

Charity Registration No. SC033880 (Scotland)

Company Registration No. SC239808 (Scotland)

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
LEGAL AND ADMINISTRATIVE INFORMATION

President	Lt Gen Robert Baxter CBE	
Executive Committee	Maj Gen Chris Hughes CBE Dr Claire Armstrong Mr Adrian Bell Brig Jon Bryant Mr Mark Collins Wg Cdr Ian Cumming MBE Wg Cdr Gavin Davey OBE Ms Sue Freeth Mr Kevin Gray MM Lt Gen Sir Andrew Gregory KBE CB Col Kevin Haugh CBE Maj (Retd) Norman Mackinnon MBE Brig Martin Nadin OBE Mrs Melanie Waters OBE	Executive Chairman Royal British Legion Scotland RNRMC BLESMA Poppyscotland Erskine Royal Air Force Benevolent Fund Combat Stress Veterans Housing Scotland SSAFA ABF The Soldiers Charity Royal Regiment of Scotland Scottish Veterans Residences Help for Heroes
Secretary	Col James Wilson	
Charity number (Scotland)	SC033880	
Company number	SC239808	
Registered office	New Haig House Logie Green Road Edinburgh EH7 4HR	
Independent examiner	Douglas Gould LLB CA Greaves West & Ayre 8 St. Ann's Place Haddington East Lothian EH41 4BS	
Bankers	Royal Bank of Scotland plc 36 St Andrew Square Edinburgh EH2 2YB	

VETERANS SCOTLAND

A COMPANY LIMITED BY GUARANTEE

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VETERANS SCOTLAND

A COMPANY LIMITED BY GUARANTEE

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

Whilst this reporting year ends just as the true impact of Covid 19 was beginning to be understood, we are by the time of writing in the thick of it. Many of you will remember from past service that a key question to ask in any planning process is, "Has the situation changed and if so, how does that affect my plan?". Well, the situation has certainly changed, but I believe that it has reinforced rather than altered our guiding principles. The pandemic has acted as an accelerator to the challenges that were already apparent – a decline in funds coming in sitting alongside a rise in demand for our services. Now is surely the time to act cohesively as reported below. I thank everyone who is doing this in parallel with finding new ways to support your beneficiaries in these extraordinary times.

Last year we reviewed Veterans Scotland's strategic intentions, objectives and enabling activities, refocussing our efforts around the four principle functions of Communication, Collaboration, Coordination and Cooperation. We had also better defined our mission, the purpose of our existence, as: representing and supporting the interests of our member organisations, and promoting mutually beneficial collaboration, in order to enhance the well-being of the Armed Forces and Veterans Community across Scotland.

This year we have consolidated that work and continued to enhance it. The work of our Groups, Health & Well-Being, Housing, Comradeship & Remembrance, Support and the recently created Public Policy and Public Affairs Group, have all continued to develop their collaborative approach, both within their own membership and they have generated traction with a wider audience. I encourage our members to participate in those Groups which overlap their areas of interest. Particular areas worth identifying include:

- The strong links between the Health & Well-Being Group and Scottish Government Health Department. This includes our representation on the Scottish Government's Health Strategy Oversight Group and its Implementation Group.
- Membership of our Housing Group which includes representation from the Scottish Government's Homelessness and Rough Sleeping Action Group (HARSAG), as well as the Scottish Federation of Housing Associations.
- The strong ties between our Support Group and Skills Development Scotland, the Scottish Funding Council and our work assisting in the development of a network of Armed Forces and Veterans Champions in Colleges and Universities across Scotland.
- The continued work by Legion Scotland, with others, to ensure that the spectacular events of 2018 for the centenary of the end of the First World War do not overshadow the importance of continued remembrance.
- Our Public Policy and Public Affairs Group, formed in August 2019, has identified a number of areas of mutual benefit. These include recognising the part played by Service charities in realising the recommendations of the Scottish Veterans Commissioner's reports.

The Scottish Government's response to the consultation on 'A Strategy for Our Veterans' was published in January 2020. It is significant that the consultation highlighted that the vast majority of veterans thrive in civilian society, bringing to bear their often unique skills, experience and personal attributes that service in the Armed Forces provides. The negative stereotypes about veterans that are often portrayed by the media continue to be a source of frustration for many in the sector and it is important that these are tackled wherever possible. But the consultation has also rightly reinforced that, for a variety of sometimes multiple and complex reasons, some veterans do need help and support and their needs will change in the years to come.

