

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

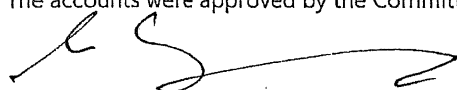
	Unrestricted funds	Restricted funds	Endowment funds	Total 2022
	£	£	£	£
<u>Income and endowments from:</u>				
Donations and legacies	23,087	258,658	-	281,745
Investments	255	-	122,532	122,787
Other income	450,000	2,213	(450,000)	2,213
Total income	473,342	260,871	(327,468)	406,745
<u>Expenditure on: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

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	
		<u>180,845</u>		<u>102,997</u>	
Creditors: amounts falling due within one year	16	<u>(201,152)</u>		<u>(85,802)</u>	
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			<u>(112,262)</u>		<u>(46,573)</u>
			<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	23,087	258,658		281,745

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)		-	
Fees	-		-		-		2,213		-		2,213	
	450,000		(450,000)		-		2,213		(450,000)		2,213	

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 general	Total 2024	Total 2023
	£	£	£	£
Revaluation of investments	<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	<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	<u>192,652</u>	<u>86,183</u>
	<u>201,152</u>	<u>85,802</u>

THE ROYAL CALEDONIAN EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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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 2023	Incoming resources	Movement in funds			Balance at 31 March 2024
			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>

	Balance at 1 April 2022	Incoming resources	Movement in funds prior period			Balance at 31 March 2023
			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
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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
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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)

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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>
	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>

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>2,600,000</u>	<u>1,083,709</u>	<u>3,683,709</u>

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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),