

**THE LONDON SCOTTISH REGIMENT 1995 CHARITY**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 March 2017**

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# **THE LONDON SCOTTISH REGIMENT 1995 CHARITY**

## **REFERENCE AND ADMINISTRATIVE INFORMATION**

**Registered Charity No. 1056219**

### **CUSTODIAN TRUSTEE**

The London Scottish Regiment Trustee Ltd

### **TRUSTEES**

#### **Ex Officio**

Brigadier A Bruce of Crionaich OBE DL

Mr S. D Lovelock

Major RR Wirgman TD - Chairman London Scottish Regiment Benevolent Fund

#### **Co-opted**

Mr C.Fairman

Mr W.D. Foot

Professor N.P.Gair

Major C.S. Giles TD (resigned 31st December 2016)

Lt Col R.T.Kurth

Lt Col M.W.H. Ludlow TD (resigned 31st December 2016)

Major General Ranald TI Munro CBE TD VR

Mr A.A. Rawlins

### **CLERK TO THE TRUSTEES**

#### **Principal addressee**

Mr A.A.Wood LVO MBE

95 Horseferry Road

London SW1P 2DX

### **BANKERS**

Royal Bank of Scotland

Holt's Farnborough Branch

Lawrie House

Victoria Road

Farnborough GU14 7NR

### **INVESTMENT ADVISERS**

Brewin Dolphin Limited

12 Smithfield Street

London

EC1A 9BD

### **INDEPENDENT EXAMINER**

Gilbert Allen & Co

Churchdown Chambers

Bordyke

Tonbridge

Kent TN9 1NR

## THE LONDON SCOTTISH REGIMENT 1995 CHARITY

### PROVISIONS OF THE TRUST DEED

#### Status

The Trust is a registered Charity under the Charities Act and is exempt from taxation.

#### Origins

The Charity was formed on 30th April 1996 by a declaration of Trust by:

Colonel John Alistair Clemence CBE TD FCA  
Colonel Richard Durden Holliday TD  
David Lowe Franklin Esq.

#### Objects

The initial sum of capital was £10.

The Trustees shall hold the Trust Fund and its income upon trust to apply them for the following objects:

- i) To promote any charitable purpose in connection with the London Scottish Regiment and in particular:-
  - a) The relief of poverty among members, former members of the Regiment and their dependants,
  - b) The promotion of the efficiency of the Regiment and
  - c) The advancement of the education of the public in the history of the Regiment.
- ii) To promote the development of children and young persons in achieving their full physical intellectual and social potential through education and leisure time activities.
- iii) To promote any other charitable purpose.

In furtherance of the objects but not otherwise the Trustees may exercise inter alia the following powers:

- To maintain a Regimental Museum and Library.
- To maintain existing and future Regimental memorials.
- To sponsor and organise reunions for members of the Regiment.
- To publish and print magazines, journals and books.

**THE LONDON SCOTTISH REGIMENT 1995 CHARITY  
TRUSTEES' REPORT  
For the year ended 31 March 2017**

## **OBJECTIVES**

Details of the objectives as set out in the Trust Deed are shown on page 3.

## **ACTIVITIES**

The Trustees administer the Charity in accordance with the objectives and other provisions of the Trust Deed.

## **ACHIEVEMENTS AND PERFORMANCE**

Following the Strategic Defence Review by the Government in 1999 the Trustees determined to build a substantial reserve for the future of the London Scottish Regiment. This long term strategy remains and against this background the Trustees will meet other specific calls on the funds in any one year.

## **FINANCIAL REVIEW**

The Financial Statements for the year show gross income of £38,129 and support costs and charitable activities of £159,104 resulting in a deficit of £120,975. The realised gains on investments in the year were £33,931 and unrealised gains were £148,629. The Trustees consider the state of the Trust's affairs to be satisfactory.

## **RESERVES POLICY**

The Charity has total reserves of £1,236,794. The Trustees consider that there are sufficient Unrestricted Funds to allow the Charity to cover known liabilities and contingencies, absorb setbacks and to take advantage of change and opportunity in accordance with the Charity Commission's Guidance (CC19).