We continue to influence and inform a wide range of services that veterans call on and we engage with policy makers through a wide network of Armed Forces and Veterans Champions. Our freely available information, whether through the Veterans Assist website, our newsletters and Facebook site and through links with our member organisations and Cobseo, continue to ensure that credible information is available for veterans and for those seeking to support veterans across Scotland.

I am grateful to all of the organisations that provide the funding that enables us to carry out this role. Thank you in particular to our member organisations, the Forces in Mind Trust and the Scottish Government.

Maj Gen Chris Hughes CBE 'Signed Electronically'
Executive Chairman
Veterans Scotland

13 October 2020

VETERANS SCOTLAND

A COMPANY LIMITED BY GUARANTEE

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report and financial statements for the year ended 31 March 2020.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

Veterans Scotland is a membership organisation of some 80 Service and ex-Service charities and other organisations that support the Armed Forces and Veterans Community (AFVC). The AFVC includes serving members of the armed forces and their families, including those in transition to civilian life, and members of the ex-Service community, including veterans and their immediate families.

Veterans Scotland will represent and support the interests of its member organisations, and promote mutually beneficial collaboration, in order to enhance the well-being of the AFVC across Scotland.

Strategic Objectives

- **Communication:** Influence and inform Scottish and Local Government, and linked organisations, to promote the Covenant, improving its delivery across Scotland.
- **Collaboration:** Enhance the efficiency and effectiveness of member organisations by encouraging the sharing of good practices, reducing duplication of effort and sharing resources where appropriate.
- **Co-ordination:** Encourage and promote services available to support members of the AFVC from statutory, third sector and Service charities widely.
- **Cooperation:** Identify mutual objectives across member organisations and other third sector and statutory organisations and encourage cooperation between them.

Veterans Scotland seeks to achieve its objectives by:

- enabling forums for collaboration between member organisation and the wider third sector and statutory organisations;
- Providing support to Local and National Government in the delivery of their obligations to the Covenant;
- reviewing reports on subjects relating to the AFVC, disseminating them to member organisations and providing comment on the reports;
- provide a voice for the veterans' community in Scotland;
- reviewing and providing feedback on progress made by statutory organisations on the way they are meeting their obligations to the Covenant;
- representing the interests of its member organisations at Cobseo;
- enhancing and increasing membership of Veterans Scotland by demonstrating value in membership;
- develop an annual business plan;

In achieving these aims we will deliver our Vision of being the acknowledged "voice" of the Scottish Veterans in matters of policy and in respect of issues of general concern. Veterans Scotland will work closely with member charities to achieve maximum benefit to the Veterans community by bringing to bear the collective and unified views of all those who work on behalf of Scottish veterans.

The directors have paid due regard to guidance issued by the Office of the Scottish Charity Regulator in deciding what activities the charity should undertake.

VETERANS SCOTLAND

A COMPANY LIMITED BY GUARANTEE

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Achievements and performance

Veterans Scotland has co-ordinated activities and provided information in order to raise the profile of matters affecting veterans across Scotland. Whilst continuing to represent member organisations, a wider understanding of veterans' needs has been promoted through Informing Scotland briefings, through the Cross Party Group on the Armed Forces and Veterans Community that meets in the Scottish Parliament four times a year and through information on the Veterans Assist website. Importantly, Veterans Scotland continues to implement the changes recommended following a review of its strategy in 2018, providing greater focus on its vision, mission and objectives.

Informing Scotland briefings

Veterans Scotland delivered a series of Informing Scotland briefings to approximately 300 staff and policy makers from eight local authority areas across Scotland (Aberdeenshire, Angus, Dundee, Fife, Highland, Moray, North Lanarkshire and South Lanarkshire). Attendance was from local authorities, police, education, DWP, NHS, employers, veterans' charities. In addition to the local Informing Scotland briefings, Veterans Scotland hosted a National Gathering of Armed Forces and Veterans Champions in Glasgow in October 2019, attended by 150 Champions and policy staff. Feedback provided at the time of the briefings indicates that the information provided is well received and that we achieve our intention of raising awareness of veterans' needs and assisting Local Authorities, the NHS, DWP, Universities and Colleges and Employers, as well as others in developing their policies and plans to meet their obligations to the Covenant.

