shortage this year with the relevant key staff member leaving their post in early August 2023. As there were no staff available within the team with the requisite skill sets and capacity to manage the grants system our financial assistance programme was paused from the end of August. Recruitment challenges meant the post was not filled until mid-January 2024. The new Finance Manager will resume the financial assistance programme in the coming year.

Key activities & progress

During the 5 months the financial assistance programme was running, the high level of demand seen in previous years continued. The work was delivered within budget due to the pause in processing new assistance applications and redesigning the grants criteria (grants of £73,454 were paid out versus a budget of £126,000). The Christmas Crisis Intervention Fund was not offered this year as it was impacted by the pause in the programme.

Children and Family Services

Summary

In the past year, the Children and Family Services team has provided two mental health and wellbeing services – Your Mind Matters (YMM) in Helensburgh and The Lighthouse at Queen Victoria School (QVS). Unfortunately, a third service, Mindful Connections, was discontinued due to a lack of referrals.

The departure of the Children and Family Services Manager partway through the year has impacted staff support, with the CEO now providing supervision and support for Mental Health and Wellbeing.

The Lighthouse has successfully met its funding targets for the year, but the Wellbeing Worker will be leaving the post in February. Discussions have taken place with the funder regarding how to achieve funding objectives, secure further funding, and address the resulting vacancy. A funding application has been submitted for a full year of funding from September 2024 to August 2025.

Your Mind Matters did not meet all the expected funding targets. While excellent progress was made with 1-1 support, the young people required a longer duration than the anticipated 6-week block of input, which impacted the numbers served. However, a relatively positive end of funding report has been submitted to the funder due to a significant increase in the number of individuals accessing the Your Mind Matters online Hub.

Key activities & progress - The Lighthouse

Achievement against objectives in relation to the Lighthouse during the year were as follows:

Deliver 1:1 support for pupils within QVS

- During the financial year, 14 pupils received one to one support with 91% of the young people showing improved CORE-YP scores. With the resignation of the staff member, no further support will be possible in this reporting period. To enhance support continuity 'reconnector meetings' were introduced to follow up with young people after the one-to-one sessions. These meetings worked incredibly well and are now a built-in feature of the one-to-one-support service as of date.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Children and Family Services (continued)

Young people seen by drop-in appointment model

- 22 young people seen on a drop-in basis, exceeding the requirements of the finding agreement. 100% said the session helped and 20 of the 21 young people showed an improvement in mood following the session.

Young people seen by peer support groups

- Two groups were run with a total of 22 pupils in attendance, exceeding the funding requirement of 12 young people. All but one of the young people wanted to keep meeting.

Deliver parent workshop

- The content for this workshop has been planned but not yet delivered.

Ensure that the Lighthouse model provides outreach to another location

- Two schools were identified via QVS, unfortunately communications were slow and the planned outreach events have not yet been possible. Staff training initiatives have also been planned with regards to self-harm. Unfortunately, this has not been delivered but is ready to go dependent on key QVS dates and commitments.

Key activities and progress - Your Mind Matters

The Your Mind Matters Project has provided face-to-face and digital support services to help children and young people improve their understanding and develop effective strategies for mental health and wellbeing, although not as many as expected.

At Hermitage Academy in Helensburgh, the project delivered one-to-one and drop-in group support, with over 92% of pupils who completed a minimum block of six weeks of one-to-one support, have seen an improvement in their YP Core-10 (Clinical Outcomes Routine Evaluation) scores. Sessions have been successfully planned with young people and adapted to suit those presenting with Attention Deficit Hyperactivity Disorder (ADHD) and Autistic Spectrum Disorder (ASD), and a weekly lunchtime drop-in club was established, attracting an average of twenty pupils each week.

The Your Mind Matters Digital Hub, launched in September 2022, has been accessed by 1230 unique users, resulting in 1781 webpage views and 416 conversions. It includes interactive features, podcasts, and downloadable resources, co-produced with young people from armed forces communities in Scotland.

The Wellbeing Worker noted that many pupils required support beyond the intended six-week block, impacting the capacity to take on further pupils. The most common challenges reported were anxiety, low mood, and anger.

Children and Young People Participation

Summary

This year, we engaged with children and young people in primary and secondary school settings. In October, we began working in early years as a pilot in a nursery, where we developed play-based participation sessions. In total, we have delivered 171 different sessions with children and young people, either online or in person, including 1 residential and an overnight trip to Birmingham for the SCiP Conference, where young people co-delivered a workshop and participated in the young person's panel. Additionally, group members met with parliamentarians, the Scottish Veterans Commissioner, and 100 young people regarding our response to the Human Rights Consultation.

We also explored different and creative ways to support young people in sharing their experiences, such as using Zines and interactive audio recordings, which were well received. Additionally, we became an associate member of the Scottish Youth Parliament, providing forum members with increased opportunities to influence their work and learn new skills.

THE ROYAL CALEDONIAN EDUCATION TRUST

OPERATIONAL NAME: FORCES CHILDREN SCOTLAND

COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Children and Young People Participation (continued)

We recruited two new participation workers, and they have proven to be excellent assets to the team. At the beginning of the year, they spent time connecting with key schools, re-establishing our presence, and encouraging new children and young people to join our groups. Over the course of the year, 279 children and young people have worked with us for the first time.

Key activities and progress

This year, we welcomed 316 new children and young people to our programs. We maintained an active core group of 20 engaged young people who have been involved in various projects, including mini-documentary making, the development of the Influencing Strategy, and participation in events such as the Parliament Event and the SCiP conference.

We continued to connect with partners in the Military Liaison Group in Highland, Community Development Teams from the MoD, Carers Trust Scotland, Community Covenant groups, and Family Federations, where capacity allowed.

In Moray and Edinburgh, we have been working with young people to create mini documentaries aimed at providing information for children and young people moving to their area. We also started the development of a co-produced deployment pack, with 14 discovery phase sessions delivered and planning underway for the design stage of the project.

In early years, we began exploring the experiences of nursery-aged children through play and story-based sessions, adding to our knowledge of their experiences. Our early years work will continue once we have successfully re-recruited into the Participation West post following a resignation at the beginning of 2024.

We also supported the wider Forces Children Scotland team to ensure the voices of children and young people from serving and veteran families are heard across all of our work, including facilitating and supporting children and young people to take part in the Month of the Military Child awareness campaign.

Learning and Development

Summary

In the past year, Learning and Development created seven modules for face-to-face sessions or webinars. Four of these are CPD UK accredited, meeting professional development standards. Another module is currently under review for accreditation this quarter. Development time limited the number of training and learning events that could be delivered.

In addition to the CPD modules, the Learning and Development worker developed a pack for stakeholders and schools for the Month of the Military Child. They also contributed to Together Scotland's Professional Panel to develop a framework for implementing children's rights in Scotland and were part of the UNCRC Awareness Raising Communications Network.

The Month of the Military Child celebration pack was updated this year, featuring the launch of a Mascot competition, which will be integrated into our early year's development work. The Learning and Development Worker also provided support to the Advisory Group and the Advisory Service.

In the last quarter, work began on a new Early Years module. Support was provided to YMM and Ruby Boots for classroom activities and assemblies. The Learning and Development worker has begun collaborating with the Participation team on the Deployment Pack and has several training and learning events scheduled for April and May, with a webinar planned for delivery in May as a proactive learning offer, to be widely promoted through our social media channels.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Policy and Parliamentary

Summary

Despite staff changes, induction, and vacant posts, the influencing team continued to make a positive impact on policy, practice, and legislation. In 2023, we launched our Influencing Strategy "A Force for Meaningful Change," which included a successful parliamentary event and associated social media activities. The impact of this event was immediately apparent, with FCS being mentioned by 4 MSPs and 4 more highlighting the needs of forces families during a debate on Veterans and the Armed Forces Community the following day.

We submitted five responses to Government consultations and inquiries, including the recent Human Rights Bill consultation, which was informed by our influencing strategy and involved several sessions with young people to ensure their voices were central to our response. We also prepared internal and external policy briefings.

During the Month of the Military Child, we used the opportunity to build connections with MSPs through targeted emails and a letter to the First Minister, resulting in ongoing relationships with key MSPs that we plan to continue to develop to ensure cross-party support and influence.

In the last quarter, we successfully restarted the Advisory Group with a session on Children's Rights, wrote blogs to coincide with external events like the Young Carers Action Day, attended partner events, presented at a naval impact workshop, and have been working on our Children's Rights report, including planning for a rights residential.

Key activities and progress

Influencing Strategy Development and Launch:

- The influencing strategy was co-produced with young people and successfully launched, raising FCS's profile with parliamentarians, key partners, and the wider third sector. Next steps involve working with young people to develop clear indicators of success and overall outcomes, which has been delayed to prioritize the rights report.

Stakeholder Map Development:

- The influencing team has begun assembling a stakeholder map to inform the policy engagement plan and enhance the impact of policy and influencing work.
- The focus has been on establishing and maintaining stakeholder relationships and partnerships, including work on the rights aspect of the Influencing Strategy.

Advisory Group Review and Relaunch:

- The role and function of the Advisory Group were reviewed, and new terms of reference proposed. The group will resume in March, focusing on the theme of children's rights and advancing the influencing strategy based on the 5 calls to action.

Future transactions:

- Responsibility for this project has been transferred to the Policy and Parliamentary Officer, who is making progress in developing key contacts with external partners and planning sessions with veterans and young people.

Month of the Military Child:

- Community and school events have been planned to celebrate the Month of the Military Child, alongside blogs about key policy areas. MSPs and councilors have confirmed attendance, providing an opportunity to showcase our work to decision makers.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Fundraising

Summary

During challenging times for third-sector organizations, the team has successfully secured £168,600 in restricted funding and sustained regular giving income. Although core funding bids have been disappointing, the team is actively seeking additional funding sources and running campaigns to engage fundraising participants, donors, regular givers, and corporate supporters. There is also a focus on involving young people in future fundraising efforts. The table below summarises the restricted funding secured in the year.

Programme	Funding Received
Ruby Boots FY 24/25	Armed Forces Covenant £37,500.00
Deployment Pack FY 24/25	Armed Forces Covenant £10,436.25
Your Minds Matter FY 24/25 FY 25/26	MacRoberts Trust £24,285.00 £25,715.00
Lighthouse Project FY 24/25	Veterans Foundation £5,833.00
Future Transaction FY 24/25 FY 25/26	Scottish Veterans Fund £32,424.00 £32,424.00

Key activities and progress

Since January, the team has submitted twelve applications totaling £450,470 to trusts and foundations, primarily targeting wider core funding income. Currently, we are awaiting responses for these bids and exploring further opportunities with organizations such as The Veterans Foundation, the Army Benevolent Fund, the Garfield Weston Foundation, and the Bank of Scotland Empower Programme.

In addition, discussions with Greenwich Hospital have led to the submission of a summary document for their review, and we are in the process of submitting a £170,500 bid to the National Lottery Improving Lives program. Our application to participate in the Big Give's Kind2Mind Match Giving Campaign has been approved, with a total of £2,500 pledged in Champion Funding. A campaign will launch in May to raise additional support for our mental health services.

Business Support

Summary

The Business Support function faced a significant staff shortage this year, as the key postholder departed in early August 2023. Existing staff members provided temporary cover within their regular hours to manage some of the responsibilities during the 5-month gap. Consequently, certain Business Support tasks were put on hold from the end of August until the post was finally filled in mid-January 2024.

Nevertheless, progress has been achieved in equipping staff to lead the sector, ensuring suitable budget processes, and providing support as required to the Trustees. The management system, Lamplight, continues to operate effectively, and efforts to develop our outcomes framework are well underway.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Business Support (continued)

Key activities and progress

In the course of the year, we have undertaken the following key activities:

- Developed new EDI and Reserves Policies and updated the organizational handbook. Established a new recruitment process, provided regular Lamplight training, and implemented an internal Learning and Development program.
- Ensured suitable budget processes by setting up live budgets and providing budget management training for managers.
- Supported Trustees in their role by assisting the new Co-Chairs and developing the Trustee handbook.
- Work with the team to establish an outcomes framework to measure impact. Provide Lamplight training and support the wider team with ongoing case recording.
- Reviewed the provision of office space and reduced use of the Melting Pot following a review of costs.
- Completed the induction of the new Finance Manager and PA to CEO and provided support during the grants program and annual audit preparation.

Marketing & Communications

Summary

Forces Children Scotland's Marketing & Communications Team had a productive year, delivering key communications to strategic audiences, including the Impact Report, Influencing Strategy, Tornado of Change campaign, Scottish Parliament event, stakeholder events, and monthly e-newsletter. We embedded the voice of young people in our propositions, improved website content, and internal communications to ensure consistent brand identity. With Rebel Loop Studios, we delivered five new videos and downloadable resources for our Your Mind Matters Digital Mental Health and Wellbeing Hub, which saw increased user engagement following a successful Google Ad campaign. Social media activities on Facebook and Instagram have also shown increased reach, content interaction, and link clicks. We also collaborated with schools and organizations to gather and share experiences of young people, and we led communications for the development of an online survey and promotional activities to support Naval and Royal Marine families.

Key activities and progress

In the course of the year, we have undertaken the following key activities:

- Transitioned from Universal Analytics to Google Analytics 4 (GA4) in the summer due to the cessation of data processing by Universal Analytics on 01 July 2023. The team has effectively utilized GA4 for improved data insights, particularly in enhanced referral and conversion tracking, resulting in a better understanding of visitor interactions with Forces Children Scotland's web pages.
- We collaborated with the Your Mind Matters Team to enrich the content on our Your Mind Matters Hub by adding podcasts, short videos, and additional downloadable materials. We are currently finalizing updates and will soon launch a comprehensive promotional campaign to boost Your Mind Matters webpage traffic from January-March 2024. We will also implement robust tracking to monitor user behaviour.
- We worked with our Youth Participation Team to develop a project page for Forces Children Scotland's Tornado of Change campaign. We are in the process of updating our project page in the hope of achieving greater impact by the end of March 2024.
- We have worked effectively with our team to deliver a range of key communications throughout the year. We joined a working group that included young people and members of our policy and youth participation teams to co-produce our influencing strategy which launched in September.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Marketing & Communications (continued)

- We worked with our Learning and Development Team to deliver a Month of the Military Child downloadable resource in April, as well as supporting publications in support of the charity's new learning offer for educators and professionals.
- We partnered with our Policy Team to organize a successful Scottish Parliament event in October. This involved developing creative concepts, signage, and coordinating with young people to co-create a panel discussion and presentation about our Forces Life and Tornado of Change projects. We secured a budget for event photography and executed a communications plan to build anticipation and report on the event's success to targeted stakeholders.

Future Plans

As per our 22-25 Strategic Plan, our future aims are:

- We will establish a lead role in the sector, connecting policy and practice, encouraging third sector partnerships and facilitating sector improvements.
- We will work in collaboration with policy makers and partners to ensure Armed Forces children and young people are considered, included and identified as a distinct group in policies that support improved outcomes.
- We will work with partners across organisational boundaries to facilitate change across the system, including between adult and children's sectors.
- We will help shape the future policy landscape in relation to children and young people from serving, reservist and veteran families, improving the visibility and influence of our children, young people and families.
- We will work with partners at strategic and operational levels across health, education, social care and the voluntary sector to develop ways of working and resources to improve transitions for families moving into and out of Scotland.
- We will develop a media campaign to raise awareness of the needs of children and young people from serving, reservist and veteran families.
- We will increase our visibility in Armed Forces communities so that families know who we are and what support we provide.
- We will extend our reach to support organisations working with serving, reservist and veteran adults to better understand the needs of children and young people, including mental health, trauma and adversity.
- We will build partnerships to achieve improved collective impact across the sector.
- We will build our capacity to measure outcomes and impact across all our work, contributing to the evidence base to influence change, with due regard to the Armed Forces Covenant and the United Nations Convention on the Rights of the Child (UNCRC).
- We will provide a platform for Armed Forces children and young people to engage directly with decision-makers at all levels to positively shape policy, practice and service delivery.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Governance

The Board of Trustees meets four times a year. They are responsible for overall strategy, financial and risk management. There are currently 9 Trustees. The officers are the Chairperson, Deputy Chairperson, and Treasurer.

Financial review

The challenging financial climate, both locally and globally, has impacted our charity due to an ongoing inflationary pressures, which although easing now, have led to increased costs and reduced available funding. However, certain cost savings have been realized in the year primarily in relation to gapped positions. Additionally, significant sources of unrestricted income have been identified and there is strong confidence that these sources of income will be realized in the next financial year. Should this income be realized then this will support the Charity in building its unrestricted funds at a level equivalent to 3-6 months of funding.

Fortunately, we have been able to counter some of these negative impacts through the income generated from our investments, including dividends and interest, as well as through the disposal of investments, enabling us to realize capital returns in line with our 'Total Return' investment policy. However, the Trustees are mindful of the need to preserve the value of our investments to avoid adverse long-term effects on the charity. Therefore, they are developing a financial framework aimed at maintaining the real value of our investments, growing our unrestricted funds, and ensuring sufficient funding to achieve our broader strategic goals.

We have confidence in the professional management of our investments by our advisors and believe that the proposed financial framework will safeguard the charity's long-term financial stability.

The committee of directors and sole trustees' report was approved by the Board of Committee Of Directors And Sole Trustees.



Mr M Young

Co-Chair

Dated: 11 September 2024

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
STATEMENT OF COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2024

The committee of directors and sole trustees are responsible for preparing the Committee Of Directors And Sole Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland and in England and Wales requires the committee of directors and sole trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the trust and of the incoming resources and application of resources of the trust for that year.

In preparing these accounts, the committee of directors and sole trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The committee of directors and sole trustees is responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the trust and enable them to ensure that the accounts comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
INDEPENDENT AUDITOR'S REPORT

TO THE COMMITTEE OF DIRECTORS AND SOLE TRUSTEES OF THE ROYAL CALEDONIAN EDUCATION TRUST

Opinion

We have audited the financial statements of The Royal Caledonian Education Trust (the 'trust') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including 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 its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the trust 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 committee of directors and sole 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 trust'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 committee of directors and sole trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The committee of directors and sole trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE COMMITTEE OF DIRECTORS AND SOLE TRUSTEES OF THE ROYAL CALEDONIAN EDUCATION TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the committee of directors and sole trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of committee of directors and sole trustees

As explained more fully in the statement of committee of directors and sole trustees' responsibilities, the committee of directors and sole 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 committee of directors and sole 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 committee of directors and sole trustees are responsible for assessing the trust'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 committee of directors and sole trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE COMMITTEE OF DIRECTORS AND SOLE TRUSTEES OF THE ROYAL CALEDONIAN EDUCATION TRUST

The extent to which the audit was considered capable of detecting irregularities including fraud

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following;

- The nature of the industry and sector, control environment and business performance including the design of the remuneration policies, key drivers for trustee remuneration, bonus levels and performance targets;
- results of our enquiries of Management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and review the charitable company's documentation of their policies and procedures relating to;
 - identifying, evaluating and complying with laws and regulation and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

We also obtained an understanding of the legal and regulatory frameworks that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Employment law.

Audit response to risks identified

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE COMMITTEE OF DIRECTORS AND SOLE TRUSTEES OF THE ROYAL
CALEDONIAN EDUCATION TRUST**

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) 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.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the and to the charity's trustees, as a body, in accordance with 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 and 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, the charity's trustees as a body, and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Myers Clark

19 December 2024

**Chartered Accountants
Statutory Auditor**

Egale 1
80 St Albans Road
Watford
Hertfordshire
WD17 1DL

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2024 £	Total 2023 £
<u>Income and endowments from:</u>						
Donations and legacies	2	12,635	96,641	-	109,276	281,745
Investments	3	705	-	109,512	110,217	122,787
Other income	4	450,000	-	(450,000)	-	2,213
Total income		<u>463,340</u>	<u>96,641</u>	<u>(340,488)</u>	<u>219,493</u>	<u>406,745</u>
<u>Expenditure on:</u>						
Raising funds	5	122,884	-	-	122,884	142,749
Charitable activities	6	411,598	193,155	-	604,753	689,876
Total resources expended		<u>534,482</u>	<u>193,155</u>	<u>-</u>	<u>727,637</u>	<u>832,625</u>
Net gain/(loss) on investments	12	5,453	-	238,680	244,133	(269,041)
Net movement in funds		<u>(65,689)</u>	<u>(96,514)</u>	<u>(101,808)</u>	<u>(264,011)</u>	<u>(694,921)</u>
Fund balances at 1 April 2023		<u>(46,573)</u>	<u>150,256</u>	<u>3,785,517</u>	<u>3,889,200</u>	<u>4,584,121</u>
Fund balances at 31 March 2024		<u><u>(112,262)</u></u>	<u><u>53,742</u></u>	<u><u>3,683,709</u></u>	<u><u>3,625,189</u></u>	<u><u>3,889,200</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

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

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Prior Year Comparative Detail

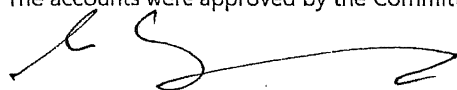
	Unrestricted funds	Restricted funds	Endowment funds	Total 2022
	£	£	£	£
<u>Income and endowments from:</u>				
Donations and legacies	23,087	258,658	-	281,745
Investments	255	-	122,532	122,787
Other income	450,000	2,213	(450,000)	2,213
Total income	<u>473,342</u>	<u>260,871</u>	<u>(327,468)</u>	<u>406,745</u>
<u>Expenditure on:</u>				
Raising funds	119,512	23,237	-	142,749
Charitable activities	411,468	278,408	-	689,876
Total resources expended	<u>530,980</u>	<u>278,408</u>	<u>-</u>	<u>832,625</u>
Net gain/(loss) on investments	5,414	-	(274,455)	(269,041)
Net movement in funds	<u>(52,224)</u>	<u>(40,774)</u>	<u>(601,923)</u>	<u>(694,921)</u>
Fund balances at 1 April 2022	5,651	191,030	4,387,440	4,584,121
Fund balances at 31 March 2023	<u>(46,573)</u>	<u>150,256</u>	<u>3,785,517</u>	<u>3,889,200</u>

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Investments	14		3,645,496		3,872,005
Current assets					
Debtors	15	19,397		9,734	
Cash at bank and in hand		161,448		93,263	
		180,845		102,997	
Creditors: amounts falling due within one year	16	(201,152)		(85,802)	
Net current (liabilities)/assets			(20,307)		17,195
Total assets less current liabilities			<u>3,625,189</u>		<u>3,889,200</u>
Capital funds					
Endowment funds					
Endowment funds - general	17		3,683,709		3,785,517
Income funds					
Restricted funds	18		53,742		150,256
Unrestricted funds			(112,262)		(46,573)
			<u>3,625,189</u>		<u>3,889,200</u>

The accounts were approved by the Committee Of Directors And Sole Trustees on 11 September 2024



Mr M Young
Co-Chair

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

1.1 Accounting convention

The accounts have been prepared in accordance with the trust's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice: Accounting and Reporting by Charities 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 accounts 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 applying 'Statement of Recommended Practice: 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) effective 1 January 2019' rather than the version of the Statement of Recommended Practice referred to in the regulation but has since been withdrawn.

