

CHARITY NO: SC045834

THE ROYAL HIGHLAND FUSILIERS TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

THE ROYAL HIGHLAND FUSILIERS

(Princess Margaret's Own Glasgow and Ayrshire Regiment)



NEMO NOS IMPUNE LACESSET

Tartan: MACKENZIE (Highland Light Infantry Sett)
Facing Colour: BLUE

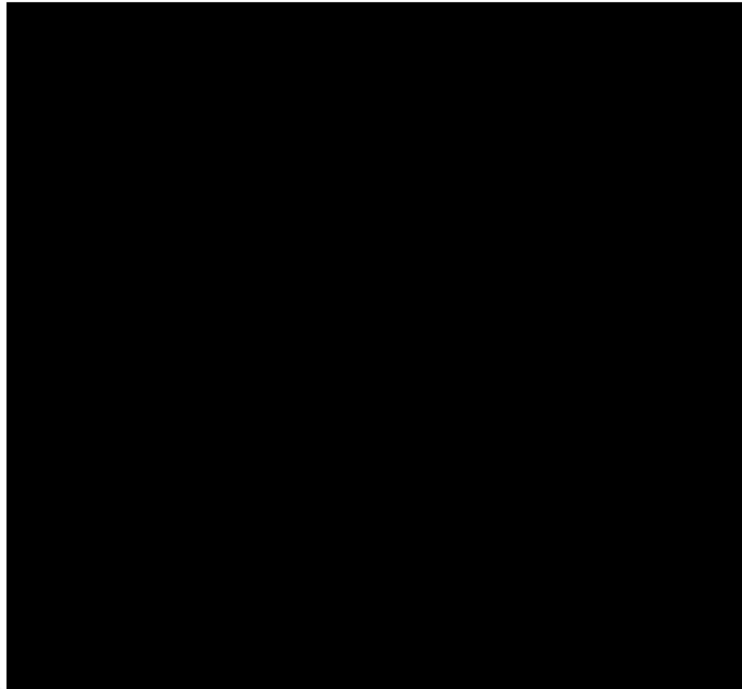
THE ROYAL HIGHLAND FUSILIERS TRUST
REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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THE ROYAL HIGHLAND FUSILIERS TRUST

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

REFERENCE AND ADMINISTRATIVE INFORMATION



Charity Number:
SC045834

Independent Examiner:
Wbg Services LLP
168 Bath Street
Glasgow
G2 4TP

Solicitors:
Harper Macleod LLP
The Ca' d'oro
45 Gordon Street
Glasgow
G1 3PE

THE ROYAL HIGHLAND FUSILIERS TRUST

Report of the Trustees for the year ended 31 March 2025

The Trustees present their annual report and financial statements of the charity for the year ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 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).

The legal and administrative information on page one forms part of this report.

Chairman's Statement

The core purposes of the Trust remain unchanged:

- to own and maintain the regimental Collection of the Royal Highland Fusiliers,
- to present elements of the circa 10.5k historic objects in a public museum,
- and to nurture and sustain veteran welfare and benevolence, particularly for those former soldiers and their dependants who find themselves in need and distress.

Maintaining the Collection is an ongoing activity and very good progress continues to be made. The appointment of the Collections Manager has been a great success and she has now started on her second year from April 2025. A further short term appointment was made in January 2025 for a media and collections assistant until the late summer. Visitor numbers at the museum have improved on the last reporting year. The appearance and content of the displays has been progressing well with a refreshed temporary exhibition space in the centre of the museum, allowing two additional short term exhibitions a year. The cataloguing process of all categories continues. The medal collection inventory has been completed and valued by Spink medal dealers. The Regimental Adjutant, [REDACTED] continues to coordinate the maintenance and décor of the building, improving general storage space, the reception area of the museum and the Colonel of the Regiment's room.