In January, Veterans Scotland hosted a conference, in association with Glasgow Caledonian and Edinburgh Napier Universities, with a view to developing and improving the way in which Colleges and Universities meet their obligations to the Covenant, in particular by making HE & FE more accessible to Service Leavers and their families, and by promoting the employment of veterans in colleges and universities.

Cross Party Group

The Cross Party Group on The Armed Forces and Veterans Community in the Scottish Parliament, which Veterans Scotland coordinates, continues to thrive and has seen an increase in attendance. 9 MSPs are members of the Group, some 7% of all MSPs, and typically meetings are attended by 5 of these members with occasional attendance by MSP's who are not members but have an interest in the topics for discussion. Major topics that have been discussed in year have included: A Forces Update; Health and Well Being; Families Transition; Meeting the Covenant and, most recently, an Insight into the consultation on 'A Strategy for Our Veterans'.

Veterans Scotland Groups

The transition from 'Pillars' to 'Groups', whilst initially seen as a superficial change, has resulted in a broadening of horizons and enabled the Group leads to invite a wider audience to attend and have input to the Groups. Examples of this wider participation include attendance by SFHA and Housing staff from Scottish Government and Local Authorities at the Housing Group meetings and attendance by Scottish Government Health staff attending the Health and Well Being Group meetings.

Communication

Veterans Assist continues to provide a wide range of information for veterans and those supporting veterans, typically there are 800 separate individuals accessing the website monthly, information being sought tends to focus on General Information, contact details for Champions, Housing, Finance, Employment and General Support services. In year, a Calendar of Events was created, informing our network of open events that individuals may attend in their local areas (as opposed to invitation-only events/conferences etc), this has proved popular and we are seeing a steady increase in requests for events to be added to this Calendar. Our monthly Newsletter, distributed electronically, is also being very positively received, providing an excellent format to inform a wide audience including all Champions, member organisations and others.

A Strategy for Our Veterans

Veterans Scotland has fully involved with the Scottish Government during its consultation on the Strategy for Our Veterans, promoting and encouraging response from across the membership and enabling local focus groups.

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Financial review

Total income and expenditure amounted to £369,936 (2019: £368,106) and £355,413 (2019: £357,939) respectively resulting in net incoming resources of £14,523 (2019: £10,167 surplus) for the year under review (figures exclude accommodation grant & offsetting expenses from Poppyscotland).

Unrestricted funds

Voluntary income from grants, legacies and subscriptions amounted to £57,040 (2019: £58,272), Investment income was £396 (2019: £214) reflecting a gross income of £57,436 (2019: £58,486), this is largely in line with the previous year reflecting the annual support from member organisations. Expenditure from unrestricted funds amounted to £52,400 (2019: £64,840) which was spent on our core activities, administering, representing and promoting the aims and objectives of the company.

Restricted funds

Incoming resources amounted to £312,500 (2019: £309,620) with £303,013 (2019: £293,099) being expended in furtherance of the funding aims agreed with the grant-giving organisations. A balance of £29,787 (2019: £30,349) will be carried forward to fund the agreed outstanding activities.

Funds

Total funds at 31 March 2020 amount to £217,149 (2019: £202,626) representing £187,362 (2019: £172,277) and £29,787 (2019: £30,349) of unrestricted and restricted funds respectively as per Note 13 of the Financial Statements and are held as current assets, including cash balances of £222,981 (2019: £208,426) at the year-end date of 31 March 2020.

Reserves policy

The directors have reviewed the reserves of the charity. The review examined the nature of income and expenditure streams and the need to ensure the availability of sufficient reserves to meet future demands. The directors concluded that the level of reserves is appropriate to support the current level of work undertaken by the organisation and that it should retain sufficient unrestricted reserve for a twelve-month period, in the event of a catastrophic reduction in funding. This would enable existing projects to be completed or passed to other organisations for completion in an appropriate manner, alternative funding sources to be found or a managed reduction of activity to take place. The current unrestricted reserve of £187,362 represents 13 months expenditure according to current projections, excluding grants provided in respect of the Scottish Veterans Fund for which the Scottish Government and Standard Life Aberdeen have responsibility. Continuing support from membership organisations or other sources of revenue may become necessary to support any increased levels of activity considered by the directors as necessary to advance the interests of the ex-Service community in Scotland on an ongoing basis. Whilst having agreed to manage elements of the Scottish Veterans Fund on behalf of the Scottish Government, Veterans Scotland are not liable for any shortfall in agreed grants to its final recipients. VS is a conduit for the Scottish Veterans Fund.