The trust constitutes a Public Benefit Entity.

The trust has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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 with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

The Trust comprises a public benefit entity as defined by FRS 102.

1.2 Going concern

At the time of approving the financial statements, the committee of directors and sole trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. Thus the committee of directors and sole trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are donations and other income received or generated for the objects of the charity without further specified purpose and are available as general funds. Designated funds are unrestricted funds earmarked by the Directors for particular applications.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of overheads and support costs.

Permanent endowment funds are funds which have been given to the charity to be held as capital with no power to convert the funds to income.

Expendable endowment funds are funds given to the charity to be held as capital. The Trustees may convert the funds to income if no other income funds are available.

1.4 Incoming resources

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.

Income from government and other grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that income will be received and the amount can be measured and is not deferred.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by investment managers of the receipt of the dividend.

Income received in advance of recognition criteria being met is deferred until the criteria for recognition are met.

1.5 Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the trust. Single or multi-year grants are accounted for when the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside the control of the trust.

Allocation of costs

Expenditure is allocated to a particular activity where the costs relate directly to that activity. Direct expenditure has been allocated on the basis indicated below:

Cost of generating funds: These include all expenditure spent in generating the voluntary income.

Charitable activities: These include all expenditure directly related to the objects of the charity.

Support costs comprise costs incurred in support of the above activities. Included in support costs are costs incurred in the governance of the charity which are primarily associated with the constitutional and statutory requirements. Support costs are allocated to activities based on an estimate of staff time spend on each activity during the financial period.

Irrecoverable value added tax

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Grants

Grants payable made to third parties in the furtherance of the charitable objects of the charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant. Grants awarded that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to the grant is outside the control of the charity.

Pension contributions

The charity makes payments to a defined contribution pension scheme for its employees. Contributions are charged to the Statement of Financial Activities in the period they are payable.

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. All items of capital expenditure over £500 are capitalised.

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

Fixtures and fittings	over 5 years
Computers	over 4 years

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies **(Continued)**

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.

1.7 Fixed asset investments

Listed investments are a form of basic financial interest and are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date using the mid-market value.

1.8 Cash and cash equivalents

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

1.9 Financial instruments

The trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' 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.

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.

Derecognition of financial liabilities

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

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2024	Total 2023
	£	£	£	£
Donations and gifts	12,635	96,641	109,276	281,745
For the year ended 31 March 2023	<u>23,087</u>	<u>258,658</u>		<u>281,745</u>

3 Investments

	Unrestricted funds 2024 £	Endowment funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
Income from listed investments	-	109,512	109,512	-	122,532	122,532
Interest receivable	705	-	705	255	-	255
	<u>705</u>	<u>109,512</u>	<u>110,217</u>	<u>255</u>	<u>122,532</u>	<u>122,787</u>

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

4 Other income	Unrestricted funds		Endowment funds		Total Unrestricted funds		Restricted funds		Endowment funds		Total	
	2024	£	2024	£	2024	£	2023	£	2023	£	2023	£
Released from endowment funds	450,000		(450,000)		-	450,000	-		(450,000)		-	
Fees	-		-		-	-	2,213		-		2,213	
	<u>450,000</u>		<u>(450,000)</u>		<u>-</u>	<u>450,000</u>	<u>2,213</u>		<u>(450,000)</u>		<u>2,213</u>	
	<u>450,000</u>		<u>(450,000)</u>		<u>-</u>	<u>450,000</u>	<u>2,213</u>		<u>(450,000)</u>		<u>2,213</u>	

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

5 Raising funds

	Unrestricted funds	Restricted funds	Total 2024	Total 2023
	£	£	£	£
Costs of generating voluntary income				
Direct costs	72,960	-	72,960	69,852
Support & governance costs	29,283	-	29,283	49,819
	<u>102,243</u>	<u>-</u>	<u>102,243</u>	<u>119,671</u>
Costs of generating voluntary income	102,243	-	102,243	119,671
<u>Costs of generating investment income</u>				
Investment management fees	20,641	-	20,641	23,078
	<u>122,884</u>	<u>-</u>	<u>122,884</u>	<u>142,749</u>

**THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2024

6 Charitable activities

	Family Support	Learning & Development	Participation	National Transition	Mental Health & Wellbeing	Total 2024	Total 2023
	£	£	£	£	£	£	£
Direct costs	98,228	35,127	158,720	-	69,889	361,964	469,022
Grant funding of activities (see note 7)	69,190	-	-	-	-	69,190	91,993
Share of support & governance costs (see note 9)	67,206	14,038	63,762	-	28,593	173,599	128,861
	234,624	49,165	222,482	-	98,482	604,753	689,876

	Family Support	Learning & Development	Participation	National Transition	Mental Health & Wellbeing	Total 2023
	£	£	£	£	£	£
Direct costs	59,962	30,095	96,341	69,377	142,969	398,744
Grant funding of activities (see note 7)	80,019	-	-	-	-	80,019
Share of support & governance costs (see note 9)	56,332	11,731	33,498	29,515	28,191	159,267
	283,912	33,387	200,416	1,001	171,160	638,030

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

7 Grants payable

	2024	2023
	£	£
Grants to individuals	69,190	91,993
	<u>69,190</u>	<u>91,993</u>
	<u><u>69,190</u></u>	<u><u>91,993</u></u>

8 Committee Of Directors And Sole Trustees

Trustee remuneration and expenses

None of the committee of directors and sole trustees (or any persons connected with them) received any remuneration or benefits from the trust during the year.

2 Trustees (2023: 3) were reimbursed travel expenses totalling £99 (2023: £494).

9 Support & governance costs

	2024	2023
	£	£
SUPPORT COSTS		
Staff costs	144,970	130,715
Recruitment and staff development	4,809	4,836
Premises expenses	11,374	8,240
PR, marketing and Annual Review	1,476	1,640
Printing, stationery, postage and phone	5,049	1,518
Travelling	3,021	3,710
Other	7,795	8,546
Accountancy	1,504	3,888
Computer & office equipment costs	7,484	6,402
GOVERNANCE COSTS	15,400	9,185
	<u>202,882</u>	<u>178,680</u>
	<u><u>202,882</u></u>	<u><u>178,680</u></u>
Analysed between		
Fundraising	29,283	49,819
Charitable activities	173,599	128,861
	<u>202,882</u>	<u>178,680</u>
	<u><u>202,882</u></u>	<u><u>178,680</u></u>

Governance costs includes payments to the auditors of £9,960 (2023 - £9,000) for audit fees.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

10 Employees

The average monthly number of employees (head count based on number of staff employed) during the year was:

	2024	2023
	Number	Number
Raising funds	2	2
Charitable activities	10	8
Support and Governance	3	3
	<u>15</u>	<u>13</u>

Employment costs	2024	2023
	£	£
Wages and salaries	410,401	372,273
Social security costs	39,240	33,342
Other pension costs	16,167	13,652
	<u>465,808</u>	<u>419,267</u>

There was one employee (2023 - 1) whose annual emoluments were £60,000 or more.

The number of employees whose annual remuneration was £60,000 or more were:

	2024	2023
	Number	Number
£70,001 to £80,000	<u>1</u>	<u>1</u>

11 Taxation

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

12 Net gains/(losses) on investments

	Unrestricted funds	Endowment funds	Total	Total
	£	general funds	2024	2023
		£	£	£
Revaluation of investments	5,453	238,680	244,133	(269,041)
	<u>5,453</u>	<u>238,680</u>	<u>244,133</u>	<u>(269,041)</u>
For the year ended 31 March 2023	<u>5,414</u>	<u>(274,455)</u>		<u>(269,041)</u>

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

13 Tangible fixed assets

	Fixtures and fittings	Computers	Total
	£	£	£
Cost			
At 1 April 2023	869	2,976	3,845
At 31 March 2024	869	2,976	3,845
Depreciation and impairment			
At 1 April 2023	869	2,976	3,845
At 31 March 2024	869	2,976	3,845
Carrying amount			
At 31 March 2024	-	-	-
At 31 March 2023	-	-	-

14 Fixed asset investments

	2023	2022
	£	£
Cost or valuation		
At 31 March 2023	3,872,005	4,614,126
Withdrawn	(470,641)	(473,080)
Valuation changes	244,132	(269,041)
At 31 March 2024	3,645,496	3,872,005
Impairment		
At 31 March 2023	-	-
At 31 March 2024	-	-
Carrying amount		
At 31 March 2024	3,645,496	3,872,005
At 31 March 2023	3,872,005	4,414,791
	2024	2023
	£	£
Investments at fair value comprise:		
Investment assets held in the UK	2,251,582	2,542,474
Investment assets held outside the UK	1,393,914	1,329,531
	3,645,496	3,872,005

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

14 Fixed asset investments **(Continued)**

	2024	2023
	£	£
Investments representing over 5% by value of portfolio comprise:		
JPMorgan Fund ICVC JPM US Equity Income C Net Dis	248,247	224,974
Aberdeen Asian Income Fund Shares	228,072	235,898
Natixis Investment Funds UK ICVC Loomis Sayles US Eqty Leaders IA USD Acc	271,224	194,766
	<u>747,543</u>	<u>655,638</u>

Fixed asset investments revalued

Fixed asset investment are valued at market value at the year end.

The historical cost of the fixed asset investments is £2,639,646 (2023: £2,958,588).

Fixed asset investments include cash held awaiting investment of £66,401 (2023: £270,831).

15 Debtors

	2024	2023
	£	£
Amounts falling due within one year:		
Prepayments and accrued income	19,397	9,734
	<u>19,397</u>	<u>9,734</u>

16 Creditors: amounts falling due within one year

	2024	2023
	£	£
Other taxation and social security	8,500	(381)
Accruals and deferred income	192,652	86,183
	<u>201,152</u>	<u>85,802</u>

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

17 Endowment funds

Endowment funds represent assets which must be held permanently 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.

	Movement in funds					Balance at 31 March 2024
	Balance at 1 April 2023	Incoming resources	Resources expended	Gains and losses	Release from unapplied total return fund / Transfers	
	£	£	£	£	£	£
Permanent endowments						
Sale of the school	3,785,517	109,512	-	238,680	(450,000)	3,683,709
	<u>3,785,517</u>	<u>109,512</u>	<u>-</u>	<u>238,680</u>	<u>(450,000)</u>	<u>3,683,709</u>
	<u><u>3,785,517</u></u>	<u><u>109,512</u></u>	<u><u>-</u></u>	<u><u>238,680</u></u>	<u><u>(450,000)</u></u>	<u><u>3,683,709</u></u>

	Movement in funds prior period					Balance at 31 March 2023
	Balance at 1 April 2022	Incoming resources	Resources expended	Gains and losses	Release from unapplied total return fund / Transfers	
	£	£	£	£	£	£
Permanent endowments						
Sale of the school	4,387,440	122,532	-	(274,455)	(450,000)	3,785,517
	<u>4,387,440</u>	<u>122,532</u>	<u>-</u>	<u>(274,455)</u>	<u>(450,000)</u>	<u>3,785,517</u>
	<u><u>4,387,440</u></u>	<u><u>122,532</u></u>	<u><u>-</u></u>	<u><u>(274,455)</u></u>	<u><u>(450,000)</u></u>	<u><u>3,785,517</u></u>

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

18 Restricted funds

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

	Movement in funds current year			
	Balance at 1 April 2023	Incoming resources	Resources expended	Balance at 31 March 2024
	£	£	£	£
ABF The Soldiers Charity	10,369	-	(10,369)	-
Scottish Children's Lottery	2,171	5,000	(7,171)	-
Board game	(967)	-	-	(967)
Paul Hamlyn	-	33,000	(33,000)	-
Armed Forces Covenant	25,000	16,767	(41,767)	-
Armed Forces Covenant Fund Trust Funding - YMM	75,007	7,575	(48,542)	34,040
Veterans Scotland	25,997	17,499	(23,698)	19,798
Scottish Government - Future Transactions	-	28,902	(28,608)	294
Brit + FGN	12,679	(12,102)	-	577
	<u>150,256</u>	<u>96,641</u>	<u>(193,155)</u>	<u>53,742</u>

Included within incoming resources is an amount returned to 1 funder totalling £12,102 as a result of an underspend during the year ended 31 March 2023.

	Movement in funds prior period			
	Balance at 1 August 2022	Incoming resources	Resources expended	Balance at 31 March 2023
	£	£	£	£
ABF The Soldiers Charity	24,973	26,000	(40,604)	10,369
Queen Victoria Sch QVS - Lighthouse	-	1,000	(1,000)	-
Scottish Children's Lottery	2,171	-	-	2,171
Paul Hamlyn	6,448	30,000	(36,448)	-
Board Game	(967)	-	-	(967)
The Veterans Foundation Grant	-	20,000	(20,000)	-
Veterans Scotland	-	3,500	(3,500)	-
Veterans Scotland	-	62,416	(36,419)	25,997
Ground Work	1,000	1,000	(2,000)	-
Brit + FGN	5,977	16,037	(9,335)	12,679
Armed Forces Covenant Fund Trust Funding - YMM	109,381	72,720	(107,094)	75,007
Armed Forces Covenant	42,047	28,198	(45,245)	25,000
	<u>191,030</u>	<u>260,871</u>	<u>(301,645)</u>	<u>150,256</u>

**THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2024

19 Unrestricted funds

	Balance at 1 April 2023	Movement in funds current year			Balance at 31 March 2024	
		Incoming resources	Resources expended	Gains and Released losses		Released from unapplied total return fund / Transfers
	£	£	£	£	£	
General Unrestricted Funds	(46,573)	13,340	(534,482)	5,453	450,000	(112,262)
Total unrestricted funds	(46,573)	13,340	(534,482)	5,453	450,000	(112,262)

	Balance at 1 April 2022	Movement in funds prior year			Balance at 31 March 2023	
		Incoming resources	Resources expended	Gains and Released losses		Released from unapplied total return fund/ Transfers
	£	£	£	£	£	
General Unrestricted Funds	5,651	23,342	(530,980)	5,414	450,000	(46,573)
Total unrestricted funds	5,651	23,342	(530,980)	5,414	450,000	(46,573)

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

20 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Fund balances at 31 March 2024 are represented by:				
Investments	(38,213)	-	3,683,709	3,645,496
Current assets/(liabilities)	(74,049)	53,742	-	(20,307)
	<u>(112,262)</u>	<u>53,742</u>	<u>3,683,709</u>	<u>3,625,189</u>
	<u><u>(112,262)</u></u>	<u><u>53,742</u></u>	<u><u>3,683,709</u></u>	<u><u>3,625,189</u></u>
	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Fund balances at 31 March 2023 are represented by:				
Investments	86,488	-	3,785,517	3,872,005
Current assets/(liabilities)	(133,061)	150,256	-	17,195
	<u>(46,573)</u>	<u>150,256</u>	<u>3,785,517</u>	<u>3,889,200</u>
	<u><u>(46,573)</u></u>	<u><u>150,256</u></u>	<u><u>3,785,517</u></u>	<u><u>3,889,200</u></u>

21 Permanent Endowment

	Endowment Fund £	Unapplied Total Return £	Total Endowment Fund £
At 1 April 2023			
Sale of school	2,600,000	-	2,600,000
Unapplied total return	-	1,185,517	1,185,517
Total	<u>2,600,000</u>	<u>1,185,517</u>	<u>3,785,517</u>
Movements to 31 March 2024			
Investment return - dividends	-	109,512	109,512
Investment return - realised & unrealised gains	-	238,680	238,680
	-	348,192	348,192
Unapplied total return allocated to income in the year	-	(450,000)	(450,000)
Net movements in the year	<u>-</u>	<u>(101,808)</u>	<u>101,808</u>
At 31 March 2024			
Sale of school	2,600,000	-	2,600,000
Unapplied total return	-	1,083,709	1,083,709
Total	<u><u>2,600,000</u></u>	<u><u>1,083,709</u></u>	<u><u>3,683,709</u></u>

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

22 Operating lease commitments

At the reporting end date the trust had no outstanding commitments for future minimum lease payments under non-cancellable operating leases.

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, including redundancy payments, employers NI and employers pension contributions is as follows:

	2024	2023
	£	£
Aggregate compensation	76,885	73,557
	<u>76,885</u>	<u>73,557</u>

Transactions with related parties

During the year, 2 trustees (2023: 3) were reimbursed for travel and subsistence costs totalling £99 (2023: £494),

THE ROYAL CALEDONIAN EDUCATION TRUST

England & Wales - Charity number 310952

Accounts

Charity Registration No. 310952 (England and Wales)

Charity Registration No. SC038722 (Scotland)



**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
LEGAL AND ADMINISTRATIVE INFORMATION

Patron	Her Majesty the Queen (Until 8 September 2022)
Honorary Vice Presidents	Air Vice Marshal R Paterson CB, OBE, ADC, DL
Vice Presidents	Lt Col A Middlemiss DL (retired April 2022) Lt Col H. Cowan (retired April 2022) Lt Gen Sir Alistair Irwin KCB CBE (retired April 2022) Mr I C Stewart Hunter Mr D Keith Robertson Mr M Noble (appointed December 2022)
Chairman	Ms S Wilson (appointed December 2022 and relinquished role September 2023) Mrs C Sutherland Hawes (appointed co-Chair September 2023) Mr G Gray (appointed co-Chair September 2023)
Deputy Chairman	Mr C Cook (relinquished role September 2022) Ms I Campbell-Lupton (appointed December 2022)
Committee Of Directors And Sole Trustees	Mr M Noble (Resigned December 2022) Mr G Gray Mr N McLennan Ms S Wilson Mr C Cook Ms I Campbell Lupton Ms C Grant Mrs C Sutherland-Hawes Mrs L Hadley-Stove (Resigned December 2022) Mr C Middleton (Resigned March 2023) Mr M Young Ms K Lindsay
Chief Executive	Mrs Laura Falconer
Charity number (England and Wales)	310952
Charity number (Scotland)	SC038722
Principal address	The Melting Pot 15 Calton Road Edinburgh Scotland EH8 8DL
Auditor	Myers Clark Egale 1 80 St Albans Road Watford Hertfordshire WD17 1DL

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
LEGAL AND ADMINISTRATIVE INFORMATION

Bankers

Royal Bank of Scotland
142/144 Princes Street
Edinburgh
EH2 4EQ

Investment advisors

Adam & Company
25 St Andrews Square
Edinburgh
EH2 1AF

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
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THE ROYAL CALEDONIAN EDUCATION TRUST

OPERATIONAL NAME: FORCES CHILDREN SCOTLAND

COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The committee of directors and sole trustees present their report and accounts for the year ended 31 March 2023.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the requirements of the trust's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), 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)" (as amended for accounting periods commencing from 1 January 2019).

Objectives and Activities

The Royal Caledonian Education Trust (RCET) is a charity established by a Charter of Incorporation created by an Act of Parliament, which received the Royal Assent from King George III on 14th June 1815.

Our aim today is to support and encourage the education, training and wellbeing of a) the offspring of Scottish members of Her Majesty's forces and b) the Scottish offspring of members of Her Majesty's Forces. For these purposes, a person shall be considered Scottish if our Trustees, in their absolute discretion, determine that they have a sufficient connection to Scotland, or who demonstrate to the Trustees' satisfaction links with Scotland, including those who may be considered Scottish regardless of their place of residence.

The Board of Trustees had, on 3rd March 2021, agreed to commission a re-branding exercise, involving the appointment of a creative agency to co-produce a new brand identity. The process involved extensive consultation with Trust staff, Armed Forces children and young people, and stakeholders.

On 23rd June 2021, the Board of Trustees adopted re-branding proposals covering vision, mission, strategic aims, visual identity and a change of our Operational Name to 'Forces Children Scotland'.

Our vision is to make Scotland a place where all Armed Forces children and young people can thrive.

Our mission is to be the sector leading children and young people's Armed Forces charity in Scotland, by providing empowering opportunities and amplifying their voices to inspire change.

Our values:

- We are passionate, as children from Armed Forces families are too often overlooked.
- We are trusted, not only because we have over two centuries of experience but because we continue to evolve our approach, based on children and young people's unique experiences and evidence-based research.
- We are collaborative, whether that be with partners, staff or our children and young people, because only by working together will we deliver meaningful change.
- We are honest, promising to Armed Forces children, young people and their families that we will always act with integrity when supporting them.

Our strategic aims:

- To support and empower children and young people from Armed Forces families to reach their potential and thrive.
- We achieve this by working collaboratively across sectors to drive improvements which reflect and support the unique challenges they face.
- We amplify their voices, ensuring they are heard and influence the development of policy and practice.

We realise our objectives as follows:

- We deliver services that support children and young people including, for example, supporting mental health and wellbeing.
- We give financial support.
- We provide advice and support to those agencies responsible for the education and wellbeing of Armed Forces Children and young people through a programme of training, resources, research and access to our advisory service.
- We create opportunities for children and young people to get involved, participate and be heard.
- We build partnerships to help influence big change.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Public Benefit

The Board of Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when planning, implementing and reviewing all current and future activities. They follow the updated governing principles adopted on 5th December 2018. This defines our charitable purpose and how it benefits Armed Forces children and young people.

Achievements and Performance

Our report details significant developments over the year 2022/23. The operational name, FORCES CHILDREN SCOTLAND, sets out what we do and where we are located: supporting children from military families from a base in Scotland. We are also working on changes on how we present the charity and its services.