## **INVESTMENT POLICY**

The Trust continues to pursue its long term objectives of balancing security of income with capital growth with a medium risk profile.

## **PLANS FOR THE FUTURE**

There are no immediate plans to alter the way in which the income is expended or transferred. The Trustees are seeking ways in which to simplify the management of the Trust and thereby reduce administrative expenditure.

## **LEGACY POLICY**

Any legacy received by the charity for a specific purpose will be allocated to an appropriate Restricted Fund within the charity, such a fund being created if necessary in order to comply with the legator's wishes.

If a legacy is received without a specific direction as to how it is to be spent it will be added to the General Fund of the Charity.

## **RISK MANAGEMENT**

The major risks to which the Charity is exposed, as identified by the Trustees, have been reviewed and systems are in place to manage those risks, including security, finance, succession planning and reputation maintenance.

## **CONSTITUTION, STRUCTURE GOVERNANCE AND MANAGEMENT**

The governing document is the declaration of trust dated 30 April 1996.

When a need arises the power of appointing new Trustees vests with the Trustees at that time.

## **PUBLIC BENEFIT**

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives for the year. The Trustees believe that by assisting the training and efficiency of the Reserve Army and thereby to the defence of the realm they are generating public benefit.

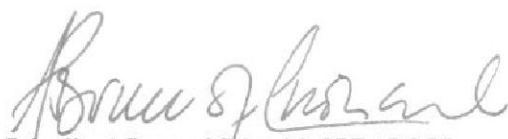
THE LONDON SCOTTISH REGIMENT 1995 CHARITY  
TRUSTEES' REPORT  
For the year ended 31 March 2017

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

Law applicable to charities in England and Wales requires the Trustees to prepare Financial Statements for each financial year which give a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year. In preparing Financial Statements giving a true and fair view, the Trustees are required to:

- select suitable accounting policies and then to apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare Financial Statements on the ongoing concern basis unless it is inappropriate to presume that the Charity will continue its operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Charity and which enable them to ensure that the Financial Statements comply with applicable law. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention of fraud and other irregularities.



Brigadier A Bruce of Crionaich OBE ADC DL  
Regimental Colonel of the Regiment

25 January 2016

Date

**REPORT OF THE INDEPENDENT EXAMINER TO THE TRUSTEES OF  
THE LONDON SCOTTISH REGIMENT 1995 CHARITY**

**Independent examiner's report to the trustees of The London Scottish 1995 Charity**

I report to the trustees on my examination of the accounts of The London Scottish 1995 Charity (the Trust) for the year ended 31 March 2017 which are set out on pages 7 to 12.

**Responsibilities and basis of report**

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

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

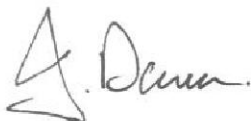
**Independent examiner's statement**

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

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

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

John Duncan FCA  
Gilbert Allen & Co  
Churchdown Chambers  
Bordyke  
Tonbridge  
Kent TN9 1NR



Dated: 29.1.18

## THE LONDON SCOTTISH REGIMENT 1995 CHARITY

## STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 March 2017

	Notes	Unrestricted Fund	Capital Fund Restricted	Total 2017	Total 2016
		£	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	3	600	-	600	-
Investments	2	37,449	-	37,449	33,853
Other		80	-	80	88
<b>TOTAL</b>		<u>38,129</u>	<u>-</u>	<u>38,129</u>	<u>33,941</u>
<b>EXPENDITURE ON</b>					
Charitable activities	5	<u>159,104</u>	<u>-</u>	<u>159,104</u>	<u>57,645</u>
<b>TOTAL</b>		<u>159,104</u>	<u>-</u>	<u>159,104</u>	<u>57,645</u>
Net gains on investments	2	-	182,560	182,560	(40,099)
<b>NET INCOME/(EXPENDITURE)</b>		<u>(120,975)</u>	<u>182,560</u>	<u>61,585</u>	<u>(63,803)</u>
<b>Reconciliation of funds</b>					
Balance at 1 April 2016		71,027	1,104,182	1,175,209	1,239,012
<b>Balance at 31 March 2017</b>		<u>(49,948)</u>	<u>1,286,742</u>	<u>1,236,794</u>	<u>1,175,209</u>

The notes on pages 9 to 12 form part of these Financial Statements.