Public benefit

In considering the operation, achievements and performance and finances of the charity, the directors are satisfied that public benefit has been provided in accordance with the Charities and Trustees Investment (Scotland) Act 2005 and guidance provided by the Office of the Scottish Charity Regulator.

Risk management

The directors have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the organisation, and are satisfied that systems are in place to mitigate exposure to the major risks.

Investment policy and performance

The directors consider that available surplus funds should be held in an interest bearing bank account.

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Plans for future periods

Veterans Scotland intends to continue to implement its strategy in order to ensure that Scotland is an environment where veterans are regarded as an asset to society. It will achieve this by continuing to promote the advantages of having served as well as seeking to prevent disadvantages that may come about as a result of service, in line with the Armed Forces Covenant.

Our Group structures will continue to evolve and we intend to establish a Public Policy and Public Affairs Group during 2019. This will seek to identify those issues over which we would seek leverage and which focus on veterans issues, ie those that come about as a result of Service, rather than those issues which some veterans may face and which others in a similar demographic also face.

We intend to continue to work closely with the Scottish Government, the Scottish Veterans Commissioner and the UK Government in order to seek an optimal outcome from the Strategy for Our Veterans.

Funding for core activity will continue to be sought from member organisations however, in order to extend our reach, further funding for particular projects will continue to be sought from Scottish Government, UK Government, Trusts and other funding providers.

Structure, governance and management

Veterans Scotland is governed by Trustees who are Directors in terms of the Companies Act. The Directors of the Company are also under the Company's Articles known as Members of the Executive Committee. Membership of the Executive Committee is for 3 years and at each AGM one third of the Members shall retire but shall be eligible for re-election for a further 3 years.

The directors who served during the year were:

Dr Claire Armstrong	(Appointed 15 May 2019)
Ms Moira Bayne	(Resigned 14 November 2019)
Mr Adrian Bell	(Appointed 1 June 2019)
Col Mark Bibbey	(Resigned 1 July 2020)
Wg Cdr Ian Cumming MBE	
Wg Cdr Barry Dale	(Resigned 27 May 2019)
Wg Cdr Gavin Davey OBE	(Appointed 1 May 2019)
Ms Sue Freeth	
Mr Kevin Gray MM	(Appointed 14 November 2019 and resigned 15 May 2019)
Lt Gen Sir Andrew Gregory KBE CB	
Brig Barry le Grys MBE	(Resigned 1 June 2020)
Col Kevin Haugh CBE	
Maj Gen Chris Hughes CBE	
Maj (Retd) Norman Mackinnon MBE	
Brig Martin Nadin OBE	
Mrs Melanie Waters OBE	

Mr Mark Collins and Brig Jon Bryant have been appointed as trustees since the year end.

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Organisation

Day to day management and operations are delegated to the General Secretary who is accountable through the line management structure to the Executive Chairman and the Executive Committee. Directors are elected at the Annual General Meeting, or are co-opted. Board members have no beneficial interest in the Company. They have only the powers their positions on the Board allow them.

New directors are given a copy of the charity's governing documents, the latest report and accounts. Subject to their experience and expertise, they are also given pamphlets issued by the Office of the Scottish Charity Regulator explaining the duties of Trustees of Charities and offered training in any areas of their duties which they think they would like strengthening.

Staff within Veterans Scotland include a full time Office and Communications Support Co-ordinator, managing the office and providing a full time point of contact, and a part time Housing and Communications Officer (currently gapped), part time Support Pillar Officer and a part time Health and Well-Being Officer who support the work of our Pillars and promote Veterans Scotland's objectives.

Statement of directors' responsibilities

The directors, who also act as trustees for the charitable activities of Veterans Scotland, are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the directors to prepare accounts 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, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. 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.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The directors' report was approved by the Board of Directors.

'Signed Electronically'

Col James Wilson

Charity Secretary

Dated: 13 October 2020

**VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
INDEPENDENT EXAMINER'S REPORT
TO THE DIRECTORS OF VETERANS SCOTLAND**

I report on the financial statements of the charity for the year ended 31 March 2020, which are set out on pages 8 to 18.