Finance Assistance

There has been an increasing demand on the financial assistance programme this year as the cost-of-living crisis pushed families, who were already struggling to make ends meet, into financial crisis. Increasingly the ask is for financial support to help meet the very basic necessities to be able to feed and clothe children as everyday costs rise. Just as families across the country are making difficult decisions about where they allocate their money we must also make equally difficult decisions to support those who are most in need. We have also provided better signposting and financial education programmes for our Children and Young People (CYP) and their families to maximise the support they receive.

Our student programme has been extremely successful this year and we are currently supporting 42 students across a wide range of disciplines. This is higher than previous years and appears to be a combination of a return to physical learning, the impact of the cost-of-living crisis and a very successful marketing campaign which raised awareness of the fund. Unfortunately, we have had to make the decision to turn down a number of families on higher incomes to allow us to support those most in need and the criteria for applicants will be reviewed ahead of the 23/24 intake.

We have been able to continue our very popular Young Carers grants through funding from the Scottish Veterans Fund. CYP have continued to make imaginative requests for funding to attend a wide range of activities.

As part of the offer to our students we have been able to give those moving away from home Noah vouchers – this is a home start up kit worth £250 for them to purchase bedding, kitchen equipment and home goods and gives them some ownership of their transition to leaving home. We have also supported a YP who requested a grant for work clothes as they started a modern apprenticeship, and one received support with sporting equipment as they moved to Portugal on a football scholarship.

We provided several breaks to families through the year working with our partners at Edinburgh travel. Families have travelled across the UK from London to Inverness.

We gifted a total of £3,095 to seven SSAFA branches to spend amongst families in their area most in need at Christmas 2022. These funds, as always, were gratefully received and put to very good use supporting families during the holiday period. This money was put towards the distribution of hampers containing food and essential items as well as some festive treats. One branch also matched our funding allowing us to reach even more families facing hardship and another provided a Christmas tree to a family who had just been allocated accommodation following a period of homelessness.

In 2023/24 we will:

- Deliver the new Future Transactions service, partnering with MyBNK to support CYP and their families with navigating finances and ensuring support is available to them through development of a series of face to face and digital resources
- Work with similarly focused charities to influence the sector in relation to grant giving and financial needs of AFCYP and families
- Develop new partnerships contributing to early intervention for families to avoid crisis

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Children and Family Services

The Children and Family Services (CFS) team have had a busy year with funding being received for two new projects: Mindful Connections, our Veteran family support programme, and The Lighthouse project, a mental health and wellbeing support programme delivered within Queen Victoria School. This involved recruitment of new members of staff as well as mobilising two very different services.

Like any new service progress can often be slow at the start but good progress is now being made, particularly with The Lighthouse project with Mindful Connections showing signs of bedding in.

Our Your Mind Matters (YMM) has had a challenging year due to staff turnover however, successful recruitment later in the reporting year means that we are now more confident in recovering pace and are exploring a second location to deliver this service. The YMM digital project has been fully realised, with the new website and YMM hub having been completed in summer 22.

In 2023/24 we will:

- Continue to deliver 1-1 and group mental health and wellbeing interventions for Armed Forces Children and Young People
- Further develop our peer support models, community days, awareness raising sessions, teacher and parent training sessions
- Continue to develop further bespoke mental health and wellbeing content for our Your Minds Matter web platform

Children and Young People Participation

Over the course of the year, 118 participation sessions were delivered for children and young people, both online and in person. Our work has taken us to 20 locations in primary, secondary and community locations and we engaged with 180 children and young people who hadn't worked with us previously.

We have focused on adapting and developing our participation sessions to ensure that primary school aged children can meaningfully engage in our work, and this has led to an increased understanding of their experiences. We targeted 6 key locations to trial and perfect the new sessions.

We developed primary school resources to allow us to effectively deliver our participation work in primary school settings and these were very well received, both by pupils and teaching staff. The session plans are available for all staff and can be adapted if required to deliver either a one-off session or a series of sessions to develop key skills with pupils and develop primary school forums.

Alongside developing our primary school work, the participation team have been involved in the delivery of a number of projects:

- The Listen Up! project recruited nine young people to co-produce our campaign with a creative agency to raise awareness of the lived experience of young people transitioning to veteran status. The group attended a 7-day residential in July 2022 and were supported to connect, share their knowledge and grow their confidence. During the residential, the group developed a successful service delivery model for a buddy support service which, with the support of the Fundraising Manager, has since received funding.
- Two young people co-delivered an extremely well received workshop at the Children in Scotland Conference where they shared their experience of co-producing the Forces Life Board game and their lived experience of belonging to a forces family. We also delivered a further two Forces Life events in primary school locations engaging parents and pupils. Pupils at a further two high schools are planning their events to which they wish to invite decision makers.
- 'The Influencers' (a group of five young people involved in the co-production of our Influencing Strategy) have engaged extremely well in the residentials and online meetings and are keen to continue to work with us to monitor the effectiveness of the strategy once it has been launched.
- We delivered a successful residential in April for forum members, bringing together 19 young people from across Scotland. The group co-produced interactive workshops to be used in our L&D sessions.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Children and Young People Participation (continued)

In addition to delivering on our operational plan the participation team has effectively supported the organisation to ensure children and young people's voices are heard across all our work, responding timeously and flexibly to requests for assistance. Wherever possible young people have been involved in the recruitment of new staff and they have reported that this has been a very positive experience for them.

In 2023/24 we will:

- Grow our participation work to represent the voices of more children and young people from Armed Forces families, including those who are seldom heard such as children under 5 and those with additional support needs
- Deliver the Ruby Boots pilot project to provide early intervention support to children and young people who are transitioning to veteran families
- Contribute to the evidence-base on forces children's experiences by undertaking our own annual report focused on children's views, becoming known as the go-to organisation for learning about forces children's views directly

Learning and Development

The development of the learning offer was delayed during the year due to staff turnover however, progress was made in creating important foundations for the new Learning and Development Worker to utilise. The Professional Learning Activity plan has been updated and added to the website and this will be further developed with an associated communications plan.

Our modular training programme has been enhanced with sufficient detail to allow us to undertake discussions about future accreditation. The accredited programme sits alongside smaller training programmes and we continued to target areas with high populations of forces children, encouraging take up of the accredited training.

The launch of the new website allowed increased visibility and digital support to families. In collaboration with the Children and Family Services team transition support blogs for young people and other materials for professionals were uploaded to our website.

Partnerships and introductory relationships with key stakeholders have increased during the year, particularly with those working in the Armed Forces community and the Ministry of Defence. Attendance at events like Firmbase and those held by the SCiP Alliance evidence the importance of our role in working with this sector and our unique role in representing the views and experiences of forces children in Scotland.

The Advisory Service new model was developed as well as a communications plan to support it. Historically the Advisory Service activity increased following in person training sessions so we committed to making the service available when the learning offer was fully rolled out.

In 2023/24 we will:

- Provide an evidence-based learning offer (online and in person) providing a go to place for understanding the views, experiences and needs of Armed Forces children
- Work to achieve CPD accreditation for the initial 7 learning modules
- Develop and implement the advisory service to offer advice, support and signposting across the sector. Establish the advisory service to be the go-to place for learning, resources and support for forces families to connect to services
- Deliver a full month of celebratory activities for Month of the Military Child

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Policy and Parliamentary

Following the recruitment of a Deputy CEO and Policy Lead in August 2022 they were tasked with developing the organisation's policy goals in line with the Forces Children Scotland Strategic Plan. The creation of an Influencing Strategy was progressed with a co-production approach and saw the development of a project plan and project team that was tasked with developing our organisational influencing approach, including identifying influencing goals, tools and approaches.

Across 2022/23 we have provided evidence to several consultation requests, ensuring force children are considered across the design of various policy portfolios. This has included responses to:

- The Scottish Government's review of the Mental Health and Wellbeing Strategy
- The Independent Review of Education in Scotland, with a focus on qualifications and assessments

In each case, existing evidence from research and young people was used to shape up a compelling response and has led to positive engagement with relevant civil servant teams, including the mental health team who are keen to explore what they can do to better serve this population of children.

Relationship building with key stakeholders was also a primary focus. To ensure we are targeting the right people, a stakeholder mapping activity was undertaken and was completed alongside the influencing strategy project. This activity helped to identify both where the levers are for change which are related to our influencing goals, as well as who we should partner with to lead out our influencing, recognising the power of collective action.

Over the course of the year, some notable partnerships were developed. A stronger connection with the three Family Federations has identified a possible opportunity to collaborate around the influencing of MOD policy, as well as creating opportunity to reach more young people through the families they work with. We also enjoyed extremely positive engagement with the Scottish Veterans Commissioner.

We continue to represent FCS on military-related stakeholder groups like SAFESG (Scottish Armed Forces Education Support Group) and the SCiP Alliance (Service Children's Progression Alliance). In terms of wider policy activity in Scotland, we maintain a role within many stakeholder groups such as the Armed Forces and Veteran Cross Party Group, Together Scotland's UNCRC (United Nations Convention on the Rights of the Child) Implementation Strategy Group and 'Children whose rights are at risk of being breached' subgroup. Beyond this, we are continuing to develop positive relationships with key civil servant teams including the Learning Directorate, the Children's Rights Team, the Mental Health team and the Veterans Directorate. Importantly, following a successful meeting with the Children's Rights Team, we have been told that a case study of our Forces Life Board game will be included within new UNCRC guidance to public authorities, post incorporation.

Our focus on influencing MSPs has continued throughout the year, following a very successful parliamentary exhibition. Since then, we have engaged with MSPs to follow up on what they can do to support Forces children. These meetings focussed on education in Scotland with one meeting having as its focus a discussion with young people about their role as young carers within a Forces family.

In 2023/24 we will:

- Lead in working with and representing forces children's views, needs and experiences, through the delivery of our co-produced Influencing Strategy which outlines our influencing goals and the approach taken to achieve them
- Build influential and trusting relationships with parliamentarians and political staff from across the political spectrum, ensuring the work of the Government – reserved and devolved - is held to account by opposition and political parties are informed by the views, needs and experiences of forces children
- Lead on providing a reflective learning space on a quarterly basis through our Advisory group, for relevant stakeholders across various sectors, including health, education, military and children's rights, to help inform our influencing and influence their decision making around forces children's lives with a focus on mental health, education, transitions, children's rights and data collection
- Ensure professionals, families and forces children feel enabled to come to us for advice on issues relating to mental health, education, transitions, children's rights and broader children's policy, through our new Advisory Service which adopts both planned and reactive advice services

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Fundraising

The Fundraising & Development Team has achieved the vast majority of its operational outcomes, despite the well-publicised challenges faced by the third sector with regard to significant drops in charitable giving, etc. We successfully managed our portfolio of secured funding (worth circa £275k) via effective reporting and successful variation negotiations.

Equally, the team has secured £228.5k through funding applications and £34k in individual/community fundraising, with additional pending applications submitted. We successfully worked in partnership with The Scottish Military Ball to surpass our £5k fundraising target and have successfully established a new corporate fundraising relationship with Blackrock UK. The team also maintained its bank of regular donors and has enhanced its fundraising proposition via the charity's new website and has launched a series of digital campaigns to increase income.

We successfully secured £20k from the Veterans Foundation and £3.5k from The D'Oyly Carte Charitable Trust, to cover core salary costs. We also obtained £100k project funding (for Ruby Boots) from the Armed Forces Covenant Fund Trust and £103,472 (Future Transactions) from the Scottish Veterans Fund, for our financial education and support project, which started in April 2023. In addition, we received £1k from the Tesco Community Fund for our Young Carers fund. We did, however, have a number of unsuccessful applications demonstrating the challenging fundraising environment that we operate in.

In 2023/24 we will:

- Achieve a minimum of four successful unrestricted funding bids. (£176,600k)
- Secure a minimum of £134,397 in new restricted funding.
- Manage secured funding (circa £266,500) & ensure reporting requirements are fulfilled to maintain relationships.

Marketing and Communication

Following a successful tender process, Forces Children Scotland appointed Parkhouse Agency to co-produce a new website with children and young people, staff, and strategic supporters, which formally launched in August 2022. Summary analytic data (01 April 22 – 31 March 2023) provided the team with indicative evidence to deliver a range of further adjustments, enhancements and new conversion metrics. We were pleased to have attracted 9.1K new visitors to our website which can be attributed to enhancing our communication channels, public engagement activities and much more this year. Moreover, the data supports our need to deliver a website fit for mobile use, given the majority of users/visits generated from that particular device. We have lowered our general bounce rate (non-engaged sessions which equate to less than 10 seconds, one page views, etc) from 57% (April 22 – January 23) to 45% (March 23). Bounce rate is something we monitor regularly as it tends to prove crucial toward achieving wider outcomes (A non-e-commerce website standard bounce rate is in the region of 35%-60%).

We published circa 60-65 website articles during the year which included twelve beneficiary stories and spanned across all of our services. These stories have proved crucial to communicating the impact of our work across social/professional networks and enhancing publications. In addition, we have delivered a series of publications, including updated promotional leaflets and posters, as well as our 2022-25 Strategy and Impact Report, which are available in digital and offline formats. We continue to deliver sponsored promotion campaigns in support of the charity's projects, services, and campaigns. We also continued to expand our communication methods and this year launched a Forces Children Scotland TikTok channel.

We have developed a portfolio of iconography, infographics, and additional digital assets for our website, publications, and social channels which have proved successful in conveying short, colourful, vibrant communications to strategic audiences. Early sponsored promotions have proved encouraging. In addition, the team continues to work with colleagues across the charity to co-produce leaflets, posters and campaign assets directly with young people, via digital engagement and attendance at residential.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Marketing and Communication (continued)

We delivered a series of activities at the Children in Scotland Conference in November 2022 as an Affiliate Sponsor, including the delivery of an exhibition stall and workshop for delegates which focused on promoting our Forces Life board game and comic book. Our activities generated a range of leads with regard to future partnerships with organisations, including Argyll & Bute Council, Elgin Academy LGBT Scotland, Girl Guides, Home Start, and National Galleries Scotland.

We delivered a successful Scottish Parliamentary Exhibition in July 2022, which attracted over 50 pledges of support from MSPs to ensure the voice of children and young people is heard in future policymaking. Furthermore, we received considerable support from MSPs on social media during the exhibition, which generated over 36.6K impressions, 122 mentions, 5,868 profile visits, and 60 new followers. In addition, the exhibition has generated several follow-up pieces, which included the submission of parliamentary questions on our behalf and a group of young carers met with an MSP to share their lived experiences.

In 2023/24 we will:

- Enhance data insight capability to lead decision-making within the department and team
- Increase levels of traffic, engagement, and conversions generated on our website relating to projects, services and campaigns
- Deliver a new monthly e-newsletter to stakeholders
- Provide opportunities for young people to co-produce marketing/communications propositions, supporting a group of young people to generate user led content through attendance at a media/comms residential.

Business Support

Progress in all areas of the Business Support function objectives have been made during the year, most notably the closure of our office in Hill Street and the move to a fully homeworking model. Staff have also been enjoying post covid freedom to meet up in person and collaborate more on a regular basis. The move has been supported by the further development of our organisational handbook and close working with external agencies in GDPR and Human Resources, and the introduction of an Employee Assistance Programme.

The team moved officially to Homeworking contracts at the end of March 2022 with the full closure of the Hill Street Office on 20 September 2022. We have membership at The Melting Pot in Edinburgh which provides us with a postal address and a coworking space available to all employees who wish to utilise it. This transition went very smoothly and the team is enjoying the flexibility that this brings along with regular opportunities to come face to face for collaborative working.

During the year we have supported the recruitment of 12 Joiners and 7 Leavers, which included adding additional capacity to the business support team to reflect an increase in employees. We have also developed a portfolio of supporting documents and policies to ensure consistency across our recruitment process, giving all staff the same experience across their employment journey.

A training programme for staff alongside monthly team meetings covering both essential learning Child Protection, Data Protection etc and useful general training around coproduction, trauma informed practice etc. has been developed.

Following a review of the recruitment process we have started to implement a safer recruitment policy with a focus on safeguarding. This will include a dedicated recruitment landing page on our website and updated process to be documented in the organisational handbook.

We fully updated the organisational handbook with support of external HR and GDPR consultants. This will now inform the development of a Trustee Handbook.

As a recommendation from our HR consultants, we have set up an Employee Assistance Programme with Health Assured, this offers support to staff and their families who are struggling with their Mental Health and Wellbeing through online/phone and face to face counselling sessions. It also provides staff with health and lifestyle support through podcast blogs and online apps.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Business Support (continued)

We introduced Lamplight, a case recording system to record client information safely and effectively. There is still on-going work to upload historical data and refine the system to ensure it is fit for purpose to support data collection and outcomes. This represents a huge step forward in the way we collect and store sensitive information and the safeguarding of CYP.

In 2023/24 we will:

- Develop a new organisational outcomes framework
- Develop new policies on the environment, reserves, volunteers and Equality and Diversity
- Develop a new online recruitment process, improving safeguarding as a result

Future Plans

As per our 22-25 Strategic Plan, our future aims are:

- We will establish a lead role in the sector, connecting policy and practice, encouraging third sector partnerships and facilitating sector improvements.
- We will work in collaboration with policy makers and partners to ensure Armed Forces children and young people are considered, included and identified as a distinct group in policies that support improved outcomes.
- We will work with partners across organisational boundaries to facilitate change across the system, including between adult and children's sectors.
- We will help shape the future policy landscape in relation to children and young people from serving, reservist and veteran families, improving the visibility and influence of our children, young people and families.
- We will work with partners at strategic and operational levels across health, education, social care and the voluntary sector to develop ways of working and resources to improve transitions for families moving into and out of Scotland.
- We will develop a media campaign to raise awareness of the needs of children and young people from serving, reservist and veteran families.
- We will increase our visibility in Armed Forces communities so that families know who we are and what support we provide.
- We will extend our reach to support organisations working with serving, reservist and veteran adults to better understand the needs of children and young people, including mental health, trauma and adversity.
- We will build partnerships to achieve improved collective impact across the sector.
- We will build our capacity to measure outcomes and impact across all our work, contributing to the evidence base to influence change, with due regard to the Armed Forces Covenant and the United Nations Convention on the Rights of the Child (UNCRC).
- We will provide a platform for Armed Forces children and young people to engage directly with decision-makers at all levels to positively shape policy, practice and service delivery.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Governance

The Board of Trustees meets four times a year. They are responsible for overall strategy, financial and risk management. There are currently 9 Trustees. The officers are the Chairperson, Deputy Chairperson, and Treasurer.

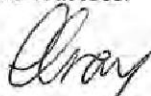
In April 2022, Lieutenant General Sir Alistair Irwin, Lieutenant Colonel Andy Middlemiss and Lieutenant Colonel Hugh Cowan stepped down as Vice Presidents of the Charity. The Directors would like to place on record their gratitude for the sterling support and wise counsel that they provided to the charity over a significant number of years. In December 2022 our Chairman, Malcolm Noble, stepped down after holding the position for over 10 years. Again, Forces Children Scotland is indebted to the drive, commitment and support that Malcolm has provided to the charity.

Financial review

The financial climate both locally and globally has continued to be challenging and we have not been immune from the impact of negative financial headwinds. Continued high inflation has impacted the charity both in terms of increasing costs and reducing available funding. Inflationary and other external pressures have also impacted the value of our investments in the current year.

We are, however, in the fortunate position where we have been able to mitigate these negative impacts through the income from our investments both in terms of dividend and interest income and through the disposal of investments allowing us to realise capital returns. The Trustees are conscious that we do not wish to erode the value of our investments such that the longer-term impact on the charity would be adverse. Consequently, Trustees are developing a financial framework that seeks to maintain the real value of our investments and grow our unrestricted funds whilst still providing sufficient funding for the charity to realise its wider strategic goals. We remain confident that our investments remain well managed by our professional advisors and that the proposed financial framework will secure the long-term financial standing of the charity.

The committee of directors and sole trustees' report was approved by the Board of Committee Of Directors And Sole Trustees.



Mr G Gray

Co-Chair

Dated: 13 September 2023

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
STATEMENT OF COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2023

The committee of directors and sole trustees are responsible for preparing the Committee Of Directors And Sole Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland and in England and Wales requires the committee of directors and sole trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the trust and of the incoming resources and application of resources of the trust for that year.

In preparing these accounts, the committee of directors and sole trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The committee of directors and sole trustees is responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the trust and enable them to ensure that the accounts comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
INDEPENDENT AUDITOR'S REPORT

TO THE COMMITTEE OF DIRECTORS AND SOLE TRUSTEES OF THE ROYAL CALEDONIAN EDUCATION TRUST

Opinion

We have audited the financial statements of The Royal Caledonian Education Trust (the 'trust') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including 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 its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the trust 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 committee of directors and sole 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 trust'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 committee of directors and sole trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The committee of directors and sole trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

**TO THE COMMITTEE OF DIRECTORS AND SOLE TRUSTEES OF THE ROYAL
CALEDONIAN EDUCATION TRUST**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the committee of directors and sole trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of committee of directors and sole trustees

As explained more fully in the statement of committee of directors and sole trustees' responsibilities, the committee of directors and sole 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 committee of directors and sole 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 committee of directors and sole trustees are responsible for assessing the trust'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 committee of directors and sole trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE COMMITTEE OF DIRECTORS AND SOLE TRUSTEES OF THE ROYAL CALEDONIAN EDUCATION TRUST

The extent to which the audit was considered capable of detecting irregularities including fraud

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following;

- The nature of the industry and sector, control environment and business performance including the design of the remuneration policies, key drivers for trustee remuneration, bonus levels and performance targets;
- results of our enquiries of Management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and review the charitable company's documentation of their policies and procedures relating to;
 - identifying, evaluating and complying with laws and regulation and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

We also obtained an understanding of the legal and regulatory frameworks that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Employment law.

