

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2018

THE LONDON SCOTTISH
REGIMENT 1995 CHARITY

THE LONDON SCOTTISH REGIMENT 1995 CHARITY

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THE LONDON SCOTTISH REGIMENT 1995 CHARITY

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2018

Trustees

Brigadier Alastair Bruce of Crionaich OBE DL
Stephen David Lovelock
Lt Col Rolf Kurth
Warren Foot
Rachel Johnstone-Burt
Stephen Kempster
Susan Mathewson

Charity registered number

1056219

Principal office

95 Horseferry Road, London, SW1P 2DX

Independent Examiner

Menzies LLP, Lynton House, 7-12 Tavistock Square, London, WC1H 9LT

Bankers

Royal Bank of Scotland, Lawrie House, Victoria Road, Farnborough, GU14 7NR

Investment Advisers

Brewin Dolphin Limited, 12 Smithfield Street, London , EC1A 9BD

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The Trustees present their annual report together with the financial statements of the charity for the year 1 April 2017 to 31 March 2018.

Objectives and Activities

a. Activities for achieving objectives

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

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.

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

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

b. Financial risk management objectives and policies

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.

c. Reserves policy

The Charity has total reserves of £1,101,930. 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).

d. Investments policy

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

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

Structure, governance and management

a. Constitution

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.

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; and
- To publish and print magazines, journals and books.

b. Method of appointment or election of Trustees

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

Plans for future periods

a. Future developments

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.

Trustees' responsibilities statement

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

The law applicable to charities in Select jurisdiction requires the Trustees to prepare financial statements for each financial 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 period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2018

- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

This report was approved by the Trustees, on _____ and signed on their behalf by:

Brigadier Alastair Bruce of Crionaich OBE DL

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INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 MARCH 2018

Independent examiner's report to the Trustees of The London Scottish Regiment 1995 Charity (the 'charity')

I report to the charity Trustees on my examination of the accounts of the charity for the year ended 31 March 2018.

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for my work or for this report.

Responsibilities and basis of report

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

I report in respect of my examination of the charity'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 2011 Act.

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared the accounts 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) 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 been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I can confirm that no 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 charity as required by section 130 of the 2011 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.

Signed:

Dated:

Malcolm Lucas FCA

Menzies LLP Chartered Accountants, Lynton House, 7-12 Tavistock Square, London, WC1H 9LT

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:					
Donations and legacies	2	-	-	-	600
Investments	3	36,761	-	36,761	37,449
Other income		-	-	-	80
Total income		36,761	-	36,761	38,129
Expenditure on:					
Raising funds		10,659	-	10,659	8,504
Charitable activities	4	150,650	-	150,650	150,600
Total expenditure	5	161,309	-	161,309	159,104
Net expenditure before investment gains/(losses)		(124,548)	-	(124,548)	(120,975)
Net gains/(losses) on investments	8	(10,316)	-	(10,316)	182,560
Net income / (expenditure) before transfers		(134,864)	-	(134,864)	61,585
Transfers between Funds	10	239,184	(239,184)	-	-
Net income / (expenditure) before other recognised gains and losses		104,320	(239,184)	(134,864)	61,585
Net movement in funds		104,320	(239,184)	(134,864)	61,585
Reconciliation of funds:					
Total funds brought forward		(49,948)	1,286,742	1,236,794	1,175,209
Total funds carried forward		54,372	1,047,558	1,101,930	1,236,794

The notes on pages 8 to 14 form part of these financial statements.

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BALANCE SHEET AS AT 31 MARCH 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Investments	8		1,047,558		1,194,422
Current assets					
Cash at bank and in hand		55,622		42,972	
Creditors: amounts falling due within one year	9	(1,250)		(600)	
Net current assets			54,372		42,372
Net assets			1,101,930		1,236,794
Charity Funds					
Restricted funds	10		1,047,558		1,286,742
Unrestricted funds	10		54,372		(49,948)
Total funds			1,101,930		1,236,794

The financial statements were approved by the Trustees on

and signed on their behalf, by:

Brigadier Alastair Bruce of Crionaich OBE DL

The notes on pages 8 to 14 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared to give a 'true and fair' view and 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 following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

The London Scottish Regiment 1995 Charity constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis when preparing the financial statements.