Veteran support continued to be delivered through benevolence grants to individuals as well as facilitating or supporting veteran events or organising the presence of veterans at significant public events of national remembrance. The staff at 518 Sauchiehall Street continue to support a considerable number of families with the funeral arrangements for former soldiers of the Royal Highland Fusiliers.

Structure, Governance and Management

The Trust is led and administered by a Board of Trustees that exercises day to day control through a small administrative team based at 518 Sauchiehall Street, as well as through the committee structure of the Trust. Key areas of interest and activity are;

- the care and maintenance of the Collection,
- the public presentation of the social history of the Royal Highland Fusiliers at a free to enter Glasgow-based Museum,
- and our Veteran Support and Benevolence work.

THE ROYAL HIGHLAND FUSILIERS TRUST

Report of the Trustees for the year ended 31 March 2025

Structure, Governance and Management (continued)

The Trustees have assessed the main risks to the charity and they are satisfied that systems are in place to mitigate exposure to principal risks.

None of the Trustees has any direct involvement with parties or organisations benefitting from the Trust.

Achievements and Performance

The Trust remains engaged with its three principal areas of operation. The Collection requires careful handling and upkeep. This involves the need to update and modernise catalogues and to apply recognised and careful conservation techniques to help in the maintenance of the Trust's Collection of historic objects and, wherever possible, to improve the state of repair of the objects in the Collection. From time to time opportunities crop up when the Trust is presented with an option to acquire an historic object either from private individuals or through specialist auctions. During 2024-25, the Trust was donated a gift of £10K, through a will and a rare Military General Service medal (1793-1814) with nine clasps.

Museum Development. During the year, discussions with Glasgow City Council (GCC) and Glasgow Life (GL) have progressed through the Museum Working Group (MWG). A firmer direction of travel has now been confirmed by Trustees. As a result; of changing plans by GCC; further changes to the site options proposed by GL; the aspiration by GCC to redevelop Sauchiehall street over the next 5-10 years; and approval by the MOD to include the RHF museum as one of the future 32 museums to be funded by the MOD beyond 2030, the Trustees have decided, for the time being, to remain at 518 Sauchiehall Street, to redevelop the site and investigate the options to enable this.

The work undertaken by the MWG over the past few years will not be wasted but will help to develop the following areas:

- Develop a design brief to then conduct a feasibility study of the development options,
- Completion of the design and the securing of funding,
- The endorsement of a plan to develop and then operate the site,
- Marketing and communications in support of fund raising and the new museum,
- followed by opening and operation,
- before entering the sustainment and development phase, particularly in areas of outreach and education.

Benevolence. In Veteran Support and Benevolence work, the Trust assisted on a weekly and monthly basis with over £20,000 provided in grants to our veterans and dependants during the year.

THE ROYAL HIGHLAND FUSILIERS TRUST

Report of the Trustees for the year ended 31 March 2025

Achievements and Performance (continued)

This is matched by other service charities, with £35,000 from the Army Benevolent Fund and £32,000 from the Royal British Legion Scotland, contributing an overall £90,000 to veterans. This process continues to be looked after by [REDACTED]

The three largest areas of request remain;

- assistance with the purchase of household goods,
- help to families with funeral expenses,
- and supporting individuals who had problems with debt and arrears.

Estate. The Defence Infrastructure Organisation continues to support the building on behalf of the Ministry of Defence. The annual fire inspection was undertaken successfully in March 2025, further CCTV has been installed and panic alarms provided for the reception staff. The planned demolition of Building 3 was delayed beyond 31st March 2025.

Investment. By early 2025, the Trust's investment portfolio income remained steady. Trustees are briefed regularly at Trustee meetings, by Barclays Investment advisor that the asset allocation was positioned tactically for difficult but navigable economic conditions ahead.

Plans for 2025/26

The Museum redevelopment project remains the Trustees' top priority, led by the Museum WG. Other plans for the coming year 2025-2026 include;

Additional Income. The project to generate additional income from hospitality has not yet been developed. A couple of events have been held during the year to assess the viability of the catering arrangements.