## THE LONDON SCOTTISH REGIMENT 1995 CHARITY

## BALANCE SHEET

As at 31 March 2017

	Note	Unrestricted Fund £	Capital Fund Restricted £	2017 Total £	2016 Total £
<b>FIXED ASSETS</b>					
Investments	2	-	1,194,422	1,194,422	1,128,251
<b>CURRENT ASSETS</b>					
Cash at bank and in hand		(49,348)	92,320	42,972	47,558
		(49,348)	92,320	42,972	47,558
<b>LIABILITIES</b>					
Creditors: Amounts falling due within one year					
Independent examiner's fee		600	-	600	600
		600	-	600	600
<b>NET CURRENT ASSETS</b>		(49,948)	92,320	42,372	(4,040)
<b>TOTAL NET ASSETS</b>		(49,948)	1,286,742	1,236,794	1,175,209

## The funds of the Charity

Capital fund	6	-	1,286,742	1,286,742	1,104,182
Income fund	6	(49,948)	-	(49,948)	71,027
		(49,948)	1,286,742	1,236,794	1,175,209

The notes on pages 9 to 12 form part of these Financial Statements.

These Financial Statements were approved on  
and signed by25 Jan 2018  
on behalf of the Trustees

Brigadier A Bruce of Crionaich OBE ADC DL )

) Trustees

Chairman

ANTHONY R. HARRIS )



# THE LONDON SCOTTISH REGIMENT 1995 CHARITY

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

### 1. Accounting Policies

#### a) Basis of preparation and assessment of going concern

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) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

#### b) 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 can be measured reliably.

#### c) Expenditure recognition

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

All expenditure is accounted for on accruals basis.

In case of unconditional grant, this is accrued once the recipient was notified. Grant awards subject to conditions are accrued when the recipient was notified and any remaining conditions are outside of the Trust's control.

#### d) Legacies and donations

Legacies and donations received are credited to income and transferred to endowment if so specified or resolved by the Trustees.

#### e) Restricted Funds

Any restricted income or assets are retained in a separate account until disbursed in accordance with the restriction or until the restriction is removed.

#### f) Fixed Asset Investments

These are a form of basic financial instrument and initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date. The Statement of Financial Activities includes the gains and losses arising on revaluation.

#### g) Realised gains and losses

All gains and losses are taken to the Statements of Financial Activities (SOFA) as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or purchase value. 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 SOFA.

#### h) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS102 a restatement of comparative items was needed.

A reconciliation of Net Income/(Expenditure) for the year is provided with the Net Income/(Expenditure) under previous GAAP adjusted for the presentation of investments gains/(losses) as a component of reported income.

	£
Net income/(expenditure) as previously stated	(23,704)
Adjustment for gains/(losses) on investments now treated as a component of net income	(40,099)
2016 Net Income as restated	<u>(£63,803)</u>