Respective responsibilities of directors and examiner

The charity's directors, who also act as trustees for the charitable activities of Veterans Scotland, are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investments (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The directors consider that the audit requirement of Regulation 10(1)(a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the financial statements 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 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, 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 financial statements.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

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

'Signed Electronically'

Douglas Gould LLB CA

Greaves West & Ayre
8 St. Ann's Place
Haddington
East Lothian
EH41 4BS

Dated: 13 October 2020

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Income from:							
Donations and legacies	3	57,040	312,500	369,540	58,272	309,620	367,892
Investments	4	396	-	396	214	-	214
Total income		<u>57,436</u>	<u>312,500</u>	<u>369,936</u>	<u>58,486</u>	<u>309,620</u>	<u>368,106</u>
Expenditure on:							
Charitable activities	5 6	52,400	303,013	355,413	64,840	293,099	357,939
Net incoming resources before transfers		5,036	9,487	14,523	(6,354)	16,521	10,167
Gross transfers between funds		10,049	(10,049)	-	10,000	(10,000)	-
Net income/(expenditure) for the year/ Net movement in funds		<u>15,085</u>	<u>(562)</u>	<u>14,523</u>	<u>3,646</u>	<u>6,521</u>	<u>10,167</u>
Fund balances at 1 April 2019		<u>172,277</u>	<u>30,349</u>	<u>202,626</u>	<u>168,631</u>	<u>23,828</u>	<u>192,459</u>
Fund balances at 31 March 2020		<u><u>187,362</u></u>	<u><u>29,787</u></u>	<u><u>217,149</u></u>	<u><u>172,277</u></u>	<u><u>30,349</u></u>	<u><u>202,626</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Current assets					
Cash at bank and in hand		222,981		208,426	
Creditors: amounts falling due within one year					
	11	(5,832)		(5,800)	
Net current assets			217,149		202,626
Income funds					
Restricted funds	12		29,787		30,349
Unrestricted funds			187,362		172,277
			217,149		202,626

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2020. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The directors' responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and section 44 of the Charities and Trustee Investment (Scotland) Act 2005 and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Directors on 13 October 2020

'Signed Electronically'

'Signed Electronically'

Maj Gen Chris Hughes CBE
Trustee

Brig Martin Nadin OBE
Trustee

Company Registration No. SC239808

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Charity information

Veterans Scotland is a private company limited by guarantee incorporated in Scotland. The registered office is New Haig House, Logie Green Road, Edinburgh, EH7 4HR.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the directors in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Membership subscriptions are recognised in the year in which they are received.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

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.

1.5 Resources expended

All expenditure is accounted for on an accruals basis. Costs are allocated to appropriate headings, based on the activities to which they are attributable.

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

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.8 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the directors 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£	£	£	£
Donations and gifts	57,040	-	57,040	58,272
Grants receivable	-	312,500	312,500	309,620
	<u>57,040</u>	<u>312,500</u>	<u>369,540</u>	<u>367,892</u>
For the year ended 31 March 2019	<u>58,272</u>	<u>309,620</u>		<u>367,892</u>
Donations and gifts				
Members subscriptions	56,090	-	56,090	55,280
Donations	950	-	950	2,992
	<u>57,040</u>	<u>-</u>	<u>57,040</u>	<u>58,272</u>
Grants receivable for core activities				
Scottish Veterans Fund	-	200,000	200,000	197,120
Scottish Government Funding (Catalyst for Change)	-	90,000	90,000	90,000
FiMT Funding	-	22,500	22,500	22,500
	<u>-</u>	<u>312,500</u>	<u>312,500</u>	<u>309,620</u>

Of income from donations and legacies in 2019, £58,272 was unrestricted and £309,620 was restricted.

4 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Interest receivable	<u>396</u>	<u>214</u>

All income from investments in 2019 was unrestricted.

5 Donated Services

Office facilities were provided by Poppyscotland free of charge.

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

6 Charitable activities

	Core activities £	Scottish Veterans' Fund £	Catalyst for Change £	FiMT Grant £	Total 2020 £	Total 2019 £
Grant funding of activities (see note 7)	-	200,000	-	-	200,000	197,120
Share of support costs (see note 8)	51,715	-	79,951	23,062	154,728	160,159
Share of governance costs (see note 8)	685	-	-	-	685	660
	<u>52,400</u>	<u>200,000</u>	<u>79,951</u>	<u>23,062</u>	<u>355,413</u>	<u>357,939</u>
Analysis by fund						
Unrestricted funds	52,400	-	-	-	52,400	
Restricted funds	-	200,000	79,951	23,062	303,013	
	<u>52,400</u>	<u>200,000</u>	<u>79,951</u>	<u>23,062</u>	<u>355,413</u>	
For the year ended 31 March 2019						
Unrestricted funds	64,840	-	-	-		64,840
Restricted funds	-	197,120	80,000	15,979		293,099
	<u>64,840</u>	<u>197,120</u>	<u>80,000</u>	<u>15,979</u>		<u>357,939</u>

Of expenditure in 2019, £64,840 was unrestricted and £293,099 was restricted.