Audit response to risks identified

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

**TO THE COMMITTEE OF DIRECTORS AND SOLE TRUSTEES OF THE ROYAL
CALEDONIAN EDUCATION TRUST**

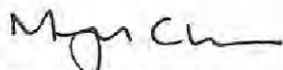
Other matters

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) 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.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the and to the charity's trustees, as a body, in accordance with 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 and 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, the charity's trustees as a body, and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Myers Clark

16 November 2023

Chartered Accountants
Statutory Auditor

Egale 1
80 St Albans Road
Watford
Hertfordshire
WD17 1DL

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2023 £	Total 2022 £
Income and endowments from:						
Donations and legacies	2	23,087	258,658	-	281,745	288,805
Investments	3	255	-	122,532	122,787	126,506
Other income	4	450,000	2,213	(450,000)	2,213	73,940
Total income		<u>473,342</u>	<u>260,871</u>	<u>(327,468)</u>	<u>406,745</u>	<u>489,251</u>
Expenditure on:						
Raising funds	5	119,512	23,237	-	142,749	122,692
Charitable activities	6	411,468	278,408	-	689,876	573,326
Total resources expended		<u>530,980</u>	<u>301,645</u>	<u>-</u>	<u>832,625</u>	<u>696,018</u>
Net gain/(loss) on investments	12	5,414	-	(274,455)	(269,041)	341,553
Net movement in funds		<u>(52,224)</u>	<u>(40,774)</u>	<u>(601,923)</u>	<u>(694,921)</u>	<u>134,786</u>
Fund balances at 1 April 2022		<u>5,651</u>	<u>191,030</u>	<u>4,387,440</u>	<u>4,584,121</u>	<u>4,449,335</u>
Fund balances at 31 March 2023		<u><u>(46,573)</u></u>	<u><u>150,256</u></u>	<u><u>3,785,517</u></u>	<u><u>3,889,200</u></u>	<u><u>4,584,121</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Prior Year Comparative Detail

	Unrestricted funds	Restricted funds	Endowment funds	Total 2022
	£	£	£	£
<u>Income and endowments from:</u>				
Donations and legacies	56,160	232,645	-	288,805
Investments	116	-	126,390	126,506
Other income	235,917	21,023	(183,000)	73,940
Total income	<u>292,193</u>	<u>253,668</u>	<u>(56,610)</u>	<u>489,251</u>
<u>Expenditure on:</u>				
Raising funds	122,692	-	-	122,692
Charitable activities	363,351	209,975	-	573,326
Total resources expended	<u>486,043</u>	<u>209,975</u>	<u>-</u>	<u>696,018</u>
Net gain/(loss) on investments	(68)	-	341,621	341,553
Transfer between funds	313,236	-	(313,236)	-
Net movement in funds	<u>119,318</u>	<u>43,693</u>	<u>(28,225)</u>	<u>134,786</u>
Fund balances at 1 April 2021	<u>(113,667)</u>	<u>147,337</u>	<u>4,415,665</u>	<u>4,449,335</u>
Fund balances at 31 March 2022	<u><u>5,651</u></u>	<u><u>191,030</u></u>	<u><u>4,387,440</u></u>	<u><u>4,584,121</u></u>

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Investments	14		3,872,005		4,614,126
Current assets					
Debtors	15	9,734		8,115	
Cash at bank and in hand		93,263		79,398	
			102,997		87,513
Creditors: amounts falling due within one year	16	(85,802)		(117,518)	
Net current assets/(liabilities)			17,195		(30,005)
Total assets less current liabilities			<u>3,889,200</u>		<u>4,584,121</u>
Capital funds					
Endowment funds					
Endowment funds - general	17		3,785,517		4,387,440
Income funds					
Restricted funds	18		150,256		191,030
Unrestricted funds			(46,573)		5,651
			<u>3,889,200</u>		<u>4,584,121</u>

The accounts were approved by the Committee Of Directors And Sole Trustees on 13 September 2023


 Mr G Gray
 Co-Chair

THE ROYAL CALEDONIAN EDUCATION TRUST

OPERATIONAL NAME: FORCES CHILDREN SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

1.1 Accounting convention

The accounts have been prepared in accordance with the trust's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice: Accounting and Reporting by Charities 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 accounts 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 applying 'Statement of Recommended Practice: 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) effective 1 January 2019' rather than the version of the Statement of Recommended Practice referred to in the regulation but has since been withdrawn.

The trust constitutes a Public Benefit Entity.

The trust has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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 with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

The Trust comprises a public benefit entity as defined by FRS 102.

1.2 Going concern

At the time of approving the financial statements, the committee of directors and sole trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. Thus the committee of directors and sole trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are donations and other income received or generated for the objects of the charity without further specified purpose and are available as general funds. Designated funds are unrestricted funds earmarked by the Directors for particular applications.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of overheads and support costs.

Permanent endowment funds are funds which have been given to the charity to be held as capital with no power to convert the funds to income.

Expendable endowment funds are funds given to the charity to be held as capital. The Trustees may convert the funds to income if no other income funds are available.

1.4 Incoming resources

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.

Income from government and other grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that income will be received and the amount can be measured and is not deferred.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by investment managers of the receipt of the dividend.

Income received in advance of recognition criteria being met is deferred until the criteria for recognition are met.

1.5 Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the trust. Single or multi-year grants are accounted for when the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside the control of the trust.

Allocation of costs

Expenditure is allocated to a particular activity where the costs relate directly to that activity. Direct expenditure has been allocated on the basis indicated below:

Cost of generating funds: These include all expenditure spent in generating the voluntary income.

Charitable activities: These include all expenditure directly related to the objects of the charity.

Support costs comprise costs incurred in support of the above activities. Included in support costs are costs incurred in the governance of the charity which are primarily associated with the constitutional and statutory requirements. Support costs are allocated to activities based on an estimate of staff time spend on each activity during the financial period.

Irrecoverable value added tax

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Grants

Grants payable made to third parties in the furtherance of the charitable objects of the charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant. Grants awarded that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to the grant is outside the control of the charity.

Pension contributions

The charity makes payments to a defined contribution pension scheme for its employees. Contributions are charged to the Statement of Financial Activities in the period they are payable.

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. All items of capital expenditure over £500 are capitalised.

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

Fixtures and fittings	over 5 years
Computers	over 4 years

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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.

1.7 Fixed asset investments

Listed investments are a form of basic financial interest and are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date using the mid-market value.

1.8 Cash and cash equivalents

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

1.9 Financial instruments

The trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' 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.

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.

Derecognition of financial liabilities

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

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Donations and gifts	23,087	258,658	281,745	288,805
For the year ended 31 March 2022	<u>56,160</u>	<u>232,645</u>		<u>288,805</u>

3 Investments

	Unrestricted funds 2023 £	Endowment funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
Income from listed investments	-	122,532	122,532	-	126,390	126,390
Interest receivable	255	-	255	116	-	116
	<u>255</u>	<u>122,532</u>	<u>122,787</u>	<u>116</u>	<u>126,390</u>	<u>126,506</u>

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

4 Other income	Unrestricted funds		Restricted funds		Endowment funds		Total Unrestricted funds		Restricted funds		Endowment funds		Total	
	2023	£	2023	£	2023	£	2023	£	2022	£	2022	£	2022	£
Released from endowment funds	450,000		-	(450,000)	-		183,000		-	(183,000)		-		
Fees	-		2,213		-		52,917		21,023			-		73,940
	<u>450,000</u>		<u>2,213</u>		<u>(450,000)</u>		<u>235,917</u>		<u>21,023</u>			<u>(183,000)</u>		<u>73,940</u>

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

5 Raising funds

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Costs of generating voluntary income				
Direct costs	69,852	-	69,852	69,049
Support & governance costs	26,582	23,237	49,819	28,129
	<u>96,434</u>	<u>23,237</u>	<u>119,671</u>	<u>97,178</u>
Costs of generating voluntary income				
<u>Costs of generating investment income</u>				
Investment management fees	23,078	-	23,078	25,514
	<u>119,512</u>	<u>23,237</u>	<u>142,749</u>	<u>122,692</u>

**THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2023

6 Charitable activities

	Family Support	Learning & Development	Participation	National Transition	Mental Health & Wellbeing	Total 2023	Total 2022
	£	£	£	£	£	£	£
Direct costs	128,090	25,988	171,214	761	142,969	469,022	335,545
Grant funding of activities (see note 7)	91,993	-	-	-	-	91,993	80,019
Share of support & governance costs (see note 8)	63,829	7,399	29,202	240	28,191	128,861	157,762
	<u>283,912</u>	<u>33,387</u>	<u>200,416</u>	<u>1,001</u>	<u>171,160</u>	<u>689,876</u>	<u>573,326</u>

	Family Support	Learning & Development	Participation	National Transition	Mental Health & Wellbeing	Total 2022
	£	£	£	£	£	£
Direct costs	59,962	30,095	96,341	69,377	79,770	335,545
Grant funding of activities (see note 7)	80,019	-	-	-	-	80,019
Share of support & governance costs (see note 8)	56,332	11,731	33,498	29,515	26,686	157,762
	<u>196,313</u>	<u>41,826</u>	<u>129,839</u>	<u>98,892</u>	<u>106,456</u>	<u>573,326</u>

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

7 Grants payable

	2023	2022
	£	£
Grants to individuals	91,993	80,019
	<u>91,993</u>	<u>80,019</u>

8 Support & governance costs

	2023	2021
	£	£
SUPPORT COSTS		
Staff costs	130,715	105,366
Recruitment and staff development	4,836	6,171
Premises expenses	8,240	24,483
PR, marketing and Annual Review	1,640	13,835
Printing, stationery, postage and phone	1,518	2,189
Travelling	3,710	1,413
Other	8,546	4,437
Accountancy	3,888	4,626
Computer & office equipment costs	6,402	5,523
GOVERNANCE COSTS	9,185	17,848
	<u>178,680</u>	<u>185,891</u>
Analysed between		
Fundraising	49,819	28,129
Charitable activities	128,861	157,762
	<u>178,680</u>	<u>185,891</u>

Governance costs includes payments to the auditors of £9,000 (2021 - £8,820) for audit fees.

9 Committee Of Directors And Sole Trustees

Trustee remuneration and expenses

None of the committee of directors and sole trustees (or any persons connected with them) received any remuneration or benefits from the trust during the year.

3 Trustees (2021: 1) were reimbursed travel and venue hire expenses totalling £405 (2021: £15).

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Employees

Number of employees

The average monthly number of employees (head count based on number of staff employed) during the year was:

	2023	2022
	Number	Number
Raising funds	2	2
Charitable activities	8	7
Support and Governance	3	2
	<u>13</u>	<u>11</u>

Employment costs

	2023	2022
	£	£
Wages and salaries	372,273	324,216
Social security costs	33,342	26,376
Other pension costs	13,652	12,838
	<u>419,267</u>	<u>363,430</u>

There was one employee (2022 - 1) whose annual emoluments were £60,000 or more. One full time employee was on secondment in 2022 in furtherance of the education programme.

The number of employees whose annual remuneration was £60,000 or more were:

	2023	2022
	Number	Number
£60,001 to £70,000	-	1
£70,001 to £80,000	1	-
	<u>1</u>	<u>1</u>

11 Taxation

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

12 Net gains/(losses) on investments

	Unrestricted funds	Endowment funds general	Total 2023	Total 2022
	£	£	£	£
Revaluation of investments	5,414	(274,455)	(269,041)	341,553
	<u>5,414</u>	<u>(274,455)</u>	<u>(269,041)</u>	<u>341,553</u>
For the year ended 31 March 2022	<u>(68)</u>	<u>341,621</u>		<u>341,553</u>

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

13 Tangible fixed assets

	Fixtures and fittings £	Computers £	Total £
Cost			
At 1 April 2022	869	2,976	3,845
At 31 March 2023	869	2,976	3,845
Depreciation and impairment			
At 1 April 2022	869	2,976	3,845
At 31 March 2023	869	2,976	3,845
Carrying amount			
At 31 March 2023	-	-	-
At 31 March 2022	-	-	-

14 Fixed asset investments

	2023 £	2022 £
Cost or valuation		
At 31 March 2022	4,614,126	4,414,791
Withdrawn	(473,080)	(142,218)
Valuation changes	(269,041)	341,553
At 31 March 2023	3,872,005	4,614,126
Impairment		
At 31 March 2022	-	-
At 31 March 2023	-	-
Carrying amount		
At 31 March 2023	3,872,005	4,614,126
At 31 March 2022	4,614,126	4,414,791
	2023 £	2022 £
Investments at fair value comprise:		
Investment assets held in the UK	2,542,474	3,295,884
Investment assets held outside the UK	1,329,531	1,318,242
	3,872,005	4,614,126

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

14 Fixed asset investments	(Continued)	
	2023	2022
	£	£
Investments representing over 5% by value of portfolio comprise:		
JPMorgan Fund ICVC JPM US Equity Income C Net Dis	224,974	235,654
FP WHEB Asset Management Funds Sustainability Fund B Acc (less than 5% this year)	-	290,457
Aberdeen Asian Income Fund Shares	235,898	253,786
Natixis Investment Funds UK ICVC Loomis Sayles US Eqty Leaders IA USD Acc (less than 5% in 2022)	194,766	-
	<u>655,638</u>	<u>779,897</u>
Fixed asset investments revalued		
Fixed asset investment are valued at market value at the year end.		
The historical cost of the fixed asset investments is £2,958,588 (2022: £3,179,602).		
Fixed asset investments include cash held awaiting investment of £270,831 (2022: £150,150).		
15 Debtors	2023	2022
	£	£
Amounts falling due within one year:		
Prepayments and accrued income	<u>9,734</u>	<u>8,115</u>
16 Creditors: amounts falling due within one year	2023	2022
	£	£
Other taxation and social security	(381)	10,234
Accruals and deferred income	<u>86,183</u>	<u>107,284</u>
	<u>85,802</u>	<u>117,518</u>

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 Endowment funds

Endowment funds represent assets which must be held permanently 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.

	Balance at 1 April 2022	Incoming resources	Movement in funds			Balance at 31 March 2023
			Resources expended	Revaluations gains and losses	Release from unapplied total return fund / Transfers	
	£	£	£	£	£	£
Permanent endowments						
Sale of the school	4,387,440	122,532	-	(274,455)	(450,000)	3,785,517
	<u>4,387,440</u>	<u>122,532</u>	<u>-</u>	<u>(274,455)</u>	<u>(450,000)</u>	<u>3,785,517</u>

	Balance at 1 April 2021	Incoming resources	Movement in funds prior period			Balance at 31 March 2022
			Resources expended	Revaluations gains and losses	Release from unapplied total return fund / Transfers	
	£	£	£	£	£	£
Permanent endowments						
Sale of the school	4,124,922	126,390	-	319,128	(183,000)	4,387,440
Expendable endowments						
Legacy	290,743	-	-	22,493	(313,236)	-
	<u>4,415,665</u>	<u>126,390</u>	<u>-</u>	<u>341,621</u>	<u>(496,236)</u>	<u>4,387,440</u>

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds current year			
	Balance at 1 April 2022	Incoming resources	Resources expended	Balance at 31 March 2023
	£	£	£	£
ABF The Soldiers Charity	24,973	26,000	(40,604)	10,369
Queen Victoria Sch QVS - Lighthouse	-	1,000	(1,000)	-
Scottish Children's Lottery	2,171	-	-	2,171
Paul Hamlyn	6,448	30,000	(36,448)	-
Board Game	(967)	-	-	(967)
The Veterans Foundation Grant	-	20,000	(20,000)	-
The D Oyle Carte	-	3,500	(3,500)	-
Veterans Scotland	-	62,416	(36,419)	25,997
Ground Work	1,000	1,000	(2,000)	-
Brit + FGN	5,977	16,037	(9,335)	12,679
Armed Forces Covenant Fund Trust Funding - YMM	109,381	72,720	(107,094)	75,007
Armed Forces Covenant	42,047	28,198	(45,245)	25,000
	<u>191,030</u>	<u>260,871</u>	<u>(301,645)</u>	<u>150,256</u>

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

18 Restricted funds

(Continued)

	Movement in funds prior period			Balance at 31 March 2022 £
	Balance at 1 August 2021 £	Incoming resources £	Resources expended £	
ABF The Soldiers Charity	24,973	-	-	24,973
Cash For Kids	1,820	-	(1,820)	-
Scottish Children's Lottery	2,171	-	-	2,171
Persimmon Homes	-	1,000	(1,000)	-
Awards For All	5,736	-	(5,736)	-
Paul Hamlyn	30,000	-	(23,552)	6,448
Board Game	18,696	-	(19,663)	(967)
The Veterans Foundation Grant	7,500	-	(7,500)	-
Veterans Scotland	5,960	14,798	(20,758)	-
Ciene & Tait (Tillyloss)	1,002	-	(1,002)	-
Ground Work	1,000	-	-	1,000
Brit + FGN	6,624	15,000	(15,647)	5,977
The National Lottery Community Fund - Young Start	-	20,400	(20,400)	-
Armed Forces Covenant Fund Trust Funding - YMM	41,855	160,423	(92,897)	109,381
Armed Forces Covenant	-	42,047	-	42,047
	<u>147,337</u>	<u>253,668</u>	<u>(209,975)</u>	<u>191,030</u>

**THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2023

19 Unrestricted funds

	Balance at 1 April 2022	Movement in funds current year				Balance at 31 March 2023
		Incoming resources	Resources expended	Revaluations, gains and losses	Released from unapplied total return fund / Transfers	
	£	£	£	£	£	£
General Unrestricted Funds	5,651	23,342	(530,980)	5,414	450,000	(46,573)
Total unrestricted funds	5,651	23,342	(530,980)	5,414	450,000	(46,573)

	Balance at 1 April 2021	Movement in funds prior year				Balance at 31 March 2022
		Incoming resources	Resources expended	Revaluations, gains and losses	Released from unapplied total return fund/ Transfers	
	£	£	£	£	£	£
General Unrestricted Funds	(113,667)	109,193	(486,043)	(68)	496,236	5,651
Total unrestricted funds	(113,667)	109,193	(486,043)	(68)	496,236	5,651

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

20 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Fund balances at 31 March 2023 are represented by:				
Investments	86,488	-	3,785,517	3,872,005
Current assets/(liabilities)	(133,061)	150,256	-	17,195
	<u>(46,573)</u>	<u>150,256</u>	<u>3,785,517</u>	<u>3,889,200</u>
	£	£	£	£
Fund balances at 31 March 2022 are represented by:				
Investments	226,686	-	4,387,440	4,614,126
Current assets/(liabilities)	(221,035)	191,030	-	(30,005)
	<u>5,651</u>	<u>191,030</u>	<u>4,387,440</u>	<u>4,584,121</u>

21 Permanent Endowment

	Endowment Fund £	Unapplied Total Return £	Total Endowment Fund £
At 1 April 2022			
Sale of school	2,600,000	-	2,600,000
Unapplied total return	-	1,787,440	1,787,440
Total	<u>2,600,000</u>	<u>1,787,440</u>	<u>4,387,440</u>
Movements to 31 March 2023			
Investment return - dividends	-	122,532	122,532
Investment return - realised & unrealised gains	-	(274,455)	274,455
	-	<u>(151,923)</u>	<u>151,923</u>
Unapplied total return allocated to income in the year	-	(450,000)	(450,000)
Net movements in the year	-	<u>(601,923)</u>	<u>601,923</u>
At 31 March 2023			
Sale of school	2,600,000	-	2,600,000
Unapplied total return	-	1,185,517	1,185,517
Total	<u>2,600,000</u>	<u>1,185,517</u>	<u>3,785,517</u>

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

22 Operating lease commitments

At the reporting end date the trust had no outstanding commitments for future minimum lease payments under non-cancellable operating leases for the rental of office space:

	2023	2022
	£	£
Within one year	-	10,402
	<u> </u>	<u> </u>

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, including redundancy payments, employers NI and employers pension contributions is as follows:

	2023	2022
	£	£
Aggregate compensation	73,557	69,676
	<u> </u>	<u> </u>

Transactions with related parties

During the year, 3 trustees (2022: none) were reimbursed for travel and subsistence costs totalling £494 (2022: £nil),

THE ROYAL CALEDONIAN EDUCATION TRUST

England & Wales - Charity number 310952

Accounts

Charity Registration No. 310952 (England and Wales)

Charity Registration No. SC038722 (Scotland)



**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**



THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
LEGAL AND ADMINISTRATIVE INFORMATION

Patron	Her Majesty the Queen
Honorary Vice Presidents	Brigadier B Wrench Rear Admiral J Weale CB, OBE Air Vice Marshal R Paterson CB, OBE, ADC, DL
Vice Presidents	Lt Col A Middlemiss DL Lt Col H. Cowan Lt Gen Sir Alistair Irwin KCB CBE Mr I C Stewart Hunter Mr D Keith Robertson
Chairman	Mr M Noble
Deputy Chairman	Mr C Cook
Committee Of Directors And Sole Trustees	Mr M Noble Mr G Gray Mr N McLennan Ms S Wilson Mr C Cook Ms I Campbell Lupton Ms C Grant Mrs C Sutherland-Hawes Mrs L Hadley-Stove Mr C Middleton Mr M Young Ms K Lindsay
Chief Executive	Mrs Laura Falconer
Charity number (England and Wales)	310952
Charity number (Scotland)	SC038722
Principal address	The Melting Pot 15 Calton Road Edinburgh Scotland EH8 8DL
Auditor	Myers Clark Egale 1 80 St Albans Road Watford Hertfordshire WD17 1DL
Bankers	Royal Bank of Scotland 142/144 Princes Street Edinburgh EH2 4EQ

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
LEGAL AND ADMINISTRATIVE INFORMATION

Investment advisors

Adam & Company
25 St Andrews Square
Edinburgh
EH2 1AF

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
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THE ROYAL CALEDONIAN EDUCATION TRUST

OPERATIONAL NAME: FORCES CHILDREN SCOTLAND

COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The committee of directors and sole trustees present their report and accounts for the year ended 31 March 2022.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the requirements of the trust's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), 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)" (as amended for accounting periods commencing from 1 January 2019).

Objectives and Activities

The Royal Caledonian Education Trust (RCET) is a charity established by a Charter of Incorporation created by an Act of Parliament, which received the Royal Assent from King George III on 14th June 1815.

Our aim today is to support and encourage the education, training and wellbeing of a) the offspring of Scottish members of Her Majesty's forces and b) the Scottish offspring of members of Her Majesty's Forces. For these purposes, a person shall be considered Scottish if our Trustees, in their absolute discretion, determine that they have a sufficient connection to Scotland, or who demonstrate to the Trustees' satisfaction links with Scotland, including those who may be considered Scottish regardless of their place of residence.

