

**The Royal Scots (The Royal Regiment)
Museum Trust Fund**

Report and accounts for
the year ended 31 March 2023

Charity number: SC005163

The Royal Scots (The Royal Regiment) Museum Trust Fund

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The Royal Scots (The Royal Regiment) Museum Trust Fund

Reference and administrative information

Trustees

Committee

Treasurer

Address

Bankers

Royal Bank of Scotland
142-44 Princes Street
Edinburgh
EH2 4EQ

Independent examiner

Henderson Loggie LLP
11-15 Thistle Street
Edinburgh
EH2 1DF

Investment Managers

Brewin Dolphin Ltd
Sixth Floor, Atria One
144 Morrison Street
Edinburgh
EH3 8EX

The Royal Scots (The Royal Regiment) Museum Trust Fund

Report of the Trustees for the year ended 31 March 2023

The Trustees present their report along with the financial statements of the Charity for the year ended 31 March 2023. The financial statements are prepared in accordance with the accounting policies as set out on pages 9 and 10 and comply with applicable charity law.

Objectives and activities

The Trust Deed states that the Trustees are to hold in Trust all property belongings to the Regimental Museum and ensure its upkeep. The fund income is to be applied after payment of ordinary expenses of running the Museum, in the purchase of such items of interest to the Regiment calculated to preserve the history and traditions of the Regiment. This has resulted in a wider Heritage rather than just Museum role for the Trust.

Achievements and performance

The Museum finally re-opened its doors to the public on Tue 10 May 22 following Covid-19. This was within the restrictions placed on visitors numbers to Edinburgh Castle by Historic Environment Scotland.

After two postponements of the accreditation process, due to Covid-19, the Museum was granted Full Accreditation in Oct 22 which will last for 5 years until Oct 27. The Museum will receive an invitation for reaccreditation 6 months prior to this date.

Following the managed move of the Museum Assistant within the Civil Service, the Museum successfully recruited a Museum Curator to replace him. The new curator has brought with her, knowledge, and experience from her time with St Andrew's University museums which has paid dividends in the short time that she has been in post.

Following the creation of the new Ranger Regiment where 1 SCOTS became the 1st Ranger battalion, two tranches of silver and pictures have been returned from them and accessioned into the Museum. It is intended to move some of the silver and pictures to the Royal Scots Club so that they can be displayed to a wider audience due to the lack of display space in the Museum.

The saga of the water ingress into the Museum has yet to be fully resolved. Whilst the outside wall has been repointed to stop the water ingress into the Museum, the floor damaged by the water is yet to be repaired.

The dehumidifier in the storeroom broke down in Dec 22 and DIO removed it for inspection. They have confirmed that it is beyond economic repair (BER) and will have to replace it with a new one. This has yet to be completed. A temporary solution of a free-standing dehumidifier has been source to cover the interim period until a permanent solution is implemented.

The heating system failed during the reporting period but has now been completely refurbished and is now in perfect working order.

The lighting system in the medals areas of the Museum failed in Jan 23. It has been inspected and an interim solution has been implemented. Following a full inspection of the wiring and fittings; the lighting system will need to be replaced. The Museum is waiting for a quote for the cost of the project which will be competed in the next FY.

A number of projects have been completed during the reporting period:

- Colour Belts and D/M Sash – Following the completion of the new display cases for the Colour belts, the new backing board has been completed and fitted into the Museum. The three display cases were then fitted to the new backing board which completed the project on 13 Oct 22.

The Royal Scots (The Royal Regiment) Museum Trust Fund

Report of the Trustees for the year ended 31 March 2023 *(continued)*

Achievements and performance (continued)

- Post 1945 – Post 1945 project is now completed. The Northern Ireland diorama has now been installed and the Gulf War diorama has been moved and is now complete. The films have been loaded onto the interactive screen and it is now completed. The screen for the WW2 area covering Europe and Kohima are now installed.
- Digitisation of the Thistle – The digitisation of the Thistle has now been loaded onto the computers in the research area, storeroom and the Regimental Office and is proving invaluable for research purposes. It is hoped to have the Thistle loaded onto the Web Site soonest.
- Library – following the installation of the new shelving in the library the indexing of the library is well underway but is not yet completed.