Preservation. The 9 HLI kilt has been delivered to a conservator in Perth for inspection and condition report before deciding how best to display the item.

Collections. The effort to catalogue and rationalise the uniform, medal, silver, art and library collections continues apace. The accreditation process with Museum Galleries Scotland (MGS) was completed in November 2024 and their final report and future accreditation is awaited. The museum has been very well served in 2024-25 with six new volunteers and seven post graduates on work placements.

Displays. The temporary exhibition space has been developed in the centre of the museum. It has enhanced the visitor experience and allowed additional items to be on display.

Saturday Openings. The museum is running a trial from February 2025, with one Saturday opening a month, and two Saturday open days in July and August. The trial has proved very successful so far, with more visitors in a day than in the current four day week.

THE ROYAL HIGHLAND FUSILIERS TRUST

Report of the Trustees for the year ended 31 March 2025

Financial Review

The income for the charity during the year was £124,949 (2024: £115,718) and incurred expenditure of £142,856 (2024: £131,391). The charity had gains on investments of £1,984 (2024: gains of £162,181). The charity had total funds at the year end of £2,673,403 (2024: £2,689,326).

Reserves Policy

The charity has unrestricted reserves of £2,567,134 (2024: £2,585,231) which the Trustees consider sufficient to meet ongoing obligations.

Trustees' responsibilities in relation to the financial statements

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

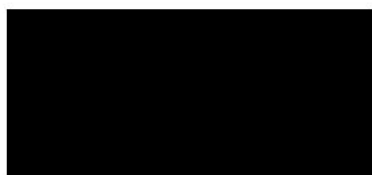
The law applicable to charities in Scotland requires the charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that year. In preparing the financial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

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006, and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees and signed on their behalf by:



Date: 7 October 2025

INDEPENDENT EXAMINER REPORT TO THE MEMBERS OF THE ROYAL HIGHLAND FUSILIERS TRUST FOR THE YEAR ENDED 31 MARCH 2025

I report on the accounts of the charity for the year ended 31 March 2025, which are set out on pages 7 to 19.

Respective responsibilities of Trustees and examiner

The charity's Trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

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.

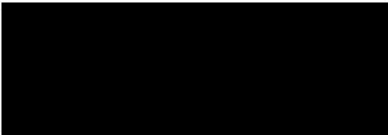
Independent examiner's statement

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 respects 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.



Wbg Services LLP
168 Bath Street
Glasgow
G2 4TP

Date: 7 October 2025

THE ROYAL HIGHLAND FUSILIERS TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2025

(Including an Income and Expenditure account)

	Note	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Total Funds 2025 £	As Restated Unrestricted Funds 2024 £	As Restated Restricted Funds 2024 £	Total Funds 2024 £
Income and endowments from:							
Donations and legacies	4	6,279	24,728	31,007	7,661	23,663	31,324
Charitable activities	5	8,499	-	8,499	5,345	-	5,345
Investments	6	77,443	2,119	79,562	72,712	2,034	74,746
Other income resources	7	5,881	-	5,881	4,303	-	4,303
Total Income		98,102	26,847	124,949	90,021	25,697	115,718
Expenditure on:							
Raising funds							
Raising donations & legacies	8	-	-	-	14,392	-	14,392
Investment & management	9	7,493	-	7,493	7,072	-	7,072
Charitable activities	11	110,635	24,728	135,363	86,264	23,663	109,927
Total Expenditure		118,128	24,728	142,856	107,728	23,663	131,391
Net (expenditure)/income and net movement in funds before gains and losses on investments							
Net gains on investments		(20,026)	2,119	(17,907)	(17,707)	2,034	(15,673)
Net (expenditure)/income		(18,097)	2,174	(15,923)	139,984	6,524	146,508
Transfers between funds		-	-	-	-	-	-
Net movement in funds		(18,097)	2,174	(15,923)	139,984	6,524	146,508
Funds reconciliation							
Total Funds brought forward	21	2,585,231	104,095	2,689,326	2,445,247	97,571	2,542,818
Total Funds carried forward	21	2,567,134	106,269	2,673,403	2,585,231	104,095	2,689,326