The Board of Trustees had, on 3rd March 2021, agreed to commission a re-branding exercise, involving the appointment of a creative agency to co-produce a new brand identity. The process involved extensive consultation with Trust staff, Armed Forces children and young people, and stakeholders.

On 23rd June 2021, the Board of Trustees adopted re-branding proposals covering vision, mission, strategic aims, visual identity and a change of our Operational Name to 'Forces Children Scotland'.

Our vision is to make Scotland a place where all Armed Forces children and young people can thrive.

Our mission is to be the sector leading children and young people's Armed Forces charity in Scotland, by providing empowering opportunities and amplifying their voices to inspire change.

Our values:

- We are passionate, as children from Armed Forces families are too often overlooked.
- We are trusted, not only because we have over two centuries of experience but because we continue to evolve our approach, based on children and young people's unique experiences and evidence-based research.
- We are collaborative, whether that be with partners, staff or our children and young people, because only by working together will we deliver meaningful change.
- We are honest, promising to Armed Forces children, young people and their families that we will always act with integrity when supporting them.

Our strategic aims:

- To support and empower children and young people from Armed Forces families to reach their potential and thrive.
- We achieve this by working collaboratively across sectors to drive improvements which reflect and support the unique challenges they face.
- We amplify their voices, ensuring they are heard and influence the development of policy and practice.

We realise our objectives as follows:

- We deliver services that support children and young people including, for example, supporting mental health and wellbeing.
- We give financial support.
- We provide advice and support to those agencies responsible for the education and wellbeing of Armed Forces Children and young people through a programme of training, resources, research and access to our advisory service.
- We create opportunities for children and young people to get involved, participate and be heard.
- We build partnerships to help influence big change.

THE ROYAL CALEDONIAN EDUCATION TRUST

OPERATIONAL NAME: FORCES CHILDREN SCOTLAND

COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Public Benefit

The Board of Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when planning, implementing and reviewing all current and future activities. They follow the updated governing principles adopted on 5th December 2018. This defines our charitable purpose and how it benefits Armed Forces children and young people.

Achievements and Performance

Our report details significant developments over the year 2021/22. The re-branding exercise include a change of name and logo. The operational name, FORCES CHILDREN SCOTLAND, sets out what we do and where we are located: supporting children from military families from a base in Scotland. We are also working on changes on how we present the charity and its services. This involves the installation of a new website which will be completed in the next year.

Children and Young People Participation

Summary

The impact of the pandemic has been considerable. In particular, it proved difficult to gain access to schools as restrictions were in place. Many children have needed to focus on catching up on work missed during periods of school closures. Despite these challenges, we have succeeded in delivering over 90 sessions. These have included participation in our 2021 virtual conference and breaking new ground with our Forces Board Game.

Supporting the development of FCS' new strategic plan

We delivered eight engagement sessions (online and in person) across Scotland to ensure young people had the opportunity to inform our new strategic plan. The sessions had a tri-service reach and 153 young people from serving and veteran families attended. Two young people were supported to participate in the final online development session with staff and trustees to finalise the plan.

Exploring the support and service needs of Armed Forces children and young people

Following on from our strategic planning sessions we delivered an Engagement session for young people living in the Inverness area. The session further explored their experiences and needs and gave wellbeing staff an opportunity to connect with young people in the area.

10 young people from serving and veteran families attended. We also had the opportunity to engage with two parents who gave their insight into their knowledge about the support needs of Armed Forces children and young people.

Empowering young people to share their lived experience

Working with Media Education, forum members were supported to identify a key message they wanted to share about their experience of belonging to an Armed Forces family. The group highlighted their experiences of transition, education and identity. We worked with each young person to develop their elevator pitch which they delivered at a very successful engagement session with MSPs.

We delivered three expressive arts sessions, two in person and one online. Working with an art facilitator we supported young people to reflect on their experiences using weather symbols and colours.

Supporting better understanding of Armed Forces young carers

A training session was delivered for young carers support workers to raise awareness of the unique challenges of caring in a forces family. The training featured film footage of young people talking about their experiences of deployment and postings and received excellent feedback from attendees.

Key young carers projects are now asking at referral stage if the young person is from an Armed Forces family, and this is highlighting potential additional needs.

THE ROYAL CALEDONIAN EDUCATION TRUST

OPERATIONAL NAME: FORCES CHILDREN SCOTLAND

COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

FCS conference film

Working with a small team of young people we used a variety of creative workshops to support young people to share their experiences with delegates at our conference. We worked with Media Education to create an engaging, hard-hitting film which allowed conference participants to connect young people's experiences to trauma informed practice.

Three members of the project team were also involved in welcoming the delegates and taking part in breakout rooms and the Q&A panel. The film was very well received by delegates who highlighted it as a key feature of their learning.

Forces Life board game project

With funding from the Armed Forces Covenant Trust, we were able to begin work developing the young people's board game prototype. The project team met in June and used interactive online tools to share their ideas and made decisions to further develop the game design. They also planned the activities for the residential which took place in July and was hosted by Napier University.

Residential workshop sessions included visioning our project, creating personas, developing player characters and semiotic training. The group also had a tour around the campus with a student ambassador who answered their questions about campus life.

The residential also included a visit from MSP Alexander Stewart and filming with British Forces Broadcasting Service (BFBS) and Media Education. Follow up sessions have been delivered online and the wider forum group voted on their preferred game design.

The group have engaged online with Dekko Comics to develop the companion comic book which is now in the initial design phase.

Supporting Armed Forces young people

We supported two young people as they expressed their views on the Scottish Education review and this was fed into our response to the consultation response.

The Participation Manager has continued to attend the C&YP Cross Party meetings to ensure that Armed Forces young people's experience has been reflected in the group's review of the impact of the pandemic of children and young people's wellbeing and learning in Scotland.

We have been accepted as an associate member of the Interim Children and Young People's Consortium project. This will ensure Armed Forces children and young people's views are heard in the implementation of the UNCRC bill.

Local school forums

Our participation work has continued to be impacted by the pandemic. Although schools were mainly open for pupils, our access has been variable throughout the year. Face to face sessions were delivered when possible. Online engagement into classes was not always possible or effective which has impacted on our ability to develop local forum groups.

Additionally, forum members were placed under increased pressure to catch up with their learning and, with school assessments and portfolios determining grades, they were not always able to engage with us.

We have therefore concentrated on delivering our project work rather than development work and have continuously adapted to young people's needs and availability to engage.

Project capacity

The Highland and Moray post was vacant from June 2021 to January 2022, and this inevitably had an impact on our capacity over this period. We filled the vacant post in January and now have an additional part time project worker to cover some of the work in central Scotland moving forward.

Participation residential planning

20 young people from across Scotland will take part in the Participation residential in the Easter Holidays. The residential will be delivered in partnership with Army and Navy Welfare services. We have undertaken planning for this event which will be a blend of skills workshops and outdoor activities.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Identifying and supporting Armed Forces young carers

In Fife we have been working closely with a group of Armed Forces young carers to explore an effective way to identify hidden Armed Forces young carers. The group felt that an awareness campaign with posters positioned in each of the primary and secondary schools across Fife would be a positive first step.

The group have worked with a design agency and created two posters (one each for primary and secondary) which will be displayed on the young carers' notice board each school has across the local authority. The template will be able to be used in other local authority areas. The group will now be working towards the next phase to create a learning resource for teachers to further support identification.

Queen Victoria School forum

We have been working with a group of 10 young people in the school to support the development of improved understanding of their experiences of belonging to a forces family and living in a boarding school. Young people have highlighted that although all the pupils are from forces families there is still sometimes a lack of empathy and understanding. They are in the process of developing a training resource for teachers. The group have also been supporting the development of a new wellbeing project for the school.

Additionally, a media group has been created within the school. Our Marketing, Communications & Development Manager is supporting the development of the group and an initial skills session has been delivered on brand storytelling. Further sessions will be delivered after the exam diet.

Fundraising

Summary

We have raised a total of £140,525 in the year 2021/22 from a variety of sources, detailed below. This is significantly in excess of the target sum set at the beginning of the year. Of this total 75% are restricted and 25% unrestricted funds.

Securing restricted and unrestricted income

We secured £105,260.00 (restricted) and £35,565.00 (unrestricted) from trusts and foundations.

THE ROYAL CALEDONIAN EDUCATION TRUST

OPERATIONAL NAME: FORCES CHILDREN SCOTLAND

COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Managing underspends

We negotiated a carry forward of underspends amounting to £35,003.

We continue to experience challenges to spending the aforementioned because of the COVID-19 pandemic. However, we have ensured a regular flow of communication continues with funders.

Enhancing our fundraising proposition under our new brand

Our fundraising webpages have been refreshed with regards to adopting our new brand identity and narrative. In addition, a comprehensive update has been initiated to ensure all copy has been revitalised and fully optimised using Google Keyword Planner. We used Google Analytics to conduct a comprehensive review which outlined several areas for improvement with regards to signposting.

It is pleasing to observe things are moving in the right direction. We have seen a 116% increase in visits to our fundraising pages and a halving of the number of single page exits when comparing the April – December 2021 period to the April – December 2022 period. In addition, a new conversion metric will be established to measure fundraising sign-up conversions during the last quarter of the financial year reporting period.

Donor relationships

We have maintained our small base of regular giving (£6,822.04 – 97.46%) and major gift supporters (£4000.00 – 66.67%), whom we have reached out to via Mailchimp on two occasions this year to have their say in our transformational work.

In addition, we have received a range of donations from groups and associations (£30,000.00 – 100%) and surpassed our corporate fundraising target. Furthermore, we raised £3,368.97 (77.08%) through individuals and groups participating in challenges and community fundraising activities.

Trusts and foundations

We have submitted a series of funding applications in support of our proposed Lighthouse Project partnership with Queen Victoria School (£38,142.69).

Scottish Military Ball

We have worked extensively with the Scottish Military Ball who will host an event in support of Forces Children Scotland at the Royal Scots Club on Saturday 07 May 2022. We have launched a campaign within Edinburgh to collate prize donations across leisure, retail, experiences sectors and have produced gift aid donation slips and thank you cards for guest place settings.

Fundraising literature

We have completed our initial phase of uploading on our new website. Furthermore, we will use updated copy and assets as the foundation to launch campaign to produce refreshed regular-giving (Force for Good) and legacy (Lasting Force) literature and copy for our new website. In addition, we have developed two fundraising leaflets for general and corporate audiences in support of future campaigns and will be downloaded on social media.

Marketing and Communication

Summary

Following consultation with stakeholders last year, the Board of Trustees resolve to employ consultants to work with us on a re-branding exercise. This involved co-producing a new brand, identity and narrative. The Board of Trustees accepted the recommendations, including the adoption of FORCES CHILDREN SCOTLAND as a new operational name of the charity.

THE ROYAL CALEDONIAN EDUCATION TRUST

OPERATIONAL NAME: FORCES CHILDREN SCOTLAND

COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Marketing and Communication (continued)

Re-branding

We worked in partnership with consultants 'Electrify Marketing and Communications' to co-produce a new brand identity and narrative with beneficiaries, staff, trustees, and external partners. Accordingly, our new name was adopted by the Board of Trustees on 23rd June 2021, was launched officially on 30th September 2022.

Our website and its social media channels were refreshed, in alignment with our new brand guidelines. In addition, a brand book was created to provide guidance to staff and external partners how to implement our new brand. Furthermore, a portfolio of branded digital assets and templates have been created to ensure staff deliver consistent communications.

Expanding our social and professional channels

We have expanded our social and professional channel portfolio, which now includes an Instagram, YouTube and LinkedIn presence for Forces Children Scotland. This has enhanced our ability to reach our strategic audience profiles.

We completed a considerable amount of work to ensure posting across social/professional channels achieves a high-level of consistency with regards to our brand guidelines and conventions. However, given sustained constraint on movement because of COVID-19, we will strive to enhance our communications further, through a wider use of audio/visual to ensure we meet our aim of developing a comprehensive VAK strategy.

Impact Report 2021

Our Impact Report highlighted what we have achieved in support of children and young people from serving, reservist and veteran families during these unprecedented times. In addition, new sections were added which covered our commitment to adopting co-production principles and an ecological model.

Press and media

We have increased our distribution of press releases by 700% compared to the previous year and continue to build upon our database of media contacts. We have established strong working partnerships with BFBS Scotland, Forces TV as well as our 'Army and You' Magazine.

Public engagement

Due to the ongoing COVID-19 pandemic, we have not been able to deliver our planned public engagement campaign. However, as restrictions lifted were able to take our Forces Children Scotland stand to a series of smaller engagement events which included Veterans Chaplaincy Scotland roadshow events in Edinburgh and Glasgow, as well as a series of school community hub engagement activities during the Autumn of 2021.

Website development

We have recruited a digital agency, Parkhouse to work in partnership to develop our new Forces Children Scotland website and Your Mind Matters digital platform. We have completed our respective project understanding, initiation, immersion, user experience (UX) and Information Architecture (IA) phases which have led to production of early wireframes and visuals.

Forces Children Scotland strategy 2022/25

We have completed the process of co-producing the charity's new three-year strategy with children and young, staff and trustees. The strategy will be available in both printed and digital formats when it launches in August.

Co-producing marketing and communications with young people

The department has launched a marketing and communications group within Queen Victoria School in Dunblane. Early sessions have provided short tutorials about brand storytelling to provide pupils with knowledge and skills to co-produce marketing communications to peers via Forces Children Scotland's website and social media channels.

THE ROYAL CALEDONIAN EDUCATION TRUST

OPERATIONAL NAME: FORCES CHILDREN SCOTLAND

COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Education

Summary

Despite the continuing effects of COVID-19, we continued to deliver our education services throughout the year. Where necessary, this involved virtual rather than face-to-face learning.

Impact of COVID-19 on engagement

Our education work has been affected by the pandemic. While restrictions have been in place, it has not been possible to gain access to schools to deliver a face-to-face learning service. However, we have continued to deliver an education service, utilising a virtual format where necessary.

Project work has focused on developing online learning and development opportunities rather than development work and has adapted to increase engagement with partners.

Of greater impact is the fact that the Education Worker post has been vacant since August 2021. This has inevitably had an impact on our capacity over this period. The new Learning and Development worker started in post in February 2022. Due to the internal challenges with content writing for the YMM digital platform the new member of staff was temporarily assigned to that urgent task. She was subsequently successful at recruitment for the Children and Family Services Manager vacancy and the Learning and Development post is now vacant again.

We have adapted well to the restrictions imposed in consequence of the COVID-19 pandemic. However, until the Spring of 2022, this has required a considerable proportion of content being delivered through virtual formats. Despite our 2021 conference being delivered on a virtual platform, the feedback we have received from attendees has been entirely positive

Key activity/progress

Professional Virtual Conference

We delivered a professional virtual conference on Wednesday 3rd November 2021, which put trauma, belonging and adversity into the context of young people from serving personnel, reservist and veteran families and explored potential impact on mental health, education and learning, and relationships with others. We welcomed over 100 education professionals, as well as representatives from the military and a variety of additional civilian sectors which work with children and young people from serving, reservist and veteran families.

We developed a post-event conference focused on gathering insights based on the outcomes of our British Foreign School Society-funded project.

84% of attendees agreed that the conference had inspired them to think differently about working with young people from serving, reservist and veteran families.

84% of attendees agreed they better understand how unique challenges like trauma and adversity can relate to young people from serving, reservist and veteran families.

Professional Learning Activities

We successfully filmed two Professional Learning Activities (PLA's). These webinar presentations will help education professionals understand the lives of children and young people from Armed Forces families. We are now working on the production of our own adapted PLA and landing page.

Children and Family Services

Summary

There has been a slight shift of emphasis this year away from families in immediate crisis and towards those struggling in difficult circumstances impacted by the high cost of living and requiring some regular financial support.

THE ROYAL CALEDONIAN EDUCATION TRUST

OPERATIONAL NAME: FORCES CHILDREN SCOTLAND

COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Children and Family Services (continued)

Support Overall

A total of 162 Families received financial support during 21/22 representing 325 individual children and young people.

The main difficulties these families face are family breakdown, challenges with physical and mental health and debt. Unemployment is also very prevalent however this normally seems due to the other challenges the families are facing rather than an inability to find a job.

Seven SSAFA branches again took up the opportunity to access our Christmas Crisis Intervention Grant of £500 this year, allowing them to offer families in crisis discretionary grants for food and necessities over the Christmas period.

Educational support

We decided to replace our budget for school uniforms and replace it with an overall education support grant.

Young carers

We were able to reach more young carers this year and provide sports equipment, laptops and driving lessons. We received significant funding from the Scottish veterans fund for these purposes.

Respite breaks

During 2021 pandemic related restrictions on travel, we were only able to manage one short break. This year between 1st January and 31st March, we provided breaks to 21 families. There were 29 beneficiaries in all.

Apprenticeships

It has not been possible to run this programme. The fund will be renewed next year with a new title: the 'Leaving Home Grant.'

University and College

We thought it likely that there would be a fall in demand for post 16 education support, but demand for support has been higher than ever. There was a slight increase in the average grant awarded due to a rise in the numbers of students living away and families on very low incomes. Working with Reading Force on making this provision has worked well

Well-being boxes

We continued to send these out to grants recipients through the year.

Your Mind Matters

Summary

The pandemic has impacted on delivery of the face to face work of this service, delaying the start.

Developing the YMM service

YMM Digital began in October 2020 and YMM Face-to-Face (F-F) launched in January 2022 following recruitment of a Wellbeing Worker to co-produce and deliver in-person wellbeing services. The appointment of the Children and Family Service Manager took place in August, meaning that the project had a lead person across the Digital and Face to Face elements.

COVID-19 has impacted YMM Digital, as it has many projects, primarily due to Zoom exhaustion, and, of course, an incredibly turbulent time for Armed Forces young people. Despite the restrictions, the team implemented a Discovery Phase of the project.

Staffing the Service

The face-to-face wellbeing work began with the recruitment of a Wellbeing Worker and two additional sessional Wellbeing Workers to engage with young people in the West of Scotland.

The service was launched for referrals at the end of December. Hermitage Academy (Helensburgh) has been utilising the support, accepting the time of our Wellbeing Worker two and a half days per week to support young people.

THE ROYAL CALEDONIAN EDUCATION TRUST

OPERATIONAL NAME: FORCES CHILDREN SCOTLAND

COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Your Mind Matters (continued)

Key activities and progress

With both aspects of the service now operating, the YMM project has strengthened, learning from activities and diversity of skills across the Wellbeing team.

YMM Digital has moved through an extensive Discovery phase into content production and preparing for website build early 2022. Armed Forces young people have contributed a wealth of feedback from feature ideas to personal stories, to marketing and accessibility strategies. Given the required delay to selecting the digital partner, the YMM team trialled a calendar of wellbeing, content, and podcast sessions.

YMM F-F restarted late 2021 and is embarking on the co-production journey with Armed Forces young people, however it will focus on group work: 1-1s and peer support models with sessions already underway at Hermitage. Several members of the YMM Digital group have been referred and are already receiving 1-1 wellbeing support.

Policy

Summary

We have made considerable progress in exerting influence on policy and practice, over the year 2021/22. Our new Advisory Group brought together representatives of ADES, the Scottish Government, The MOD (Department of Children and Young People, the SCIP Alliance and schools. Two priorities have been Children's Rights, relating to incorporation of the UNCRC in Scotland and connecting with the Scottish Parliament.

Consultations

We submitted eight responses to consultations/evidence requests across the children's and military sectors at both Scottish and UK levels covering a wide range of issues including UNCRC incorporation, education reform, the proposed National Care Service, GIRFEC, and the Armed Forces Covenant.

Military Covenant and children's rights

Notably, we were informed towards the end of 2021 that our response to a consultation by the MoD Armed Forces Covenant team will see our participation work feature as a case study in the forthcoming Armed Forces Covenant Guidance. Our response to a consultation around children's rights by Together also saw our work around participation and data feature as case studies in their annual 'State of Children's Rights' report launched in February.

Research

In terms of briefings and statements, desk-based research has been carried out to inform our positions around poverty and the recruitment of under 18s into the Armed Forces. Both issues require further engagement and consultation work and will be taken forward in the forthcoming year.

Scoping work has also begun to inform a paper setting out our position and asks around the mental health and wellbeing of Armed Forces children and young people. The paper will be drafted in the coming months and will serve as a basis for our influencing work on this issue with key stakeholders and decision-makers.

Policy Development

More broadly, from the end of March, in-depth work has begun to develop clear, specific policy asks across our priority areas of data, children's rights, education and learning, and mental health and wellbeing. This will be instrumental to taking forward our influencing work in the forthcoming year.

THE ROYAL CALEDONIAN EDUCATION TRUST

OPERATIONAL NAME: FORCES CHILDREN SCOTLAND

COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Four Key Points

Education review

Dr Ken Cunningham CBE (former General Secretary of School Leaders Scotland) was commissioned to review our Education Programme in March 2020. The Cunningham Report was presented to the Board of Trustees in September 2020 and again on 2nd December, 2020. Stage 2 of the review was undertaken by our then newly appointed CEO Laura Falconer. She consulted our partner organisations: The MOD, the Scottish Government and ADES.

There are two broad elements to the Education Programme. First, there is direct support, advice and training offered to schools, colleges and local authorities. This includes support on transition. The National Transition Officer remains in post but is no longer part funded by or seconded to Forces Children Scotland. Second, there is our focus on influencing public policy, for example on national collection of data concerning Armed Forces children in Scotland. Our new Strategic Plan highlights both elements.

Financial review

Our finance and investment policies aim to provide long term stability and liquidity sufficient to finance the Trust's programmes, balancing the needs of current and future beneficiaries. As reported last year the Trustees had a target of raising the level of unrestricted reserves to £300,000, representing approximately 6 month's expenditure. As at 31 March 2022, the level of unrestricted funds was £5,651 which is less than the target. In order to build the level of reserves, the Board's Treasurer and Officers Group will oversee the planned efforts to raise the level of unrestricted reserves towards the target.

Structure, Governance and Management

The Board of Trustees meets four times a year. They are responsible for overall strategy, financial and risk management. There are 12 Trustees and no vacancies. The officers are the Chairman and Deputy Chairman, and Treasurer.