Financial information

The statement of financial activities for the year is set out on page 6 of the Financial Statement. A summary of the financial results is given below.

The income for the year was £55,784 (2022: £19,186) and expenditure was £71,963 (2022: £71,963). This produced a surplus of expenditure over income of £34,804 (2022: £52,777 deficit) prior to investment losses.

Trustees consider reserves produce sufficient income to meet the ordinary running expenses but will continue to raise funds for specific projects.

Investment policy

The investment objective set is to obtain a mix of income and growth return over a diversified risk portfolio. The only specific restriction to investment powers is that no more than 15% is placed in fixed interest.

The investment portfolio is monitored regularly by the Trustees in conjunction with discretionary management from the investment advisers. All investments are held for the Trustees by a nominee company of Brewin Dolphin

Risk

The Committee, on behalf of the Trustees, review the major risks faced by the Trust on an annual basis and put steps in place to mitigate them.

Future plans

The Trustees will continue to seek a high level of presentation within the Museum and the library and to add to the collection when suitable items become available. In addition, the Trustees are looking at enhancing the story of the Royal Scots by both upgrading some of the information boards in the museum and by finding space to display significant artefacts that are currently stored in the store room.

Structure, governance and management

Governing document

The Trust was established by a Trust Deed dated 20 July 1959.

The Royal Scots (The Royal Regiment) Museum Trust Fund

Report of the Trustees for the year ended 31 March 2023 *(continued)*

Appointment of Trustees

The Trustees have the power to appoint new Trustees.

Management

The Trustees, assisted by the Committee, determine the policy and agree any major expenditure to be made during the year. Day to day management is carried out by [REDACTED] the Museum assistant. The Committee and Trustees are consulted as and when necessary.

Statement of Trustees' responsibilities

Charity law requires the Trustees to prepare accounts for each financial year which show a true and fair view of the state of affairs of the charity and its financial activities for that period. In preparing those accounts, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice had been followed, subject to any 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 operational existence.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the accounts comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees and signed on their behalf

[REDACTED]
Chairman

[REDACTED]
Trustee

30 October 2023

The Royal Scots (The Royal Regiment) Museum Trust Fund

Independent examiner's report to the Trustees of The Royal Scots (The Royal Regiment) Museum Trust Fund

I report on the accounts of the Charity for the year ended 31 March 2023 which are set out on pages 6 to 15.

Respective responsibilities of Trustees and examiner

The Charity's Trustees are responsible for the preparation of the accounts within the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The Charity Trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

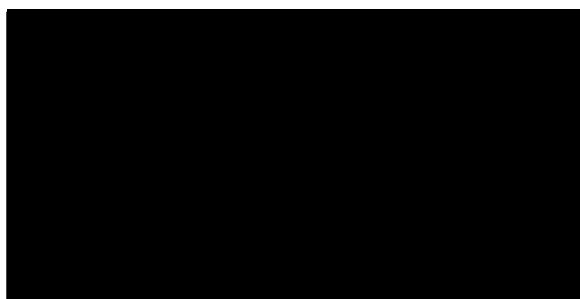
Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeks explanations from the Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations have not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



30 October 2023

The Royal Scots (The Royal Regiment) Museum Trust Fund

Statement of financial activities for the year ended 31 March 2023

	Note	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £
Income							
Donations and legacies	2	616	-	616	-	-	-
Income from charitable activities		20,724	28,000	48,724	130	14,030	14,160
Income from investments		6,444	-	6,444	5,026	-	5,026
Total income		27,784	28,000	55,784	5,156	14,030	19,186
Expenditure							
Expenditure on raising funds	3	(1,497)	-	(1,497)	(1,638)	-	(1,638)
Charitable activities		(11,615)	(7,868)	(19,483)	(14,161)	(56,164)	(70,325)
Total expenditure		(13,112)	(7,868)	(20,980)	(15,799)	(56,164)	(71,963)
Total income less expenditure		14,672	20,132	34,804	(10,643)	(42,134)	(52,777)
Net (losses)/gains on investments		(16,310)	-	(16,310)	7,419	-	7,419
Net movement in funds before transfers		(1,638)	20,132	18,494	(3,224)	(42,134)	(45,358)
Transfer between funds		(2,556)	2,566	-	(18,933)	18,933	-
Fund balances brought forward		243,620	6,082	249,702	265,777	29,283	295,060
Fund balance carried forward		239,426	28,770	268,196	243,620	6,082	249,702

The notes on pages 9 to 15 form a part of these accounts.