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE ROYAL HIGHLAND FUSILIERS TRUST

BALANCE SHEET AS AT 31 MARCH 2025

	Note	Total Funds 2025 £	Total Funds 2024 £
Fixed assets:			
Tangible fixed assets	15	886	1,329
Investments	16	2,497,972	2,503,429
Total fixed assets		<u>2,498,858</u>	<u>2,504,758</u>
Current assets:			
Stocks	17	4,208	4,294
Debtors	18	1,848	1,775
Cash at bank and in hand	19	174,095	189,665
Total current assets		<u>180,151</u>	<u>195,734</u>
Liabilities:			
Creditors falling due within one year	20	(5,606)	(11,166)
Net current assets		<u>174,545</u>	<u>184,568</u>
Total assets less current liabilities		<u>2,673,403</u>	<u>2,689,326</u>
Net assets		<u>2,673,403</u>	<u>2,689,326</u>
The funds of the charity:			
Unrestricted income funds	21	2,567,134	2,585,231
Restricted funds	21	106,269	104,095
Total charity funds		<u>2,673,403</u>	<u>2,689,326</u>

Approved by the Trustees and signed on their behalf by:



Chairman

Finance Convener

Date: 7 October 2025

THE ROYAL HIGHLAND FUSILIERS TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

1. Accounting Policies

(a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with the 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), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

The trust constitutes a public benefit entity as defined by FRS 102.

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

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

(b) Funds structure

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, have created funds for specific purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed, or through the terms of an appeal.

Further details of each fund are disclosed in note 21.

(c) Income recognition

Income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations, are recognised when the Trust has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting year.

Legacy gifts are recognised on a case by case basis following the confirmation of estate when the administrator/executor for the property has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

THE ROYAL HIGHLAND FUSILIERS TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

1. Accounting Policies (continued)

(c) Income recognition (continued)

This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Income from government and other grants, whether 'capital' or 'revenue' 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 the income will be received and the amount can be measured reliably and is not deferred.

(d) Expenditure recognition

Liabilities are recognised as expenditure 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.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (f) below.

- Costs of raising funds comprised the cost of the curator.
- Expenditure on charitable activities includes grants payable and other activities undertaken to further the purposes of the charity.
- Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grants awards 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 that grant is outside of the control of the Trust.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

The provision for a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Trust that would permit the Trust to avoid making the future payment(s), settlement is probable and the effect of discounting is material. The discount rate used is the average rate of investment yield in the year in which the grant award is made. This discount rate is regarded by the Trustees as providing the most current available estimate of the opportunity cost of money reflecting the time value of money to the Trust.

(e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

THE ROYAL HIGHLAND FUSILIERS TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

1. Accounting Policies (continued)

(e) Donated services and facilities (continued)

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the year of receipt.

(f) Allocation of governance costs

Governance costs comprise the independent examination fee incurred. Governance costs are allocated directly to the costs of charitable activities.

(g) Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

(h) Heritage assets

The assets held by the charity include silver and museum artefacts. These artefacts are not included within the balance sheet as an asset.

(i) Tangible fixed assets

All assets costing more than £150 are capitalised and stated at historical cost. Depreciation is charged as follows:

	Basis
Office Equipment	20% Straight Line

(j) Stock

Stock is included at the lower of cost or net realisable value and relates to goods sold by the museum.

(k) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(l) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(m) 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 the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

THE ROYAL HIGHLAND FUSILIERS TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

1. Accounting Policies (continued)

(m) Creditors and provisions (continued)

Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(n) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

(o) Operating leases

The charity classifies the lease of property as an operating lease. Rental charges are charged on a straight line basis over the term of the lease.