**THE LONDON SCOTTISH REGIMENT 1995 CHARITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2017**

**2. Investments**

	Holdings at 1.4.16		Purchases/(Sales)		(Loss)	Holdings at 31.3.17		Value	Income
	Nominal	Cost	Nominal	Cost/ (proceeds)	Profit on sale	Nominal	Cost	31.3.17	2017
		£		£	£		£	£	£
<b>Shares</b>									
Aberdeen Asset Management									
Ord GBP 0.10	3,590	16,608	-	-	-	3,590	16,608	9,671	700
Andbank Asset Management Halley									
Sicav Asn Pros A1	150	31,694	-	-	-	150	31,694	40,085	1,566
Andbank Asset Management Samarang									
Value B1 Cap	114	11,400	-	-	-	114	11,400	17,231	-
Apax Global Alpha Ltd									
Ord NPV	7,786	9,281	-	-	-	7,786	9,281	11,806	595
BP Plc									
Ord USD 0.25	3,790	16,439	-	-	-	3,790	16,439	17,631	1,158
British Land Co									
Ord GBP 0.25	2,220	16,428	(2,220)	(16,083)	(345)	-	-		157
Capita Financial Miton Multi									
Cap Income B	13,720	22,225	-	-	-	13,720	22,225	26,113	1,094
Capita Financial Miton UK									
Value Opps B Instl	35,000	43,743	(35,000)	(52,805)	9,062	-	-		-
Compass Group									
Ord GBP 0.10625	1,070	10,999	-	-	-	1,070	10,999	16,157	339
Direct Line Ins Group									
Ord GBP 0.10	6,000	16,650	-	-	-	6,000	16,650	19,190	1,810
Electra Private Equity									
Ord GBP 0.25	870	21,534	(870)	(33,059)	11,525	-	-		383
Findlay Park Funds American									
USD Dis	1,000	49,903	-	-	-	1,000	49,903	74,120	19
Finsbury G&I									
Ord GBP 0.25	6,100	33,094	-	-	-	6,100	33,094	42,853	799
First Trust Global US Large Cap Core									
Alphadex	2,220	42,877	-	-	-	2,220	42,877	69,875	-
Fund Partners Ltd/Liontrust Fund									
European Enhanced Income I	11,450	17,655	-	-	-	11,450	17,655	16,215	895
HG Capital Trust Plc									
Ord GBP 0.25	-	-	690	8,335	-	690	8,335	10,730	-
Intercontinental Hotels									
Ord GBP 0.1580547	450	11,116	-	-	-	450	11,116	14,610	2,238
Ishares FTSE 100	5,030	32,813	-	-	-	5,030	32,813	36,513	1,095
Johnson Matthey									
Ord GBP 1.109245	302	11,009	-	-	-	302	11,009	9,078	219
JP Morgan Amer IT									
Ord GBP 0.05	16,360	42,921	(16,360)	(56,196)	13,275	-	-		1,013
JP Morgan Global Emerging Markets Inc									
Ord GBP 0.01	23,570	27,045	-	-	-	23,570	27,045	29,875	919
Kier Group									
Ord GBP 0.01	2,005	23,823	-	-	-	2,005	23,823	27,168	1,293
Law Debenture Corp									
Ord GBP 0.05	8,060	40,241	(5,950)	(30,121)	414	2,110	10,534	11,668	1,306
Legg Mason Investment Funds Rare GI Infra									
Inc S GBP Inc	-	-	17,570	17,798	-	17,570	17,798	19,485	220
M&G Investment Man Episode Macro									
Hgd T H Net	24,540	26,776	-	-	-	24,540	26,776	31,988	-
Majedie Asset Management UK									
Income X Inc Nav	22,470	32,889	-	-	-	22,470	32,889	35,121	1,635
Majedie Investment									
Ord GBP 0.10	17,050	37,809	-	-	-	17,050	37,809	49,168	1,492
Carried forward		646,972		(162,131)	33,931		518,772	636,351	20,945

**THE LONDON SCOTTISH REGIMENT 1995 CHARITY**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the year ended 31 March 2017**