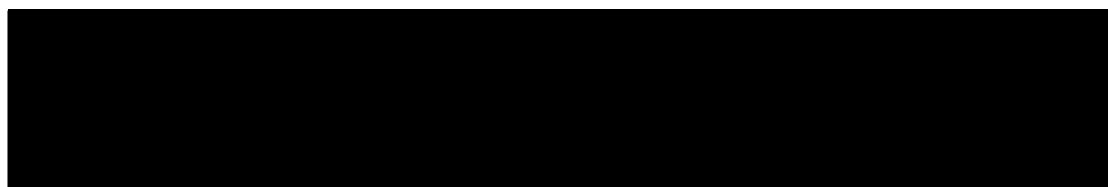
The Royal Scots (The Royal Regiment) Museum Trust Fund

Balance sheet as at 31 March 2023

	<i>Note</i>	2023 £	2023 £	2022 £	2022 £
Investments	5		230,205		246,309
Current assets					
Debtors	6	1,217		698	
Cash at bank and in hand		39,044		4,785	
		40,261		5,483	
Creditors					
Amounts falling due within one year	7	(2,270)		(2,090)	
Net current assets			37,991		3,393
Total assets less current liabilities			268,196		249,702
Funds					
Unrestricted fund	8		239,426		243,620
Restricted fund	8		28,770		6,085
Total funds			268,196		249,702

The accounts are prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued 2005.

The accounts were approved by the Trustees on 30 October 2023 and signed on their behalf:



The notes on pages 9 to 15 form part of these accounts.

The Royal Scots (The Royal Regiment) Museum Trust Fund

Statement of cash flow for the year ended 31 March 2023

	2023 £	2023 £	2022 £	2022 £
Cash flows from operating activities				
Net movement in funds		18,494		(45,358)
Net losses/(gains) on investments		16,310		(7,419)
Income from investments		(6,444)		(5,026)
(Increase)/decrease in debtors		(519)		10
Increase in creditors		180		50
Cash (used in) operating activities		28,021		(57,743)
Cash used in investing activities				
Investment income	6,444		5,026	
Payments to acquire investments	(37,420)		(35,437)	
Receipts from sale of investments	38,621		34,796	
Movement in cash held in investment portfolio	(1,407)		187	
Cash provided by investing activities		6,238		4,572
Increase/(decrease) in cash and cash equivalents in the year		34,259		(53,171)
Cash and cash equivalents at the beginning of the year		4,785		57,956
Total cash and cash equivalents at the end of the year		39,044		4,785
Cash and cash equivalents comprise:				
Cash at bank		39,044		4,785

The Royal Scots (The Royal Regiment) Museum Trust Fund

Notes to the accounts

1 Accounting policies

Basis of preparation

The financial statements have been prepared on a going concern basis in accordance with applicable accounting standards and under the historical cost accounting rules, except that investments held as fixed assets are carried at fair value, and in accordance with applicable accounting standards. The accounts comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, the Statement of Recommended Practice (SORP) FRS102 "Accounting and Reporting by Charities" (revised 2016) and in accordance with Financial Reporting Standard 102 (FRS102). The accounts comprise three primary financial statements, the Statement of Financial Activities (incorporating the income and expenditure), the Balance Sheet and a Cash Flow Statements.

The Trustees consider that the accounts should be drawn up on a going concern basis as investments generate funds sufficient to cover the grants paid and other expenditure.

Charity status

The charity, which is unincorporated was established by Court Decree dated 10 December 1967.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the charity.

Financial Instruments

Financial instruments comprise financial assets and financial liabilities which are initially recognised at transaction value and subsequently measured at their settlement value with the exception of investments. Investments are measured initially at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year. All investments are carried at their market value.