(p) Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

(q) Taxation

The Royal Highland Fusiliers Trust is a charity within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes only.

(r) VAT recovered

The Trust is registered with HMRC under section 33A of the VAT Act 1994, which permits recovery of input VAT incurred in the provision of free admission of the public to the museum. Any residual irrecoverable VAT is charged as a cost against the activity for which the expenditure is incurred. Further details can be found in note 7.

(s) Judgements and key sources of estimation uncertainty

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

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

The Trustees are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied as follows;

THE ROYAL HIGHLAND FUSILIERS TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

1. Accounting Policies (continued)

(s) Judgements and key sources of estimation uncertainty (continued)

<u>Estimate</u>	<u>Basis of estimation</u>
Depreciation of fixed assets	Fixed assets are depreciated and amortised over the useful life of the asset. The useful lives of fixed assets are based on the knowledge of the operations team, with reference to assets' expected life cycle.

2. Legal status of the Trust

The charity is a Trust and is a registered Scottish charity.

3. Related party transactions and Trustees' expenses and remuneration

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2024: £nil). There were no expenses reimbursed to the Trustees in the year (2024: £nil).

During the year no Trustee had any personal interest in any contract or transaction entered into by the charity (2024: none).

4. Income from donations and legacies

	2025 £	2024 £
Donations	6,279	7,661
Grants	24,728	23,663
	<u>31,007</u>	<u>31,324</u>

5. Income from charitable activities

	2025 £	2024 £
Museum Sales	6,209	3,350
Regimental Subscriptions	2,290	1,995
	<u>8,499</u>	<u>5,345</u>

6. Investment income

	2025 £	2024 £
Dividends	76,518	73,469
Bank Interest	3,044	1,277
	<u>79,562</u>	<u>74,746</u>

7. Other incoming resources

	2025 £	2024 £
VAT Recovered	5,881	4,303
	<u>5,881</u>	<u>4,303</u>

THE ROYAL HIGHLAND FUSILIERS TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

8. Raising funds – expenditure on raising donations and legacies

	Direct Costs £	Support Costs £	2025 Total £	2024 Total £
Curator	-	-	-	14,392
	-	-	-	14,392

9. Raising funds - Investment management costs

	Direct Costs £	Support Costs £	2025 Total £	2024 Total £
Investment management fees	7,493	-	7,493	7,072
	7,493	-	7,493	7,072

10. Allocation of governance costs

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below:

Governance costs:	2025 £	2024 £
Independent Examiner & Bookkeeping costs	4,166	3,780
	4,166	3,780

Governance costs are wholly allocated to the cost of charitable activities.

11. Analysis of expenditure on charitable activities

	2025 Total £	2024 Total £
Journal expenditure	2,021	1,650
Grants in relief	20,360	21,711
Insurance	2,262	2,258
Admin and other costs	11,533	5,420
Museum purchases	302	3,607
Staff costs	79,005	53,077
Donation to 2 Scots	3,000	-
Travel and course accommodation costs	3,010	401
Remembrance service and funeral costs	621	1,091
New museum planning & consulting	8,640	16,489
Depreciation	443	443
Governance costs (Note 10)	4,166	3,780
	135,363	109,927

THE ROYAL HIGHLAND FUSILIERS TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

12. Analysis of grants

	Grants to institutions £	Grants to individuals £	2025 Total £	2024 Total £
Grants paid	-	20,360	20,360	21,711
Total	-	20,360	20,360	21,711

During the 12 months to 31 March 2025 59 grants were paid to individuals (2024: 74).

13. Analysis of staff costs and remuneration of key management personnel

	2025 £	2024 £
Salaries and wages	79,005	67,469
Total staff costs and employee benefits	79,005	67,469

No employees had employee benefits in excess of £60,000 (2024: £60,000).