**2. Investments**

	Holdings at 1.4.16		Purchases/(Sales)		(Loss)	Holdings at 31.3.17		Value	Income
	Nominal	Cost £	Nominal	Cost/ (proceeds) £	Profit on sale £	Nominal	Cost £	31.3.17 £	2017 £
Brought forward		646,972		(162,131)	33,931		518,772	636,351	20,945
Murray Intl Trust									
Ord GBP 0.025	3,590	37,418		-	-	3,590	37,418	43,188	1,669
National Grid									
Ord GBP 0.113953	1,750	16,433		-	-	1,750	16,433	17,719	761
Newriver Retail Ltd									
Ord NPV	5,670	16,557		-	-	5,670	16,557	19,301	1,120
Next Plc									
Ord GBP 0.10	160	10,965		-	-	160	10,965	6,574	253
Pennon Group									
Ord GBP 0.407	1,920	16,445		-	-	1,920	16,445	16,877	645
Perpetual Income & Growth									
Ord GBP 0.10	11,410	42,928		-	-	11,410	42,928	43,187	1,734
Polar Capital Fund Global Insurance E									
GBP Dis	13,100	37,770		-	-	13,100	37,770	63,428	1,066
Rights and Issues Investment Trust Inc									
GBP 0.25			1,250	18,564	-	1,250	18,564	23,281	-
Rotork Plc									
GBP 0.005	440	11,078		-	-	440	11,078	11,198	222
Royal Dutch Shell									
"B" Ord Euro0.07	708	10,347	708	10,347	-	1,416	20,694	15,590	1,020
Ruffer Investment Red PTG									
Prf GBP 0.0001	13,260	27,680		-	-	13,260	27,680	31,028	345
Schroder Invst Mgmt ISF Global Rec									
Hedged C Ace	145	17,016		-	-	145	17,016	17,444	-
Schroders VTG Shs									
GBP 1	640	16,438		-	-	640	16,438	19,731	557
Standard Life Investments European Equity									
Inc Instl Dis	50,250	39,230		-	-	50,250	39,230	47,054	1,786
Standard Life Private Equity Trust									
Ord GBP 0.002			4,970	12,178	-	4,970	12,178	15,109	179
Vodafone Group									
Ord USD 0.2095238	7,300	16,550		-	-	7,300	16,550	15,078	863
<b>Stocks and Bonds</b>									
Axa Funds Mgmt SA Gbl Strat Bds									
Hgd I Inc NAV	350	37,440		-	-	350	37,440	36,925	1,050
Burford Capital Plc									
6.125% Gtd SNR 26.10.24 GBP			15,000	15,000	-	15,000	15,000	16,681	459
New Capital Fd Mgmt Wealth Nat Bd									
C GBP	325	37,505		-	-	325	37,505	37,999	1,283
Standard Life Invs Global Idx Lkd Bd									
Instl Inc	26,430	37,557		-	-	26,430	37,557	40,984	411
Twentyfour Income									
Ord RED GBP 0.01	16,665	19,993		-	-	16,665	19,993	19,695	1,081
		<u>1,096,322</u>		<u>(106,042)</u>	<u>33,931</u>		<u>1,024,211</u>	<u>1,194,422</u>	<u>37,449</u>

**Movement in year**

	2017 £	2016 £
Market value of investment at 1 April 2016	1,128,251	1,125,556
Purchases	71,875	49,722
	<u>1,200,126</u>	<u>1,175,278</u>
Sales	(188,264)	(6,928)
	<u>1,011,862</u>	<u>1,168,350</u>
Realised gains/(losses)	33,931	827
Unrealised gains/(losses) on investment	148,629	(40,926)
Market value of investment at 31 March 2017	<u>1,194,422</u>	<u>1,128,251</u>

**THE LONDON SCOTTISH REGIMENT 1995 CHARITY**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the year ended 31 March 2017**

**3. Donations and legacies**

	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Grants from Londond Scottish Regimental Trust	<u>600</u>	<u>-</u>

**4. Trustees' remuneration and expenses**

Trustees receive no remuneration or expenses for their services.

**5. Charitable activities and support costs**

Charitable Activities represent grants to the London Scottish Regimental Trust and support costs. Support costs have been fully allocated to Charitable Activities.

	<b>Unrestricted Fund £</b>	<b>First Fund -restricted £</b>	<b>Total 2017 £</b>	<b>Total 2016 £</b>
London Scottish Regimental Trust	150,000	-	150,000	-
London Scottish Headquarters Trust	<u>-</u>	<u>-</u>	<u>-</u>	51,623
	150,000	-	150,000	51,623
Support costs				
Investment management fees	8,504	-	8,504	5,542
Independent examiner's fee	600	-	600	480
Support costs total	<u>9,104</u>	<u>-</u>	<u>9,104</u>	6,022
Total	<u>159,104</u>	<u>-</u>	<u>159,104</u>	<u>57,645</u>

**6. Analysis of fund movements**

	<b>Unrestricted Fund £</b>	<b>First Fund -restricted £</b>	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Balance at 1 April 2016	71,027	1,104,182	1,175,209	1,239,012
Income	38,129	-	38,129	33,941
Expenditure	(159,104)	-	(159,104)	(57,645)
Gains	-	182,560	182,560	(40,099)
Balance at 31 March 2017	<u>(49,948)</u>	<u>1,286,742</u>	<u>1,236,794</u>	<u>1,175,209</u>