1.3 Income

All 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.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Costs of raising funds are costs incurred in relation to fees paid to investment managers in connection with the management of the Charity's listed investments.

Charitable activities and Governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting policies (continued)

1.5 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

1.6 Cash at Bank and in hand

Cash at bank and 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.

1.7 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.8 Financial instruments

The charity 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.

1.9 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 are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2. Income from donations and legacies

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	-	-	-	600
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2017	600	-	600	
	<hr/>	<hr/>	<hr/>	

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

3. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	36,761	-	36,761	37,449
<i>Total 2017</i>	37,449	-	37,449	

4. Governance costs

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Independent examination fee	650	-	650	600

5. Analysis of Expenditure by expenditure type

	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on investment management	10,659	10,659	8,504
Costs of raising funds	10,659	10,659	8,504
Grant to LSRT	150,000	150,000	150,000
Expenditure on governance	650	650	600
	161,309	161,309	159,104
<i>Total 2017</i>	159,104	159,104	

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

6. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Auditors' remuneration - other services	<u>650</u>	<u>600</u>

During the year, no Trustees received any remuneration (2017 - £NIL).

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2017 - £NIL).

There were no employees during the year.

7. Auditors' remuneration

The Independent Examiner's remuneration amounts to an Independent Examination fee of £ 650 (2017 - £ 600).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

8. Fixed asset investments

	Listed securities £
Market value	
At 1 April 2017	1,194,422
Additions	2,020
Disposals	(157,736)
Revaluations	8,852
	<u>1,047,558</u>
At 31 March 2018	<u>1,047,558</u>

Investments at market value comprise:

	2018 £	2017 £
Listed investments	<u>1,047,558</u>	<u>1,194,422</u>

All the fixed asset investments are held in the UK

9. Creditors: Amounts falling due within one year

	2018 £	2017 £
Other creditors	600	-
Accruals and deferred income	650	600
	<u>1,250</u>	<u>600</u>

10. Statement of funds

Statement of funds - current year

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2018 £
Unrestricted funds						
General Fund	(49,948)	36,761	(161,309)	239,184	(10,316)	54,372
Restricted funds						
Restricted	1,286,742	-	-	(239,184)	-	1,047,558
Total of funds	<u>1,236,794</u>	<u>36,761</u>	<u>(161,309)</u>	<u>-</u>	<u>(10,316)</u>	<u>1,101,930</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

10. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2016</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Transfers in/out</i> £	<i>Gains/ (Losses)</i> £	<i>Balance at 31 March 2017</i> £
General funds						
Unrestricted funds	71,027	38,129	(159,104)	-	-	(49,948)
Restricted funds						
Restricted	1,104,182	-	-	-	182,560	1,286,742
Total of funds	1,175,209	38,129	(159,104)	-	182,560	1,236,794

Summary of funds - current year

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2018 £
General funds	(49,948)	36,761	(161,309)	239,184	(10,316)	54,372
Restricted funds	1,286,742	-	-	(239,184)	-	1,047,558
	1,236,794	36,761	(161,309)	-	(10,316)	1,101,930

Summary of funds - prior year

	<i>Balance at 1 April 2016</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Gains/ (Losses)</i> £	<i>Balance at 31 March 2017</i> £
General funds	71,027	38,129	(159,104)	-	(49,948)
Restricted funds	1,104,182	-	-	182,560	1,286,742
	1,175,209	38,129	(159,104)	182,560	1,236,794

Restricted funds represent the value of listed investments. A transfer has been made during the year to align the two values.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

11. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Fixed asset investments	-	1,047,558	1,047,558
Current assets	55,622	-	55,622
Creditors due within one year	(1,250)	-	(1,250)
	<u>54,372</u>	<u>1,047,558</u>	<u>1,101,930</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Fixed asset investments	(92,320)	1,286,742	1,194,422
Current assets	42,972	-	42,972
Creditors due within one year	(600)	-	(600)
	<u>(49,948)</u>	<u>1,286,742</u>	<u>1,236,794</u>

12. Related party transactions

The Charity paid grants of £150,000 to The London Scottish Regimental Trust, a Charity with a common trustee.

The London Scottish Regimental Trust paid fees of £600 in respect of the Independent Examination of its accounts.