	2025 No.	2024 No.
The average weekly number of persons, by headcount, employed by the charity during the year was:	7	5

14. Net income/(expenditure) for the year

	2025 £	2024 £
This is stated after charging:		
Independent Examiner & Bookkeeping costs	4,166	3,780

15. Tangible Fixed Assets

	Office Equipment £	Total £
Cost or valuation		
At 1 April 2024	2,215	2,215
Additions	-	-
Disposals	-	-
At 31 March 2025	2,215	2,215
Depreciation		
At 1 April 2024	886	886
Charge for the year	443	443
At 31 March 2025	1,329	1,329
Net Book Value		
At 31 March 2024	1,329	1,329
At 31 March 2025	886	886

THE ROYAL HIGHLAND FUSILIERS TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

16. Fixed Asset Investments

Movement in fixed asset listed investments	2025 £	2024 £
Market value brought forward at 1 April 2024	2,498,642	2,342,666
Add: additions to investments at cost	-	15,401
Disposals at carrying value	(7,768)	(21,722)
Add net unrealised gain on revaluation	1,857	162,297
Market value as at 31 March 2025	<u>2,492,731</u>	<u>2,498,642</u>
Cash held at investment brokers	<u>5,241</u>	<u>4,787</u>
	<u>2,497,972</u>	<u>2,503,429</u>

Net cash released from investments in the year was £7,895 (2024: cash released £6,204).

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the Trust is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the Trust from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Due to 'quantitative easing' and market sentiment favouring lower risk investments, the yield on bonds has been abnormally low giving rise to a significant downside risk of a fall in capital values when interest rates return to normal levels.

The Trust manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Trust does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield total return and historical studies of quoted financial instruments have shown that volatility in any particular 5 year period will normally be corrected.

17. Stock

	2025 £	2024 £
Shop Stock	4,208	4,294
	<u>4,208</u>	<u>4,294</u>

18. Debtors

	2025 £	2024 £
Other debtors	1,848	1,775
	<u>1,848</u>	<u>1,775</u>

THE ROYAL HIGHLAND FUSILIERS TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

19. Cash at bank and in hand

	2025 £	2024 £
Bank current accounts and cash	19,909	88,388
Short term investments	154,186	101,277
	<u>174,095</u>	<u>189,665</u>

20. Creditors: amounts falling due within one year

	2025 £	2024 £
Other creditors and accruals	5,606	11,166
	<u>5,606</u>	<u>11,166</u>

21. Analysis of charitable funds

2024 Analysis of Fund movements	Balance b/fwd £	As Restated Income £	As Restated Expenditure £	Gains/ (Losses) £	Transfers £	Fund c/fwd £
Unrestricted funds						
Museum Capital	179,718	-	-	-	-	179,718
Trust – Capital	2,218,464	-	-	157,691	-	2,376,155
Trust – Revenue	45,293	90,021	(107,285)	-	-	28,029
Fixed Assets	1,772	-	(443)	-	-	1,329
Total designated funds	<u>2,445,247</u>	<u>90,021</u>	<u>(107,728)</u>	<u>157,691</u>	<u>-</u>	<u>2,585,231</u>
General funds	-	-	-	-	-	-
Total unrestricted funds	<u>2,445,247</u>	<u>90,021</u>	<u>(107,728)</u>	<u>157,691</u>	<u>-</u>	<u>2,585,231</u>
Restricted fund						
Padre James Morrison Fund	77,761	2,034	-	4,490	-	84,285
Relocation – Revenue	19,810	-	-	-	-	19,810
Grants in Aid	-	23,663	(23,663)	-	-	-
Total restricted funds	<u>97,571</u>	<u>25,697</u>	<u>(23,663)</u>	<u>4,490</u>	<u>-</u>	<u>104,095</u>
TOTAL FUNDS	<u>2,542,818</u>	<u>115,718</u>	<u>(131,391)</u>	<u>162,181</u>	<u>-</u>	<u>2,689,326</u>