The Trust's exposure to investment risks and the significance of financial instruments to the ongoing financial sustainability of the Trust is considered in the financial review and structure, governance and management sections of the Report of the Trustees. The market risks lie in the combination of uncertain investment markets and volatility in yield. The liquidity risk is low as the investments are traded in markets with good liquidity. The credit risk is low as the underlying assets of the pooled arrangement are ring fenced from the pooled manager. The Trust manages the risks by retaining expert advisors and making them aware of the Trust's investment policy.

Income

All incoming resources are included in the accounts when there is legal entitlement to the income and the amount can be quantified with reasonable accuracy.

The Royal Scots (The Royal Regiment) Museum Trust Fund

Notes to the accounts (continued)

1 Accounting policies (continued)

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Expenditure on raising funds

Investment management fees are recognised in the period in which they are charged.

Investments

Investments are stated at market value at the balance sheet date.

Heritage assets

The value of the artefacts in the museum are not capitalised as the cost of ascertaining the value is cost prohibitive and lacks sufficient reliability.

Cash at bank and in hand

Cash at bank and in hand includes cash which is accessible on demand.

Debtors

Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2 Income

	2023 £	2022 £
Donations and legacies		
Donations	616	-
	<hr/>	<hr/>
	616	-
	<hr/>	<hr/>
Income from investments		
Dividends and fixed interest income	6,444	5,026
	<hr/>	<hr/>
	6,444	5,026
	<hr/>	<hr/>

The Royal Scots (The Royal Regiment) Museum Trust Fund

Notes to the accounts (continued)

2	Income (continued)	2023	2022
		£	£
	Charitable activities		
	Historical enquiries	25	130
	Penny press	4,382	-
	Grants (restricted)	28,000	14,030
	Other income including VAT refunds	16,317	-
		<hr/>	<hr/>
		48,724	14,160
		<hr/>	<hr/>
3	Expenditure	2023	2022
		£	£
	Expenditure on raising funds		
	Investment managers' fees	1,497	1,638
		<hr/>	<hr/>
	Charitable activities		
	Penny press costs	-	5,580
	Colour Belts project (restricted)	2,748	3,054
	Storeroom project(restricted)	-	3,122
	Digitisation project/373 Years (restricted)	-	3,500
	Computer project expenditure (restricted)	698	-
	Rotunda project expenditure (restricted)	-	13
	1945 project (restricted)	2,556	32,445
	Power distribution project (restricted)	1,866	-
	Thistle Project (restricted)	-	14,030
	Artefact restoration (unrestricted)	2,300	-
	Scots learning hub	497	-
	Insurance	3,562	2,972
	Security	944	842
	Post		
	Support costs		
	Computer and internet	390	354
	Subscriptions	456	423
	Professional fees	-	1,020
	Other expenditure	1,046	653
	Governance costs		
	Accountants fee	2,340	2,317
	Trustees expenses	80	-
		<hr/>	<hr/>
		19,483	70,325
		<hr/>	<hr/>
4	Employees		

The Trust had no paid employees during the current or previous year.

None of the Trustees (or any person connected with them) received any remuneration.

The Royal Scots (The Royal Regiment) Museum Trust Fund

Notes to the accounts (continued)

5	Investments			
		Fixed interest £	Equity £	Total £
	<i>Market Value</i>			
	Opening balance at 1 April 2022	11,753	234,556	246,309
	Less cash held for reinvestment	-	(2,473)	(2,473)
		<u>11,753</u>	<u>232,083</u>	<u>243,836</u>
	Additions	2,384	35,037	35,437
	Disposals	-	(38,991)	(32,538)
	Unrealised losses	(1,697)	(14,243)	(15,940)
	Cash held for reinvestment	-	3,879	3,879
		<u>12,440</u>	<u>217,765</u>	<u>230,205</u>
	Closing balance at 31 March 2023	12,440	217,765	230,205
		<u>14,374</u>	<u>183,763</u>	<u>198,137</u>
	Cost at 31 March 2023			
6	Debtors			
			2023	2022
			£	£
	Due from investment managers		976	225
	Other debtors		241	473
			<u>1,217</u>	<u>698</u>
7	Creditors			
			2023	2022
			£	£
	<i>Amounts falling due within one year:</i>			
	Other creditors		2,270	2,090