A phased restructuring of the governing body was managed between 2019 and 2021. An induction programme for new Trustees was delivered in July 2021. A Board of Trustees development day was held on 14th October. The focus was on the implementation of the new Strategic Plan, as adopted on 2nd March 2022.

Office Closure

When the Scottish Government introduced lockdown restrictions in March 2020 the CEO and chairman agreed that all staff members might work from home. Following the success of these arrangements the decision has been made to move all staff to permanent home working contracts and the offices in Hill Street will close in September 2022.

Future Plans

Governance

We will undertake a performance review in October, covering attendance and contribution of individual Trustees, development of an officer group, re-structuring of the role of Vice Presidents and effectiveness of the Board overall.

Website launch

Our new website will be launched in August 2022.

Conference 2023

The Practitioners' conference for 2021 was held virtually and facilitated by the Conference Care Company. There were two keynote addresses on trauma and how it affected military families. We will consider all of our options before deciding on the merits or otherwise of hosting a conference in 2023.

President and Vice Presidents

Three of our Vice Presidents based in Scotland have given notice of their pending retirement from the role. This leaves the three Service Chiefs and two former Chairmen living in England. We intend to appoint a President and enhance the role of Vice Presidents, in line with recommendations proposed by retiring Vice President Lt General Sir Alistair Irwin.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

The committee of directors and sole trustees' report was approved by the Board of Committee Of Directors And Sole Trustees.

Mr M Noble

Chairman

Dated: 7 September 2022

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
STATEMENT OF COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2022

The committee of directors and sole trustees are responsible for preparing the Committee Of Directors And Sole Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland and in England and Wales requires the committee of directors and sole trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the trust and of the incoming resources and application of resources of the trust for that year.

In preparing these accounts, the committee of directors and sole trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The committee of directors and sole trustees is responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the trust and enable them to ensure that the accounts comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE ROYAL CALEDONIAN EDUCATION TRUST

OPERATIONAL NAME: FORCES CHILDREN SCOTLAND

INDEPENDENT AUDITOR'S REPORT

TO THE COMMITTEE OF DIRECTORS AND SOLE TRUSTEES OF THE ROYAL CALEDONIAN EDUCATION TRUST

Opinion

We have audited the financial statements of The Royal Caledonian Education Trust (the 'trust') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including 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 its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the trust 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 committee of directors and sole 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 trust'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 committee of directors and sole trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The committee of directors and sole trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE COMMITTEE OF DIRECTORS AND SOLE TRUSTEES OF THE ROYAL CALEDONIAN EDUCATION TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the committee of directors and sole trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of committee of directors and sole trustees

As explained more fully in the statement of committee of directors and sole trustees' responsibilities, the committee of directors and sole 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 committee of directors and sole 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 committee of directors and sole trustees are responsible for assessing the trust'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 committee of directors and sole trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

THE ROYAL CALEDONIAN EDUCATION TRUST

OPERATIONAL NAME: FORCES CHILDREN SCOTLAND

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE COMMITTEE OF DIRECTORS AND SOLE TRUSTEES OF THE ROYAL CALEDONIAN EDUCATION TRUST

The extent to which the audit was considered capable of detecting irregularities including fraud

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following;

- The nature of the industry and sector, control environment and business performance including the design of the remuneration policies, key drivers for trustee remuneration, bonus levels and performance targets;
- results of our enquiries of Management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and review the charitable company's documentation of their policies and procedures relating to;
 - identifying, evaluating and complying with laws and regulation and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

We also obtained an understanding of the legal and regulatory frameworks that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Employment law.

Audit response to risks identified

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

**THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE COMMITTEE OF DIRECTORS AND SOLE TRUSTEES OF THE ROYAL
CALEDONIAN EDUCATION TRUST**

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) 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.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

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

Myers Clark

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**Chartered Accountants
Statutory Auditor**

Egale 1
80 St Albans Road
Watford
Hertfordshire
WD17 1DL

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2022 £	Total 2021 £
<u>Income and endowments from:</u>						
Donations and legacies	2	56,160	232,645	-	288,805	351,496
Investments	3	116	-	126,390	126,506	109,361
Other income	4	235,917	21,023	(183,000)	73,940	51,496
Total income		292,193	253,668	(56,610)	489,251	512,353
<u>Expenditure on:</u>						
Raising funds	5	122,692	-	-	122,692	153,285
Charitable activities	6	363,351	209,975	-	573,326	449,280
Total resources expended		486,043	209,975	-	696,018	602,565
Net gain/(loss) on investments	11	(68)	-	341,621	341,553	736,506
Net (outgoing)/incoming resources before transfers		(193,918)	43,693	285,011	134,786	646,294
Transfers between funds		313,236	-	(313,236)	-	-
Net movement in funds		119,318	43,693	(28,225)	134,786	646,294
Fund balances at 1 April 2021		(113,667)	147,337	4,415,665	4,449,335	3,803,041
Fund balances at 31 March 2022		5,651	191,030	4,387,440	4,584,121	4,449,335

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Prior Year Comparative Detail

	Unrestricted funds	Restricted funds	Endowment funds	Total 2020
	£	£	£	£
<u>Income and endowments from:</u>				
Donations and legacies	76,651	274,845	-	351,496
Investments	1,605	-	107,756	109,361
Other income	251,496	-	(200,000)	51,496
	<hr/>	<hr/>	<hr/>	<hr/>
Total income	329,752	274,845	(92,244)	512,353
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Expenditure on:</u>				
Raising funds	153,285	-	-	153,285
Charitable activities	267,269	182,011	-	449,280
	<hr/>	<hr/>	<hr/>	<hr/>
Total resources expended	420,554	182,011	-	602,565
	<hr/>	<hr/>	<hr/>	<hr/>
Net gain/(loss) on investments	17,600	-	718,906	736,506
	<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds	(73,202)	92,834	626,662	646,294
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances at 1 April 2020	(40,465)	54,503	3,789,003	3,803,041
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances at 31 March 2021	<u>(113,667)</u>	<u>147,337</u>	<u>4,415,665</u>	<u>4,449,335</u>

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Investments	13		4,614,126		4,414,791
Current assets					
Debtors	14	8,115		5,947	
Cash at bank and in hand		79,398		119,254	
			87,513		125,201
Creditors: amounts falling due within one year	15	(117,518)		(90,657)	
Net current (liabilities)/assets			(30,005)		34,544
Total assets less current liabilities			4,584,121		4,449,335
Capital funds					
Endowment funds					
Permanent endowment		4,387,440		4,124,922	
Expendable endowment		-		290,743	
	16		4,387,440		4,415,665
Income funds					
Restricted funds	17		191,030		147,337
Unrestricted funds			5,651		(113,667)
			4,584,121		4,449,335

The accounts were approved by the Committee Of Directors And Sole Trustees on 7 September 2022

Mr M Noble
Chairman

THE ROYAL CALEDONIAN EDUCATION TRUST

OPERATIONAL NAME: FORCES CHILDREN SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

1.1 Accounting convention

The accounts have been prepared in accordance with the trust's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice: Accounting and Reporting by Charities 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 accounts 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 applying 'Statement of Recommended Practice: 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) effective 1 January 2019' rather than the version of the Statement of Recommended Practice referred to in the regulation but has since been withdrawn.

The trust constitutes a Public Benefit Entity.

The trust has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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 with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

The Trust comprises a public benefit entity as defined by FRS 102.

1.2 Going concern

At the time of approving the financial statements, the committee of directors and sole trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. Thus the committee of directors and sole trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are donations and other income received or generated for the objects of the charity without further specified purpose and are available as general funds. Designated funds are unrestricted funds earmarked by the Directors for particular applications.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of overheads and support costs.

Permanent endowment funds are funds which have been given to the charity to be held as capital with no power to convert the funds to income.

Expendable endowment funds are funds given to the charity to be held as capital. The Trustees may convert the funds to income if no other income funds are available.

1.4 Incoming resources

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.

Income from government and other grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that income will be received and the amount can be measured and is not deferred.

THE ROYAL CALEDONIAN EDUCATION TRUST

OPERATIONAL NAME: FORCES CHILDREN SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by investment managers of the receipt of the dividend.

Income received in advance of recognition criteria being met is deferred until the criteria for recognition are met.

1.5 Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the trust. Single or multi-year grants are accounted for when the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside the control of the trust.

Allocation of costs

Expenditure is allocated to a particular activity where the costs relate directly to that activity. Direct expenditure has been allocated on the basis indicated below:

Cost of generating funds: These include all expenditure spent in generating the voluntary income.

Charitable activities: These include all expenditure directly related to the objects of the charity.

Support costs comprise costs incurred in support of the above activities. Included in support costs are costs incurred in the governance of the charity which are primarily associated with the constitutional and statutory requirements. Support costs are allocated to activities based on an estimate of staff time spend on each activity during the financial period.

Irrecoverable value added tax

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Grants

Grants payable made to third parties in the furtherance of the charitable objects of the charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant. Grants awarded that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to the grant is outside the control of the charity.

Pension contributions

The charity makes payments to a defined contribution pension scheme for its employees. Contributions are charged to the Statement of Financial Activities in the period they are payable.

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. All items of capital expenditure over £500 are capitalised.

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

Fixtures and fittings	over 5 years
Computers	over 4 years

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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.

1.7 Fixed asset investments

Listed investments are a form of basic financial interest and are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date using the mid-market value.

1.8 Cash and cash equivalents

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

1.9 Financial instruments

The trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' 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.

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.

Derecognition of financial liabilities

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

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Donations and gifts	56,160	232,645	288,805	351,496
For the year ended 31 March 2021	<u>76,651</u>	<u>274,845</u>		<u>351,496</u>

3 Investments

	Unrestricted funds 2022 £	Endowment funds 2022 £	Total Unrestricted funds 2022 £	Endowment funds 2021 £	Total 2021 £
Income from listed investments	-	126,390	126,390	107,756	107,756
Interest receivable	116	-	116	-	1,605
	<u>116</u>	<u>126,390</u>	<u>126,506</u>	<u>107,756</u>	<u>109,361</u>

**THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2022

4 Other income	Unrestricted funds		Restricted funds		Endowment funds		Total Unrestricted funds		Endowment funds		Total	
	2022	£	2022	£	2022	£	2022	£	2021	£	2021	£
Released from endowment funds	183,000		-		(183,000)		-		200,000		(200,000)	
Fees	52,917		21,023		-		73,940		51,496		-	
	235,917		21,023		(183,000)		73,940		251,496		(200,000)	
												51,496
												51,496

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

5 Raising funds

	2022	2021
	£	£
Costs of generating voluntary income		
Direct costs	69,049	114,090
Support & governance costs	28,129	15,821
	<hr/>	<hr/>
Costs of generating voluntary income	97,178	129,911
<u>Costs of generating investment income</u>		
Investment management fees	25,514	23,374
	<hr/>	<hr/>
	<u>122,692</u>	<u>153,285</u>

**THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2022

6 Charitable activities	Family Support	Education Programme (Scotland)	Participation	National Transition	Mental Health & Wellbeing	Total 2022	Total 2021
	£	£	£	£	£	£	£
Direct costs	59,962	30,095	96,341	69,377	79,770	335,545	319,028
Grant funding of activities (see note 7)	80,019	-	-	-	-	80,019	58,175
Share of support & governance costs (see note 8)	56,332	11,731	33,498	29,515	26,686	157,762	72,077
	<u>196,313</u>	<u>41,826</u>	<u>129,839</u>	<u>98,892</u>	<u>106,456</u>	<u>573,326</u>	<u>449,280</u>
Family Support	Education Programme (Scotland)	Participation	National Transition	Mental Health & Wellbeing	Total 2021		
£	£	£	£	£	£		
Direct costs	98,800	69,870	26,734	49,833	45,654	245,237	
Grant funding of activities (see note 7)	66,598	-	-	-	-	66,598	
Share of support & governance costs (see note 8)	46,710	35,530	37,520	12,899	13,185	132,659	
	<u>118,154</u>	<u>75,069</u>	<u>128,266</u>	<u>68,952</u>	<u>58,839</u>	<u>444,494</u>	

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

7 Grants payable

	2022	2021
	£	£
Grants to individuals	80,019	58,175
	<u>80,019</u>	<u>58,175</u>
	<u><u>80,019</u></u>	<u><u>58,175</u></u>

8 Support & governance costs

	2022	2021
	£	£
SUPPORT COSTS		
Staff costs	105,366	44,026
Recruitment and staff development	6,171	5,258
Premises expenses	24,483	16,553
PR, marketing and Annual Review	13,835	2,098
Printing, stationery, postage and phone	2,189	1,704
Travelling	1,413	373
Other	4,437	912
Accountancy	4,626	1,928
Computer & office equipment costs	5,523	4,117
GOVERNANCE COSTS	17,848	10,929
	<u>185,891</u>	<u>87,898</u>
	<u><u>185,891</u></u>	<u><u>87,898</u></u>
Analysed between		
Fundraising	28,129	15,821
Charitable activities	157,762	72,077
	<u>185,891</u>	<u>87,898</u>
	<u><u>185,891</u></u>	<u><u>87,898</u></u>

Governance costs includes payments to the auditors of £9,000 (2021 - £8,820) for audit fees.

9 Committee Of Directors And Sole Trustees

Trustee remuneration and expenses

None of the committee of directors and sole trustees (or any persons connected with them) received any remuneration or benefits from the trust during the year.

3 Trustees (2021: 1) were reimbursed travel and venue hire expenses totalling £405 (2021: £15).

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

10 Employees

Number of employees

The average monthly number of employees (head count based on number of staff employed) during the year was:

	2022	2021
	Number	Number
Raising funds	2	2
Charitable activities	5	4
Support and Governance	4	3
	<u>11</u>	<u>9</u>

Employment costs

	2022	2021
	£	£
Wages and salaries	324,216	261,963
Social security costs	26,376	21,256
Other pension costs	12,838	10,094
	<u>363,430</u>	<u>293,313</u>

There was one employee (2021 - 0) whose annual emoluments were £60,000 or more. One full time employee was on secondment in both periods in furtherance of the education programme.

The number of employees whose annual remuneration was £60,000 or more were:

	2022	2021
	Number	Number
£60,001 to £70,000	<u>1</u>	<u>-</u>

11 Net gains/(losses) on investments

	Unrestricted funds	Endowment funds general	Total 2022	Total 2021
	£	£	£	£
Revaluation of investments	(68)	341,621	341,553	736,506
	<u>17,600</u>	<u>718,906</u>	<u>736,506</u>	<u>736,506</u>
For the year ended 31 March 2021	<u>17,600</u>	<u>718,906</u>	<u>736,506</u>	<u>736,506</u>

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

12 Tangible fixed assets

	Fixtures and fittings £	Computers £	Total £
Cost			
At 1 April 2021	869	2,976	3,845
At 31 March 2022	869	2,976	3,845
Depreciation and impairment			
At 1 April 2021	869	1,488	2,357
Depreciation charged in the year	-	1,488	1,488
At 31 March 2022	869	2,976	3,845
Carrying amount			
At 31 March 2022	-	-	-
At 31 March 2021	-	-	-

13 Fixed asset investments

	2022 £	2021 £
Cost or valuation		
At 31 March 2021	4,414,791	3,881,765
Withdrawn	(142,218)	(203,480)
Valuation changes	341,553	736,506
At 31 March 2022	4,614,126	4,414,791
Impairment		
At 31 March 2021	-	-
At 31 March 2022	-	-
Carrying amount		
At 31 March 2022	4,614,126	4,414,791
At 31 March 2021	4,414,791	3,881,765
	2022 £	2021 £
Investments at fair value comprise:		
Investment assets held in the UK	3,295,884	3,436,460
Investment assets held outside the UK	1,318,242	978,331
	4,614,126	4,414,791

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

13 Fixed asset investments **(Continued)**

	2022	2021
	£	£
Investments representing over 5% by value of portfolio comprise:		
JPMorgan Asset Management UK Ltd (less than 5% in 2021)	235,654	-
FP WHEB Asset Management Funds Accum.Ptg. Shares Class B	290,457	281,161
Aberdeen Asian Income Fund Shares	253,786	253,786
	<u>779,897</u>	<u>534,947</u>

Fixed asset investments revalued

Fixed asset investment are valued at market value at the year end.

The historical cost of the fixed asset investments is £3,179,602 (2021: £3,193,352).

Fixed asset investments include cash held awaiting investment of £150,150 (2021: £209,334).

14 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Prepayments and accrued income	8,115	5,947
	<u>8,115</u>	<u>5,947</u>

15 Creditors: amounts falling due within one year

	2022	2021
	£	£
Other taxation and social security	10,234	6,197
Accruals and deferred income	107,284	84,460
	<u>117,518</u>	<u>90,657</u>

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

16 Endowment funds

Endowment funds represent assets which must be held permanently 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.

	Balance at 1 April 2021	Incoming resources	Movement in funds			Balance at 31 March 2022
			Resources expended	Revaluations gains and losses	Release from unapplied total return fund / Transfers	
	£	£	£	£	£	£
Permanent endowments						
Sale of the school	4,124,922	126,390	-	319,128	(183,000)	4,387,440
Expendable endowments						
Legacy	290,743	-	-	22,493	(313,236)	-
	<u>4,415,665</u>	<u>126,390</u>	<u>-</u>	<u>341,621</u>	<u>(496,236)</u>	<u>4,387,440</u>

	Balance at 1 April 2020	Incoming resources	Movement in funds prior period			Balance at 31 March 2021
			Resources expended	Revaluations gains and losses	Release from unapplied total return fund / Transfers	
	£	£	£	£	£	£
Permanent endowments						
Sale of the school	3,544,627	107,756	-	672,539	(200,000)	4,124,922
Expendable endowments						
Legacy	244,376	-	-	46,367	-	290,743
	<u>3,789,003</u>	<u>107,756</u>	<u>-</u>	<u>718,906</u>	<u>(200,000)</u>	<u>4,415,665</u>

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds current year			Balance at 31 March 2022
	Balance at 1 April 2021	Incoming resources	Resources expended	
	£	£	£	£
ABF The Soldiers Charity	24,973	-	-	24,973
Cash For Kids	1,820	-	(1,820)	-
Scottish Children's Lottery	2,171	-	-	2,171
Persimmon Homes	-	1,000	(1,000)	-
Awards For All	5,736	-	(5,736)	-
Paul Hamlyn	30,000	-	(23,552)	6,448
Board Game	18,696	-	(19,663)	(967)
The Veterans Foundation Grant	7,500	-	(7,500)	-
Veterans Scotland	5,960	14,798	(20,758)	-
Ciene & Tait (Tillyloss)	1,002	-	(1,002)	-
Ground Work	1,000	-	-	1,000
Brit + FGN	6,624	15,000	(15,647)	5,977
The National Lottery Community Fund - Young Start	-	20,400	(20,400)	-
Armed Forces Covenant Fund Trust Funding - YMM	41,855	160,423	(92,897)	109,381
Armed Forces Covenant	-	42,047	-	42,047
	<u>147,337</u>	<u>253,668</u>	<u>(209,975)</u>	<u>191,030</u>

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

17 Restricted funds

(Continued)

	Movement in funds prior period			Balance at 31 March 2021
	Balance at 1 August 2020	Incoming resources	Resources expended	
	£	£	£	£
ABF The Soldiers Charity	-	29,247	(4,274)	24,973
Cash For Kids	2,220	-	(400)	1,820
Scottish Children's Lottery	7,493	-	(5,322)	2,171
BFBS	8,000	-	(8,000)	-
Awards For All	6,790	-	(1,054)	5,736
Paul Hamlyn	30,000	30,000	(30,000)	30,000
First Port	-	34,478	(34,478)	-
Coffee Morning	-	108	(108)	-
Board Game	-	18,696	-	18,696
Foundation Scotland	-	5,000	(5,000)	-
The Veterans Foundation Grant	-	15,000	(7,500)	7,500
Bonnet-makers & Dyers of Glasgow	-	5,000	(5,000)	-
Veterans Scotland	-	14,681	(8,721)	5,960
Ciene & Tait (Tillyloss)	-	2,000	(998)	1,002
Ground Work	-	1,000	-	1,000
Brit + FGN	-	20,000	(13,376)	6,624
The National Lottery Community Fund - Young Start	-	25,400	(25,400)	-
Armed Forces Covenant Fund Trust Funding - YMM	-	74,235	(32,380)	41,855
	<u>54,503</u>	<u>274,845</u>	<u>(182,011)</u>	<u>147,337</u>

**THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2022

18 Unrestricted funds	Movement in funds current year					Balance at 31 March 2022
	Balance at 1 April 2021	Incoming resources	Resources expended	Revaluations, gains and losses	Released from unapplied total return fund / Transfers	
	£	£	£	£	£	£
General Unrestricted Funds	(113,667)	109,193	(486,043)	(68)	496,236	5,651
Total unrestricted funds	(113,667)	109,193	(486,043)	(68)	496,236	5,651
	Movement in funds prior year					Balance at 31 March 2021
	Balance at 1 April 2020	Incoming resources	Resources expended	Revaluations, gains and losses	Released from unapplied total return fund/ Transfers	
	£	£	£	£	£	£
General Unrestricted Funds	(40,465)	129,752	(420,554)	17,600	200,000	(113,667)
Total unrestricted funds	(40,465)	129,752	(420,554)	17,600	200,000	(113,667)

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

19 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Endowment funds	Total
	£	£	£	£
Fund balances at 31 March 2022 are represented by:				
Investments	226,686	-	4,387,440	4,614,126
Current assets/(liabilities)	(221,035)	191,030	-	(30,005)
	<u>5,651</u>	<u>191,030</u>	<u>4,387,440</u>	<u>4,584,121</u>
	<u><u>5,651</u></u>	<u><u>191,030</u></u>	<u><u>4,387,440</u></u>	<u><u>4,584,121</u></u>
	Unrestricted funds	Restricted funds	Endowment funds	Total
	£	£	£	£
Fund balances at 31 March 2021 are represented by:				
Investments	(874)	-	4,415,665	4,414,791
Current assets/(liabilities)	(112,793)	147,337	-	34,544
	<u>(113,667)</u>	<u>147,337</u>	<u>4,415,665</u>	<u>4,449,335</u>
	<u><u>(113,667)</u></u>	<u><u>147,337</u></u>	<u><u>4,415,665</u></u>	<u><u>4,449,335</u></u>