THE ROYAL HIGHLAND FUSILIERS TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

21. Analysis of charitable funds (continued)

2025 Analysis of Fund movements	Balance b/fwd £	Income £	Expenditure £	Gains/ (Losses) £	Transfers £	Fund c/fwd £
Unrestricted funds						
Museum Capital	179,718	-	-	-	-	179,718
Trust – Capital	2,376,155	-	-	1,929	-	2,378,084
Trust – Revenue	28,029	98,102	(117,685)	-	-	8,446
Fixed Assets	1,329	-	(443)	-	-	886
Total designated funds	2,585,231	98,102	(118,128)	1,929	-	2,567,134
General funds	-	-	-	-	-	-
Total unrestricted funds	2,585,231	98,102	(118,128)	1,929	-	2,567,134
Restricted fund						
Padre James Morrison Fund	84,285	2,119	-	55	-	86,459
Relocation – Revenue	19,810	-	-	-	-	19,810
Grants in Aid	-	24,728	(24,728)	-	-	-
Total restricted funds	104,095	26,847	(24,728)	55	-	106,269
TOTAL FUNDS	2,689,326	124,949	(142,856)	1,984	-	2,673,403

- a) The unrestricted funds are available to be spent for any of the purposes of the charity.

The Trustees have created the following designated funds:

Museum Capital – is a fund set aside for future Museum refurbishment costs.

Trust Capital – is a fund that reflects the value of the charity's investments at the year end.

Trust Revenue – is a fund that reflects the value of the charity's unrestricted funds that is freely available to spend.

Fixed Assets – is a fund that reflects the value of the charity's fixed assets at the year end.

- b) Restricted funds comprise

Padre James Morrison Fund – is a fund for grants payable to members of 2 Scots The Royal Regiment of Scotland.

Relocation – is a fund for the development and relocation of the museum.

Grants in Aid – is a contribution towards wages expenditure.

THE ROYAL HIGHLAND FUSILIERS TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

22. Net assets over funds

As at 31 March 2025	Unrestricted Funds £	Restricted Funds £	Total 2025 £
Fixed Assets	886	-	886
Investments	2,411,513	86,459	2,497,972
Current assets	160,341	19,810	180,151
Current liabilities	(5,606)	-	(5,606)
	<u>2,567,134</u>	<u>106,269</u>	<u>2,673,403</u>

As at 31 March 2024	Unrestricted Funds £	Restricted Funds £	Total 2024 £
Fixed Assets	1,329	-	1,329
Investments	2,419,144	84,285	2,503,429
Current assets	175,924	19,810	195,734
Current liabilities	(11,166)	-	(11,166)
	<u>2,585,231</u>	<u>104,095</u>	<u>2,689,326</u>

23. Operating leases

The premises at Sauchiehall Street are leased from the Ministry of Defence for a peppercorn rent of £1 per annum. The lease runs to 2050. The Ministry of Defence also pays for utility, rates and insurance costs relating to the premises. The total commitment at the end of the year is £26 (2024: £27), split:

	2025 £	2024 £
Due in less than one year	1	1
Due in two to five years	4	4
Due in more than five years	21	22
	<u>26</u>	<u>27</u>

24. Prior year adjustment

During the preparation of the 2025 financial statements, detailed scrutiny of the allocation of income between restricted and unrestricted funds was carried out, with reference to source documentation. This has resulted in £23,663 grant in aid income being reclassified as restricted, and £5,345 income from museum sales and regimental subscriptions being reclassified as unrestricted. The 2024 figures have been restated accordingly. The impact of the adjustments resulted in a decrease in unrestricted income and an increase in restricted income of £18,318. Similarly unrestricted expenditure decreased and restricted expenditure increased by £18,318. There was no change in the overall fund balances.