The Royal Scots (The Royal Regiment) Museum Trust Fund

Notes to the accounts (continued)

8	Funds	Balance at 31 March 2022 £	Incoming resources £	Resources expended £	Transfer £	Investment (losses)/ gains £	Balance at 31 March 2023 £
	2023						
	Unrestricted fund						
	General fund	243,620	27,784	(13,112)	(2,556)	(16,310)	39,426
	Restricted fund						
	- Uniform project	1,171	-	-	-	-	1,171
	- 373 Years project	717	-	-	-	-	717
	- Computer project	1,189	-	698	-	-	491
	- Rotunda project	59	-	-	-	-	59
	- Colour belts and sashes	2,946	-	(2,748)	-	-	198
	- 1945 project	-	-	(2,556)	2,556	-	-
	- Power distribution	-	3,000	(1,866)	-	-	1,134
	- Display cabinets – RSC	-	25,000	-	-	-	25,000
		6,082	28,000	(7,868)	-	-	28,770
	Total funds	249,702	55,784	(20,980)	-	(16,310)	268,196

The Royal Scots (The Royal Regiment) Museum Trust Fund

Notes to the accounts (continued)

8	Funds (continued)	Balance at 31 March 2021 £	Incoming resources £	Resources expended £	Transfer £	Investment gains/ (losses) £	Balance at 31 March 2022 £
	2022						
	Unrestricted fund						
	General fund	265,777	5,156	(15,799)	(18,933)	7,419	243,620
	Restricted fund						
	- Store room project	1,134	-	(3,122)	1,988	-	-
	- Uniform project	1,171	-	-	-	-	1,171
	- 373 Years project	4,217	-	(3,500)	-	-	717
	- Computer project	1,189	-	-	-	-	1,189
	- Rotunda project	72	-	(13)	-	-	59
	- Colour belts and sashes	6,000	-	(3,054)	-	-	2,946
	- Post 1945 project	15,500	-	(32,445)	16,945	-	-
	- Thistle project	-	14,030	(14,030)	-	-	-
		29,283	14,030	(56,164)	18,933	-	6,082
	Total funds	295,060	19,185	(71,962)	-	7,419	249,702

Storeroom project – Established to receive funding for the refurbishment of the store room at the Museum.
Uniform project – Project funding received to assist with the refurbishment and long term preservation of uniforms.
373 Years project (previously Digitisation project) – A project to produce a virtualisation of the Museum.
Computer Project – Funds received to purchase new IT equipment
Rotunda Project – Refurbishment of the Rotunda and Pte Prosser's display cases and increase the security of the latter (note 1).
Colour belts and sashes – To provide new display cases and display board.
Post 1945 Project – To tell the story of all pre 1945-2006 campaigns that the Regiment was involved with in the period.
Thistle project – To distribute the regimental magazine "The Thistle" from 1892 – 2006
Power distribution project – To ensure the power distribution network with the museum.
Display Cabinet Project – To create additional display space within the Royal Scots Club to display some regimental silver.

The Royal Scots Regimental Trust

Notes to the accounts *(continued)*

9 Control

The charity is under the control of the Trustees.

10 Related party transactions

There were no related party transactions in the current or previous years.

11 Financial instruments

	2023 £	2022 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	241	473
Fair value through net income/expenditure	230,205	246,309
Carrying amount of financial liabilities		
Measured at amortised cost	(2,270)	(2,090)
	<u>228,176</u>	<u>244,692</u>

Financial assets that are debt instruments measured at amortised cost comprise trade receivables and other debtors.

Financial assets measured at fair value through net income/expenditure comprise listed investments.

Financial liabilities measured at amortised cost comprise trade payables, accruals and other creditors.

12 Analysis of changes in net funds during the year

	2023 £	2022 £
As at 1 April 2022	4,785	57,956
Net cash inflow/(outflow)	34,259	(53,171)
	<u>39,044</u>	<u>4,785</u>
At 31 March 2023		