20 Permanent Endowment

	Endowment Fund	Unapplied Total Return	Total Endowment Fund
	£	£	£
At 1 April 2021			
Sale of school	2,600,000	-	2,600,000
Unapplied total return	-	1,524,922	1,524,922
	<u>2,600,000</u>	<u>1,524,922</u>	<u>4,124,922</u>
Total	<u>2,600,000</u>	<u>1,524,922</u>	<u>4,124,922</u>
Movements to 31 March 2022			
Investment return - dividends	-	126,390	126,390
Investment return - realised & unrealised gains	-	319,128	319,128
	<u>-</u>	<u>445,518</u>	<u>445,518</u>
Unapplied total return allocated to income in the year	-	(183,000)	(183,000)
	<u>-</u>	<u>262,518</u>	<u>262,518</u>
Net movements in the year	<u>-</u>	<u>262,518</u>	<u>262,518</u>
At 31 March 2022			
Sale of school	2,600,000	-	2,600,000
Unapplied total return	-	1,787,440	1,787,440
	<u>2,600,000</u>	<u>1,787,440</u>	<u>4,387,440</u>
Total	<u><u>2,600,000</u></u>	<u><u>1,787,440</u></u>	<u><u>4,387,440</u></u>

THE ROYAL CALEDONIAN EDUCATION TRUST
OPERATIONAL NAME: FORCES CHILDREN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

21 Operating lease commitments

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

	2022	2021
	£	£
Within one year	10,402	20,803
Between two and five years	-	45,073
	<u>10,402</u>	<u>65,876</u>

22 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, including redundancy payments, employers NI and employers pension contributions is as follows:

	2022	2021
	£	£
Aggregate compensation	<u>69,676</u>	<u>74,647</u>

Transactions with related parties

During the year the trust entered into the following transactions with related parties:

	2022	2021
	£	£
Donations made by Trustees	<u>-</u>	<u>100</u>

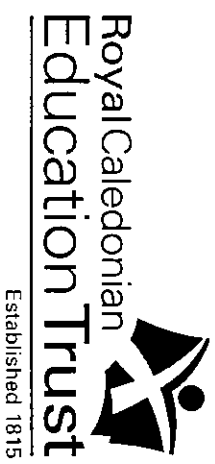
THE ROYAL CALEDONIAN EDUCATION TRUST

England & Wales - Charity number 310952

Accounts

Charity Registration No. 310952 (England and Wales)

Charity Registration No. SC038722 (Scotland)



*Scotland's Armed Forces
Children's Charity*

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

THE ROYAL CALEDONIAN EDUCATION TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Patron

Her Majesty the Queen

Honorary Vice Presidents

Brigadier R Lindsay
Air Vice Marshal R Paterson CB, OBE, ADC, DL

Rear Admiral J Weale CB, OBE
Miss M Harvey

Vice Presidents

Lt Gen Sir Alistair Irwin KCB CBE
Mr I C Stewart Hunter
Mr D Keith Robertson
Lt Col A Middlemiss DL

Mrs J A D Anderson
Mr A R Macdonald
Miss M Harvey

Chairman

Mr M Noble

Deputy Chairman

Mr C Cook

Committee Of Directors And Sole Trustees

Mrs D Strickland
Mr J Robertson
Mr M Noble
Mr G Gray
Mr N McLennan
Ms S Wilson
Mr C Cook
Ms I Campbell Lupton
Mrs C McGregor
Ms C Grant
Mrs C Sutherland-Hawes
Mrs L Hadley-Stove
Mr C Middleton
Mr M Young
Ms K Lindsay

(Resigned December 20)
(Resigned December 20)

Chief Executive

Mrs Laura Falconer
Mr C M Flinn

(Appointed December 20)
(Retired December 20)

Charity number (England and Wales)

310952

Charity number (Scotland)

SC038722

Principal address

15 Hill Street
Edinburgh
EH2 3JP

Auditor

Myers Clark
Egale 1
80 St Albans Road
Watford
Hertfordshire
WD17 1DL

Bankers

Royal Bank of Scotland
142/144 Princes Street
Edinburgh
EH2 4EQ

THE ROYAL CALEDONIAN EDUCATION TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Investment advisors

Adam & Company
25 St Andrews Square
Edinburgh
EH2 1AF

THE ROYAL CALEDONIAN EDUCATION TRUST

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THE ROYAL CALEDONIAN EDUCATION TRUST

COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The committee of directors and sole trustees present their report and accounts for the year ended 31 March 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the requirements of the trust's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), 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)" (as amended for accounting periods commencing from 1 January 2019).

Objectives and activities

The Royal Caledonian Education Trust (RCET) is a charity established by a charter of Incorporation created by an Act of Parliament which received the Royal Assent from George III on 14th June 1815. Our aim today is to Support and encourage the education, training and well-being of a) the offspring of Scottish members of Her Majesty's Forces and b) the Scottish offspring of members of Her Majesty's Forces. For these purposes, a person shall be considered 'Scottish' if our Trustees, in their absolute discretion, determine that they have a sufficient connection to Scotland, or who demonstrate to the Trustees' satisfaction links with Scotland, including those who may be of Scottish formation, regardless of their place of residence.

Our vision is our desire to seek a world where Scotland's Armed Forces children are enabled to reach their full potential. We set out to realise our vision through working in partnerships with every level of government in Scotland and the United Kingdom, education professionals, the military, charities, and others committed to the education, training and well-being of Armed Forces children and young people and others.

We do this by:

- Providing direct financial assistance.
- Providing training and resources.
- Delivering direct services to institutions, local authorities and others.
- Listening to views expressed by children and young people.
- Commissioning research.
- Raising awareness through the media, elected Members of the Scottish Parliament, local Councils and others.
- Influencing public policy.

Our strategic aims are:

- To deliver high-quality services and resources which promote the education and training and well-being of Scotland's Armed Forces children and young people.
- To be a strong voice for Armed Forces children and young people, including action to promote children's rights in Scotland and the United Kingdom.
- To improve our effectiveness, ensuring that we are efficient and financially stable.

Our services are delivered through the following areas:

- The Children and Family Support Service; providing direct financial support, including grants for such as school clothing, after school activities and for assistance during periods of crisis'
- The Education Programme; delivered through an advisory service, a training programme, research, pupil participation, collaboration with institutions of further and higher education, and in partnership with National Transition Officer (NTO) for Scotland.
- Policy and Research: to achieve standards of data collection and analysis, to ensure, as far as possible, that policies and priorities in Scotland are evidence based.
- Pupil Participation; direct engagement with children and young people to ensure that their voices heard and their concerns understood and addressed.

Public Benefit

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in the planning and operations of all its current and future activities. They follow the updated governance principles adopted on 5th December 2018, this defines the RCET's charitable purpose and how this benefits **Armed Forces Children and young people**.

THE ROYAL CALEDONIAN EDUCATION TRUST
COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance

Education Programme

Training

An eight step Professional Learning Activity has been prepared and is available on Education Scotland's National Improvement Hub and the RCRET website. Young People from the RCET's Young People Participation Programme created a resource for this learning activity (YPP). This was the voice overs for Power Point slides on Deployment and Support. The activity will lead on to Thriving Lives Toolkit, for those requiring a more in depth study. Three Continuing Professional Development (CPD) resources have been produced this year. This has been done in collaboration with Highland Council.

Research

A commissioned literature review on the 'Educational Challenges of Armed Forces Children' has been prepared in partnership with the University of Strathclyde. This provides recommendations for use by practitioners.

Thriving Lives is a UK wide resource the Professional Learning Activity is a Scottish resource and the Highland Council package is aimed at supporting local authority designed training, for professionals working in educational institutions and support agencies. Overall, these three packages provide a comprehensive set of training materials. The SCIP Alliance Task and Finish group has prepared a UK wide CPD Mapping Grid, listing resources available throughout the UK. The RCET was a member of this SCIP group.

Advisory Service

A Partnership Directory for onward postings has been made available on the RCET website. There were 20 plus advisory service requests for advice over the current financial year, from a variety of sources: including individuals, schools, and the military. There were many smaller requests, and some carried over from the previous year. The resource Box initiative has been continued into the present year. Nine have been distributed to Nurseries and schools in Argyll and Bute, Midlothian, Highland and Moray.

Information

Six academic Blogs have been sourced from RCET partners and made available on the website. The RCET's Education Programme Officer has submitted articles for the Early Years Scotland magazine and the Scotland's Community of Access and Participation (SCAAP) website. She continues to represent RCET at the Highland Military Liaison Group, the Scottish Funding Council and with other organisations concerned with the education and wellbeing of Armed Forces Children and Young People. A newsletter 'Education Matters – the Education Programme' was launched in January 2021. This has been aimed specifically at targeted audiences of education professionals and academics. An initiative linking with colleagues in Wales has involved sharing knowledge good practice, resources and offering mutual support.

THE ROYAL CALEDONIAN EDUCATION TRUST

COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

Communications and fundraising

Communications

The following analytics have been prepared to summarise website activity (April 2020 – March 2021):

Overview

Most Popular Webpages

Homepage	6,457 (20.62%)
About us	2,020 (6.45%)
Family support	1,433 (4.58%)
How we help	1,399 (4.47%)
Education	1,215 (3.88%)

Gender Split

Male - 54.15%	Female - 45.85%
---------------	-----------------

Top three age groups who visit our website

25-34 year olds	33.50%
18-24 year olds	27.50%
35-44 year olds	15.50%

Referral channels

Direct	3,698 (38%)
Social	2,488 (25%)
Organic search referral	2,401 (25%)
paid search	971 (10%)
email	196 (2%)
	12 (<1%)

Your Mind Matters (YMM)

The Royal Caledonian Education Trust successfully implemented its communications plan to launch the Your Mind Matters Project in February, which reached out to strategic audience profiles, via the press, social media, Mailchimp and LinkedIn. A Your Mind Matters landing page was created to provide information about the project as well as a location to signpost stakeholders to from social media/press/professional channels. In addition, a dedicated link was established, via Bitly, to track click throughs from various channels to the webpage.

Summary of visits to Your Mind Matters landing page up to 31 March 2021:

Visits	Unique Visits	Average visit duration
1,105	767	03:25 mins

Rebrand

The Royal Caledonian Education Trust has appointed Electricly Communications to develop a new brand identity for the charity, who will work directly with children and young people as well as staff, trustees, and wider stakeholders to co-produce a new name, logo and strategic narrative. The Discovery Phase of the project commenced immediately, and a series of sessions were organised for Electricly to meet our stakeholder audiences as well as collate thoughts, ideas, and opinions of all involved. In addition, a questionnaire was distributed to a wider audience of those who have supported our work via major gifts, donations, direct debits, and challenge fundraising as well as external funders as a means to encourage supporters to take the rebrand journey with us.

THE ROYAL CALEDONIAN EDUCATION TRUST
COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

Social Media

The Royal Caledonian Education Trust has successfully expanded its portfolio of social media and professional network channels to develop targeted communications to specific audience profiles through LinkedIn, Instagram and TikTok. The most effective channel for the charity during financial year 2020/21 has been Twitter and the following summary has been provided below.

Fundraising

The Royal Caledonian Education Trust monthly fundraising for financial year 2020/21:

Month	Total
April 2020	£139,933.00
May 2020	£60,693.38
June 2020	£27,132.62
July 2020	£12,734.30
August 2020	£990.00
September 2020	£3,975.00
October 2020	42,217.60
November 2020	£27,479.72
December 2020	£39,608.18
January 2021	£1,029.40
February 2021	£3,366.92
March 2021	£2,048.40
Total	£361,208.52

THE ROYAL CALEDONIAN EDUCATION TRUST
COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

Fundraising (continued)

Challenge/Direct Debit/Major Gift Summary for financial year 2020/21:

Month	Challenge Event Income	Direct Debit Income	Major Gift Income
April 2020	£40,00	£260,00	£1000,00
May 2020	£268,69	£298,20	£0,00
June 2020	£15,62	£280,00	£11000,00
July 2020	£0,00	£308,80	£0,00
August 2020	£0,00	£675,00	£0,00
September 2020	£330,00	£475,00	£1500,00
October 2020	£80,00	£319,40	£1000,00

November 2020	£25,00	£398,40	£0,00
December 2020	£606,00	£303,80	£1000,00
January 2021	£0,00	£494,00	£500,00
February 2021	£25,00	£289,40	£0,00
March 2021	£345,00	£239,40	£1000,00
Total	£1755,31	£4332,80	£17000,00

Young Peoples' participation (YPP)

This was the area most effected by the Covid-19 lockdown. Prior to the Christmas holiday in 2020, three online YPP online engagements had been held successfully. With lockdown in January, schools were closed, and it proved more difficult to arrange sessions through schools.

However, it was fortunate that virus restrictions were eased sufficiently to allow a panel of young people to meet candidates for the Trust's CEO post, on 27th. This was occasioned by the retirement of CEO Colin Flinn. In addition, continued liaison with partners in schools, local authorities and MOD Community Learning and Development teams reflected changed conditions. A new lockdown occurred in the lead to Christmas and the Forum, together with other meetings were held on Zoom or MST.

Those involved in the YPP project are supporting the delivery of the RCET'S Your Mind Matters initiative. Working with the Army Welfare Service the YPP young people have been delivering a weekly session of the Page Turner's Book Club. They have also been supporting Reading Force on the design a journal for teenage readers. Six engagement sessions have been held with young people with caring roles.

Influencing policy is central to our aims. Accordingly, two engagement sessions were held, to support the preparation of the manifesto.

THE ROYAL CALEDONIAN EDUCATION TRUST
COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

Policy

The RCET policy objectives relate to life experiences of Armed Forces Children and Young People. The aim is to exert influence that may lead to changes in law, policy and practices that will improve their educational experiences, life chances and wellbeing.

The lives of AFCYP have been affected by Covid-19. In particular, school closures and disruption to college courses have all had their consequences. The RCET's over-riding policy now is to influence government at every level, on the impact of the pandemic. Issues such as child poverty, mental and physical health issues, continuity of education are examples.

A key change has been the formation of a new Advisory Group run by the RCET policy officer. The idea is to attempt to secure consensus on a limited range of policy developments. This year the primary issuer has been the collection and analysis of data on AFCYP. The first stage has been achieving consensus among Advisory Group members. They include the Scottish Government, ADERS, SCIP, Carers Trust Scotland, Skills Development Trust, local authorities, military families' federations, military welfare services, CAMHS and schools.

Children and Families Services

The RCET's immediate response to the pandemic was the setting up of a Crisis Fund, to support families faced with loss of income and therefore unable to pay for basic necessities; to intervene where changes in circumstances have led to family breakdown caused by emotional stress; to intervene also where family stresses impact on children directly.

Up to March 2021, 60 families had been granted support, at a total cost of £26,373.73p. The number of children supported was 118. A total of £12,500 had been committed out of the Crisis Intervention Fund. Grants ranged from £30 to £900. A further £3,000 was committed to purchase of wellbeing boxes for AFCYP. Over 120 wellbeing boxes have been purchased for this purpose. This initiative has been supported, at no cost to the RCET, by Reading Force. They provide books and journals for inclusion in the boxes.

Over Christmas, 7 SSAFA branches were given £500 each, to give shopping vouchers to clients in need. The RCET Tertiary Fund has seen a 16% Increase in uptake this year. A total of £42,730 has been offered in grants to college and university students.

Six young carers have been supported at a total cost of £1,482.

Your Mind Matters (YMM)

A launch of the externally funded YMM project took place as planned. A new staff appointment was made to deliver the digital element. This was done well and on time. However, the RCET's partner SAMH reported that they had not received any referrals.

National Transition Officer (NTO) Scotland

(Report from Carolyn Macleod NTO For Scotland)

The NTO post (seconded) was funded by the MOD Education Support Fund (ESF), through the Association of Directors of Education in Scotland (ADES) from 1st April 2020 to 31 March 2021.

The MOD-ESF is managed by AFFS – Armed Forces Families & Safeguarding, formerly DCYP. Successful funding for the NTO post (2020-2021) totalled £75,000.00. This was the same amount agreed for 2019-20. Due to the impact of Covid, the period allocated for spending has been extended to August 2021.

THE ROYAL CALEDONIAN EDUCATION TRUST
COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

National Transitions Officer (NTO) Scotland (continued)

To support the NTO post, a secondment contract with RCET and a Memorandum of Understanding (MOU) with ADES are renewed yearly – this arrangement will cease on 31st March 2022. This partnership-based approach does much to strengthen the support for armed forces families in Scotland now and in the future and is of benefit to both ADES & RCET.

“Importance of the context as to why a NTO is needed: Education is devolved, the education systems Armed Forces Children and families are exposed to are varied as a consequence of moving around, and therefore a NTO provides continuity and representation to the Devolved Administration and into the MOD via DCYP. The NTO work contributes to the Firm Base and enables military families and children to settle and progress as best they can do in the Scottish primary and secondary education system.”

“The role is multi-layered, multi-faceted and requires significant stakeholder management. To manage expectations, outcomes and messaging, requires a careful understanding of the educational environment, the current issues and focus areas in Scotland.”

Colonel Sandy Fitzpatrick, DC HQ51X Infantry Brigade & HQ Scotland

The NTO working plan (2020-21) was developed with direction and guidance from ADES and is in keeping with the MOD-ESF funding agreement. Information in this report reflects the identified objectives, activities and indicators used by ADES and MOD-AFFS to monitor and evaluate.

Covid Recovery continues to take precedence nationally, as appropriated, and necessary. Engagement has been hampered by lack of face-to-face events and exchange, and Covid-related issues are the drivers for, and regulators of contact and interaction. A positive outcome of the Covid lockdown and restrictions has been the increase in attendance and participation at meetings of network groups.

The NTO work continues to focus on six key areas:

- Data collection
- National networks
- Development of resources & materials
- Dissemination of information
- Engagement with Armed Forces families, and
- National guidance

The Scottish Education, National Improvement Framework (NIF 2012) priority headings have been used within the NTO strategic objectives to ensure maximum impact with the education system.

(1) Data Collection
There was no ADES data collection undertaken this year.

Discussions with partnership groups are informing the development of an agreed approach for future data collection exercises. These groups include: the Scottish Government, ADES Executive and network groups, SEEMIS & Data Information Officers advisory group, Scottish Armed Forces Education Support Group (SAFESG), NTO network groups, and partnership groups.

Plans are progressing for an ADES data collection in 2021.

THE ROYAL CALEDONIAN EDUCATION TRUST
COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (continued)

National Transitions Officer (NTO) Scotland (continued)

(2) National Networks

Collaboration with various key partnership groups and colleagues has been maintained, in some cases improved by use of virtual platforms for communication. Channels vary and are offered in direct response to the directives provided by each group (MS Teams, Skype, Zoom ...). Use of online platforms has promoted attendance at meetings.

Maintaining contact with ADES, NTO network groups (AFWG & Headteachers Forum), ADES network groups, Scotland-wide and UK-wide colleagues from education and the MOD has been essential to maintain a strategic understanding of the current barriers for children & families, and to support the approaches undertaken to address identified needs. NTO newsletters have successfully highlighted the key areas of focus and been used to share good practice.

(3) Development of resources & materials

- Funding Guide Scotland (V.1 – July 2020) V.2 – July 2021
- Notification of Deployment form (Sept 2020)
- Parentzone Scotland leaflet (links) with parent support, information & resources (Sept 2020).
- MOD-EOS form and guidance (published) to be evaluated in Scotland – delayed until 2021 academic year.
- Professional Learning Activity (on-line – Education Learning Hub) – collaborative work with Education Scotland & RCET.
PLA will be available on GLOW, RCET and NTO – Forces Children's Education (FCE) website; with webinars being created to support.

(4) Dissemination of Information

The Forces Children's Education website (FCE) www.forceschildreducation.scot has had 'google optimisation' applied, and analytics indicate a significant increase in activity on site. Website development continues with further attention to key focus areas. Increase in partnership group links have been added to the site, and Resources and Materials uploaded.

Survey of feedback and recommendations has been informal this year, rather than add to expectations of LA staff & teachers. Liaison has been maintained with partnership groups who are developing surveys and analysing responses, to utilise the evidence already gathered.

FCE social media has developed with the launch of a Facebook page, along with Twitter and LinkedIn presence.

NTO newsletters have contained a wide variety of information, relevant to educators, families, local authorities, health, support services, MOD ... across the various network groups.

(5) Engagement with families

Maintaining regular contact with ADES, Local Authorities, Schools, MOD-ESF project educators & staff, Education Scotland, Support Professionals, Scottish Government ... and liaising to complement their work with parent groups.

THE ROYAL CALEDONIAN EDUCATION TRUST

COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Financial review

Financial Policies

RCET's finance and investment policies aim to provide long term stability and liquidity sufficient to finance the RCET's on-going programmes to balance the needs of current and future beneficiaries.

Reserves Policy

Last year, the Trustees recognised that it was their duty to raise the level of unrestricted reserves to £300,000. In the event, pressures on our resources have led to the deficit rising to £113,667. We expect continuing demands through our Covid-19 related crisis fund and are not likely to be able to achieve our aim in the course of the year. However, we do intend to end the year in surplus and begin to move towards our stated aim.

Structure, governance and management

The Board of Trustees meets four times a year. They are responsible for overall strategy, financial and risk management, investments and performance management. There are nine members of the Board of Trustees. The Officer's group comprises the Chairman, Deputy Chairman and Treasurer. There is a vacancy for the Treasurer post. It is currently, under advertisement.

Effect of Covid-19 on RCET Administration and Service Delivery

The Scottish Government had introduced lockdown restrictions by the start of the current financial year. The CEO and Charman had agreed that all staff might work from home. This involved staff having access to e mails, using RCET laptops or through Office 365. Systemwise our IT provider diverted calls from the office to staff directly. Over the course of 2020 to 2021 we have been able to deliver all RCET Services and thereby avoid having to utilise furlough arrangements or make staff redundant.

Future Plans

Governance

An induction programme for new Trustees will be delivered in July. This will include mentoring, workings of the charity effective trusteeship. In September there will be a Board of Trustees development day. The focus will be the initial working on the next strategic plan.

Your Mind Matters (YMM)

The launch of the RCET's project YMM took place as planned but there was limited progress initially. The RCET's partner SAMH have reported that they have had no referrals. SAMH had withdrawn from the project. Accordingly, future delivery will rest solely with RCET.

Education Review

The Cunningham Report on the RCET Education programme was presented to the Board of Trustees on 2nd December 2020. The new CEO was charged with undertaking stage 2 of the Education Programme. This will involve consideration of the staffing structure and the partnership arrangements with ADES on the National Transition Officer post for Scotland.

Conference

The RCET Practitioners' Conference for 2021 will be held virtually facilitated by the Conference Care Company. There will be two keynotes: on trauma and how they relate to the military context with Dr Karen Treisman and Lisa Cherry. There will be a young peoples' forum, a case study and contributions from Laura Falconer and Air Vice Marshal Ross Paterson (RCET Vice President).

THE ROYAL CALEDONIAN EDUCATION TRUST
COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Future Plans (continued)

Rebranding

The Board of Trustees commissioned 'Electricity Marketing and Communications' to review all aspects of the RCET's identity, including the charity's visual brand and name. The Board will decide on whether to adopt the recommendations and, if appropriate the roll out process.

The committee of directors and sole trustees' report was approved by the Board of Committee Of Directors And Sole Trustees.


Mr M Noble
Chairman
Dated: 6 September 2021

THE ROYAL CALEDONIAN EDUCATION TRUST
STATEMENT OF COMMITTEE OF DIRECTORS AND SOLE TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2021

The committee of directors and sole trustees are responsible for preparing the Committee Of Directors And Sole Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland and in England and Wales requires the committee of directors and sole trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the trust and of the incoming resources and application of resources of the trust for that year.

In preparing these accounts, the committee of directors and sole trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The committee of directors and sole trustees is responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the trust and enable them to ensure that the accounts comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE ROYAL CALEDONIAN EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE COMMITTEE OF DIRECTORS AND SOLE TRUSTEES OF THE ROYAL CALEDONIAN EDUCATION TRUST

Opinion

We have audited the financial statements of The Royal Caledonian Education Trust (the 'trust') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the trust 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 committee of directors and sole 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 trust'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 committee of directors and sole trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The committee of directors and sole trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE ROYAL CALEDONIAN EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE COMMITTEE OF DIRECTORS AND SOLE TRUSTEES OF THE ROYAL CALEDONIAN EDUCATION TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the committee of directors and sole trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of committee of directors and sole trustees

As explained more fully in the statement of committee of directors and sole trustees' responsibilities, the committee of directors and sole 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 committee of directors and sole 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 committee of directors and sole trustees are responsible for assessing the trust'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 committee of directors and sole trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

THE ROYAL CALEDONIAN EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE COMMITTEE OF DIRECTORS AND SOLE TRUSTEES OF THE ROYAL CALEDONIAN EDUCATION TRUST

The extent to which the audit was considered capable of detecting irregularities including fraud

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector, control environment and business performance including the design of the remuneration policies, key drivers for trustee remuneration, bonus levels and performance targets;
- results of our enquiries of Management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and review the charitable company's documentation of their policies and procedures relating to;
- identifying, evaluating and complying with laws and regulation and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

We also obtained an understanding of the legal and regulatory frameworks that the charitable company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Employment law.

Audit response to risks identified

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE ROYAL CALEDONIAN EDUCATION TRUST
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE COMMITTEE OF DIRECTORS AND SOLE TRUSTEES OF THE ROYAL
CALEDONIAN EDUCATION TRUST

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) 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.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

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


Myers Clark

30 September 2021

Chartered Accountants
Statutory Auditor

Egale 1
80 St Albans Road
Watford
Hertfordshire
WD17 1DL

THE ROYAL CALEDONIAN EDUCATION TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2021 £	Total 2020 £
Income and endowments from:						
Donations and legacies	2	76,651	274,845	-	351,496	150,793
Investments	3	1,605	-	107,756	109,361	140,328
Other income	4	251,496	-	(200,000)	51,496	51,496
Total income		<u>329,752</u>	<u>274,845</u>	<u>(92,244)</u>	<u>512,353</u>	<u>342,617</u>
Expenditure on:						
Raising funds	5	153,285	-	-	153,285	139,760
Charitable activities	6	267,269	182,011	-	449,280	444,494
Total resources expended		<u>420,554</u>	<u>182,011</u>	<u>-</u>	<u>602,565</u>	<u>584,254</u>
Net gain/(loss) on investments	11	17,600	-	718,906	736,506	(548,117)
Net movement in funds		<u>(73,202)</u>	<u>92,834</u>	<u>626,662</u>	<u>646,294</u>	<u>(789,754)</u>
Fund balances at 1 April 2020		(40,465)	54,503	3,789,003	3,803,041	4,592,795
Fund balances at 31 March 2021		<u>(113,667)</u>	<u>147,337</u>	<u>4,415,665</u>	<u>4,449,335</u>	<u>3,803,041</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE ROYAL CALEDONIAN EDUCATION TRUST
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

	Prior Year Comparative Detail			
	Unrestricted funds	Restricted funds	Endowment funds	Total 2020
<u>Income and endowments from:</u>	£	£	£	£
Donations and legacies	37,380	113,413	-	150,793
Investments	140,328	-	-	140,328
Other income	51,496	-	-	51,496
Total income	229,204	113,413	-	342,617
<u>Expenditure on:</u>				
Raising funds	139,760	-	-	139,760
Charitable activities	341,177	103,317	-	444,494
Total resources expended	480,937	103,317	-	584,254
Net gain/(loss) on investments	(16,397)	-	(531,720)	(548,117)
Net (outgoing)/incoming resources before transfers	(268,130)	10,096	(531,720)	(789,754)
Net movement in funds	(268,130)	10,096	(531,720)	(789,754)
Fund balances at 1 April 2019	227,665	44,407	4,320,723	4,592,795
Fund balances at 31 March 2020	(40,465)	54,503	3,789,003	3,803,041

THE ROYAL CALEDONIAN EDUCATION TRUST
BALANCE SHEET
AS AT 31 MARCH 2021

	Notes	2021	2020
		£	£
Fixed assets			
Investments	13	4,414,791	3,881,765
Current assets			
Debtors	14	5,947	5,528
Cash at bank and in hand		119,254	7,667
Creditors: amounts falling due within one year	15	125,201	13,195
		(90,657)	(91,919)
Net current assets/(liabilities)		34,544	(78,724)
Total assets less current liabilities		<u>4,449,335</u>	<u>3,803,041</u>
Capital funds			
Endowment funds			
Permanent endowment		4,124,922	3,544,627
Expendable endowment		290,743	244,376
Income funds	16	4,415,665	3,789,003
Restricted funds	17	147,337	54,503
Unrestricted funds		(113,667)	(40,465)
		<u>4,449,335</u>	<u>3,803,041</u>

The accounts were approved by the Committee Of Directors And Sole Trustees on 6 September 2021

Mr M Noble
Chairman

THE ROYAL CALEDONIAN EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

1.1 Accounting convention

The accounts have been prepared in accordance with the trust's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice: Accounting and Reporting by Charities 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 accounts 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 applying 'Statement of Recommended Practice: 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) effective 1 January 2019' rather than the version of the Statement of Recommended Practice referred to in the regulation but has since been withdrawn.

The trust constitutes a Public Benefit Entity.

The trust has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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 with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

The Trust comprises a public benefit entity as defined by FRS 102.

1.2 Going concern

At the time of approving the financial statements, the committee of directors and sole trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. Thus the committee of directors and sole trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are donations and other income received or generated for the objects of the charity without further specified purpose and are available as general funds. Designated funds are unrestricted funds earmarked by the Directors for particular applications.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of overheads and support costs.

Permanent endowment funds are funds which have been given to the charity to be held as capital with no power to convert the funds to income.

Expendable endowment funds are funds given to the charity to be held as capital. The Trustees may convert the funds to income if no other income funds are available.

1.4 Incoming resources

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.

THE ROYAL CALEDONIAN EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Income from government and other grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that income will be received and the amount can be measured and is not deferred.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by investment managers of the receipt of the dividend.

Income received in advance of recognition criteria being met is deferred until the criteria for recognition are met.

1.5 Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the trust. Single or multi-year grants are accounted for when the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside the control of the trust.

Allocation of costs
Expenditure is allocated to a particular activity where the costs relate directly to that activity. Direct expenditure has been allocated on the basis indicated below.

Cost of generating funds: These include all expenditure spent in generating the voluntary income.

Charitable activities: These include all expenditure directly related to the objects of the charity.

Support costs comprise costs incurred in support of the above activities. Included in support costs are costs incurred in the governance of the charity which are primarily associated with the constitutional and statutory requirements. Support costs are allocated to activities based on an estimate of staff time spend on each activity during the financial period.

Irrecoverable value added tax

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Grants

Grants payable made to third parties in the furtherance of the charitable objects of the charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant. Grants awarded that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to the grant is outside the control of the charity.

Pension contributions

The charity makes payments to a defined contribution pension scheme for its employees. Contributions are charged to the Statement of Financial Activities in the period they are payable.

THE ROYAL CALEDONIAN EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

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. All items of capital expenditure over £500 are capitalised.

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

Fixtures and fittings	over 5 years
Computers	over 4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

Listed investments are a form of basic financial interest and are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date using the mid- market value.

1.8 Cash and cash equivalents

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

1.9 Financial instruments

The trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' 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.

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.

Derecognition of financial liabilities

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

THE ROYAL CALEDONIAN EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
Donations and gifts	£ 76,651	£ 274,845	£ 351,496	£ 150,793
For the year ended 31 March 2020	<u>37,380</u>	<u>113,413</u>		<u>150,793</u>

3 Investments

	Unrestricted funds 2021	Endowment funds 2021	Total Unrestricted funds 2021	Total Unrestricted funds 2020
Income from listed investments	-	-	-	136,219
Income from listed investments	1,605	107,756	107,756	-
Interest receivable	<u>1,605</u>	<u>-</u>	<u>1,605</u>	<u>4,109</u>
	<u>1,605</u>	<u>107,756</u>	<u>109,361</u>	<u>140,328</u>

4 Other income

	Unrestricted funds 2021	Endowment funds 2021	Total Unrestricted funds 2021	Total Unrestricted funds 2020
Released from endowment funds	200,000	(200,000)	-	-
Fees	<u>51,496</u>	<u>-</u>	<u>51,496</u>	<u>51,496</u>
	<u>251,496</u>	<u>(200,000)</u>	<u>51,496</u>	<u>51,496</u>

THE ROYAL CALEDONIAN EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

5 Raising funds	2021	2020
	£	£
<u>Costs of generating voluntary income</u>		
Direct costs	114,090	78,670
Support & governance costs	<u>15,821</u>	<u>36,497</u>
Costs of generating voluntary income	129,911	115,167
<u>Costs of generating investment income</u>		
Investment management fees	<u>23,374</u>	<u>24,593</u>
	<u>153,285</u>	<u>139,760</u>

THE ROYAL CALEDONIAN EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

6 Charitable activities

	Family Support	Education programme (Scotland)	Participation	National Transition	Mental Health & Wellbeing	Total 2021	Total 2020
	£	£	£	£	£	£	£
Direct costs	39,762	65,400	112,445	55,767	45,654	319,028	245,237
Grant funding of activities (see note 7)	58,175	-	-	-	-	58,175	66,598
Share of support & governance costs (see note 8)	20,217	9,669	15,821	13,185	13,185	72,077	132,659
	<u>118,154</u>	<u>75,069</u>	<u>128,266</u>	<u>68,952</u>	<u>58,839</u>	<u>449,280</u>	<u>444,494</u>

	Family Support	Education programme (Scotland)	Participation	National Transition	Mental Health & Wellbeing	Total 2020
	£	£	£	£	£	£
Direct costs	98,800	69,870	26,734	49,833	-	245,237
Grant funding of activities (see note 7)	66,598	-	-	-	-	66,598
Share of support & governance costs (see note 8)	46,710	35,530	37,520	12,899	-	132,659
	<u>212,108</u>	<u>105,400</u>	<u>64,254</u>	<u>62,732</u>	<u>-</u>	<u>444,494</u>

THE ROYAL CALEDONIAN EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

7 Grants payable	2021 £	2020 £
Grants to individuals	58,175	66,598
	<u>58,175</u>	<u>66,598</u>
8 Support & governance costs	2021	2020
	£	£
SUPPORT COSTS		
Staff costs	44,026	58,532
Recruitment and staff development	5,258	3,933
Premises expenses	16,553	34,682
PR, marketing and Annual Review	2,098	5,353
Printing, stationery, postage and phone	1,704	4,341
Travelling	373	6,178
Other	912	9,664
Accountancy	1,928	16,470
Computer & office equipment costs	4,117	7,616
GOVERNANCE COSTS	<u>10,929</u>	<u>22,387</u>
	£	£
Analysed between	<u>87,898</u>	<u>169,156</u>
Fundraising	15,821	36,497
Charitable activities	<u>72,077</u>	<u>132,659</u>
	<u>87,898</u>	<u>169,156</u>

Governance costs includes payments to the auditors of £10,800 (2020 - £10,620) for audit fees.

9 Committee Of Directors And Sole Trustees

Trustee remuneration and expenses
None of the committee of directors and sole trustees (or any persons connected with them) received any remuneration or benefits from the trust during the year.

1 Trustee (2020: 1) was reimbursed travel expenses totalling £15 (2020: £53).

THE ROYAL CALEDONIAN EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

10 Employees

Number of employees

The average monthly number of employees (head count based on number of staff employed) during the year was:

	2021 Number	2020 Number
Raising funds	2	2
Charitable activities	4	3
Support and Governance	3	3
	<u>9</u>	<u>8</u>

Employment costs

	2021 £	2020 £
Wages and salaries	261,963	224,513
Social security costs	21,256	18,777
Other pension costs	10,094	8,207
	<u>293,313</u>	<u>251,497</u>

There were no employees whose annual emoluments were £60,000 or more. One full time employee was on secondment in both periods in furtherance of the education programme.

11 Net gains/(losses) on investments

	Unrestricted funds	Endowment funds general	Total 2021	Total 2020
Revaluation of investments	£ 17,600	£ 718,906	£ 736,506	£ (548,117)
For the year ended 31 March 2020	<u>(16,397)</u>	<u>(531,720)</u>		<u>(548,117)</u>

THE ROYAL CALEDONIAN EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

12 Tangible fixed assets	Fixtures and fittings	Computers	Total
	£	£	£
Cost			
At 1 April 2020	869	2,976	3,845
At 31 March 2021	869	2,976	3,845
Depreciation and impairment			
At 1 April 2020	869	2,976	3,845
At 31 March 2021	869	2,976	3,845
Carrying amount			
At 31 March 2021	-	-	-
At 31 March 2020	-	-	-

13 Fixed asset investments	2021	2020
	£	£
Cost or valuation		
At 31 March 2020	3,881,765	4,453,967
Withdrawn	(203,480)	(24,085)
Valuation changes	736,506	(548,117)
At 31 March 2021	4,414,791	3,881,765
Impairment		
At 31 March 2020	-	-
At 31 March 2021	-	-
Carrying amount		
At 31 March 2021	4,414,791	3,881,765
At 31 March 2020	3,881,765	4,453,967

Investments at fair value comprise:

	2021	2020
	£	£
Investment assets held in the UK	3,436,460	3,046,020
Investment assets held outside the UK	978,331	835,745
	<u>4,414,791</u>	<u>3,881,765</u>

THE ROYAL CALEDONIAN EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

13 Fixed asset investments

	2021	2020
	£	£
Investments representing over 5% by value of portfolio comprise:		
JPMorgan Fund ICVC Shares Class C (less than 5% in 2021)	-	363,473
FP WHEB Asset Management Funds Accum.Ptg. Shares Class B	281,161	198,131
Aberdeen Asian Income Fund Shares (less than 5% in 2020)	253,786	-
Cash (less than 5% in 2021)	-	209,950
	<u>534,947</u>	<u>771,554</u>

Fixed asset investments revalued

Fixed asset investment are valued at market value at the year end.
The historical cost of the fixed asset investments is £3,193,352 (2020: £3,129,925).
Fixed asset investments include cash held awaiting investment of £209,334 (2020: £209,950).

14 Debtors

Amounts falling due within one year:	2021	2020
	£	£
Prepayments and accrued income	<u>5,947</u>	<u>5,528</u>

15 Creditors: amounts falling due within one year

2021	2020
£	£
Other taxation and social security	6,197
Accruals and deferred income	84,460
	<u>90,657</u>
	<u>91,919</u>

THE ROYAL CALEDONIAN EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds current year			
	Balance at 1 April 2020	Incoming resources	Resources expended	Balance at 31 March 2021
	£	£	£	£
ABF The Soldiers Charity	-	29,247	(4,274)	24,973
Cash For Kids	2,220	-	(400)	1,820
Scottish Children's Lottery	7,493	-	(5,322)	2,171
BFBSS	8,000	-	(8,000)	-
Awards For All	6,790	-	(1,054)	5,736
Paul Hamlyn	30,000	30,000	(30,000)	30,000
First Port	-	34,478	(34,478)	-
Coffee Morning	-	108	(108)	-
Board Game	-	18,696	-	18,696
Foundation Scotland	-	5,000	(5,000)	-
The Veterans Foundation Grant	-	15,000	(7,500)	7,500
Bonnet-makers & Dyers of Glasgow	-	5,000	(5,000)	-
Veterans Scotland	-	14,681	(8,721)	5,960
Ciene & Tait (Tillyloss)	-	2,000	(998)	1,002
Ground Work	-	1,000	-	1,000
Brit + FGN	-	20,000	(13,376)	6,624
The National Lottery Community Fund - Young Start	-	25,400	(25,400)	-
Armed Forces Covenant Fund Trust Funding - YMM	-	74,235	(32,380)	41,855
	<u>54,503</u>	<u>274,845</u>	<u>(182,011)</u>	<u>147,337</u>

THE ROYAL CALEDONIAN EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

17 Restricted funds	Movement in funds prior period			
	Balance at 1 August 2019	Incoming resources	Resources expended	Balance at 31 March 2020
	£	£	£	£
Queen Mother Memorial Fund	325	29,247	(325)	-
MOD Armed Forces Covenant	7,187	-	(1,082)	-
Officers Association Scotland	14,000	-	(14,000)	-
ABF The Soldiers Charity	29,000	34,200	(63,200)	-
Mark McKee Trust	-	1,000	(1,000)	-
James Weir Foundation	-	3,000	(3,000)	41,855
JTH Trust	-	250	(250)	-
WH Mann	-	1,000	(1,000)	-
Pump House	-	2,000	(2,000)	-
New Park	-	3,000	(3,000)	-
Pleasance Trust	-	650	(650)	-
Olav Kerr	-	5,000	(5,000)	-
Cash For Kids	-	3,419	(1,199)	2,220
Scottish Children's Lottery	-	10,000	(2,507)	7,493
BFBFS	-	10,000	(2,000)	8,000
Awards For All	-	9,894	(3,104)	6,790
Paul Hamlyn	-	30,000	-	30,000
	<u>44,407</u>	<u>113,413</u>	<u>(103,317)</u>	<u>54,503</u>

THE ROYAL CALEDONIAN EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

18 Unrestricted funds

	Movement in funds current year					Balance at 31 March 2021
	Balance at 1 April 2020	Incoming resources	Resources expended	Revaluations, gains and losses	Released from unapplied total return fund	
	£	£	£	£	£	£
General Unrestricted Funds	(40,465)	129,752	(420,554)	17,600	200,000	(113,667)
Total unrestricted funds	<u>(40,465)</u>	<u>129,752</u>	<u>(420,554)</u>	<u>17,600</u>	<u>200,000</u>	<u>(113,667)</u>

	Movement in funds prior year					Balance at 31 March 2020
	Balance at 1 April 2019	Incoming resources	Resources expended	Revaluations, gains and losses	Released from unapplied total return fund	
	£	£	£	£	£	£
General Unrestricted Funds	227,665	229,204	(480,937)	(16,397)	-	(40,465)
Total unrestricted funds	<u>227,665</u>	<u>229,204</u>	<u>(480,937)</u>	<u>(16,397)</u>	<u>-</u>	<u>(40,465)</u>

THE ROYAL CALEDONIAN EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

19 Analysis of net assets between funds	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Fund balances at 31 March 2021 are represented by:				
Investments	(874)	-	4,415,665	4,414,791
Current assets/(liabilities)	(112,793)	147,337	-	34,544
	(113,667)	147,337	4,415,665	4,449,335
	£	£	£	£
Fund balances at 31 March 2020 are represented by:				
Investments	92,762	-	3,789,003	3,881,765
Current assets/(liabilities)	(133,227)	54,503	-	(78,724)
	(40,465)	54,503	3,789,003	3,803,041
	£	£	£	£
20 Permanent Endowment				
	£	£	£	£
At 1 April 2020		Endowment Fund	Unapplied Total Return	Total Endowment Fund
Sale of school	2,600,000	-	-	2,600,000
Unapplied total return	-	944,627	-	944,627
Total	2,600,000	944,627	944,627	3,544,627
Movements to 31 March 2021				
Investment return - dividends	-	-	107,756	107,756
Investment return - realised & unrealised gains	-	-	672,539	672,539
	-	-	780,295	780,295
Unapplied total return allocated to income in the year	-	-	(200,000)	(200,000)
Net movements in the year	-	-	580,295	580,295
At 31 March 2021				
Sale of school	2,600,000	-	-	2,600,000
Unapplied total return	-	-	1,524,922	1,524,922
Total	2,600,000	2,600,000	1,524,922	4,124,922

THE ROYAL CALEDONIAN EDUCATION TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

21 Operating lease commitments

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

	2021	2020
	£	£
Within one year	20,803	20,803
Between two and five years	<u>45,073</u>	<u>65,876</u>
	<u>65,876</u>	<u>86,679</u>

22 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, including redundancy payments, employers NI and employers pension contributions is as follows:

	2021	2020
	£	£
Aggregate compensation	<u>74,647</u>	<u>67,299</u>

Transactions with related parties

During the year the trust entered into the following transactions with related parties:

	2021	2020
	£	£
Donations made by Trustees	<u>100</u>	<u>625</u>
	<u>200</u>	<u>625</u>