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

7 Grants payable

	2020
	£
Grants to institutions:	
Fares 4 Free	15,000
SAFFA - GHH	5,000
RBLI Scotlands Bravest Manufacturing	40,794
Bravehound	15,000
Erskine	15,000
Salute my job	14,400
SBMC	13,000
RFEA	37,280
Poppy Scotland EHFS	7,064
MacRobert Arts Centre	8,579
Support in Mind	14,483
S V R	14,400
	<u>200,000</u>

The above grants were awarded on behalf of the Scottish Veterans' Fund during the year.

8 Support costs

	Support costs	Governance costs	2020	2019	Basis of allocation
	£	£	£	£	
Staff costs	44,030	-	44,030	50,562	
Office expenses - other	7,684	-	7,684	13,617	
Independent examiner fees	-	685	685	660	Governance
Catalyst for Change	79,951	-	79,951	80,000	
FiMT costs	23,062	-	23,062	15,980	
	<u>154,727</u>	<u>685</u>	<u>155,412</u>	<u>160,819</u>	
Analysed between					
Charitable activities	<u>154,727</u>	<u>685</u>	<u>155,412</u>	<u>160,819</u>	

Governance costs includes payments to the independent examiner of £685 (2019: £660) for independent examination fees.

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

9 Directors

In his capacity as Executive Chairman Maj Gen Chris Hughes was remunerated on behalf of the company:

Maj Gen Chris Hughes - Salary & Social Security £15,832 (2019: £15,554), Transport & Subsistence £967. (2019: £1827)

No other directors (or any persons connected with them) received any remuneration or benefits from the charity during the year.

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2020	2019
	Number	Number
Permanent staff	5	5
	<u>5</u>	<u>5</u>

Employment costs

	2020	2019
	£	£
Wages and salaries	106,698	118,490
Social security costs	7,268	4,293
	<u>113,966</u>	<u>122,783</u>

There were no employees whose annual remuneration was £60,000 or more.

11 Creditors: amounts falling due within one year

	2020	2019
	£	£
Accruals and deferred income	5,832	5,800
	<u>5,832</u>	<u>5,800</u>

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

12 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Balance at 31 March 2020 £
	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	
Scottish Veterans Fund	-	200,000	(200,000)	-	-
Queen's Jubilee Fund	12,396	-	-	-	12,396
Catalyst for Change	-	90,000	(79,951)	(10,049)	-
FiMT Funding	17,953	22,500	(23,062)	-	17,391
	30,349	312,500	(303,013)	(10,049)	29,787
	30,349	312,500	(303,013)	(10,049)	29,787

Scottish Veterans Fund: this represents sums received to support initiatives on the basis of funding applications for funding from veterans' organisations.

Queen's Jubilee Fund: in 2012 a sum of £50,000 was provided to fund improved communication, promotion and advertising of the Veterans Assist website and the development of Roadshows. Our plan for this fund is to use it to cover the costs of roadshows and similar activity as this was the original purpose of the fund which was not time limited.

Catalyst for Change: for fund support posts within Veterans Scotland to enhance the level of support to housing, health and well-being and general support across the Veterans community.

The sum of £10,049 was transferred from the restricted Scottish Government Catalyst for Change Fund to the unrestricted General Funds in order to reflect administrative costs which were included in expenditure from unrestricted funds that were incurred by the Scottish Veterans Fund.

FiMT Funding: Forces in Mind Trust is granting £75,000 for the Informing Scotland project over a three year period, the purpose of which is to provide improved delivery of the Covenant amongst Armed Forces and Veterans Champions at Local Authority level.

13 Analysis of net assets between funds

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total 2019 £
Fund balances at 31 March 2020 are represented by:						
Current assets/ (liabilities)	187,362	29,787	217,149	172,277	30,349	202,626
	187,362	29,787	217,149	172,277	30,349	202,626
	187,362	29,787	217,149	172,277	30,349	202,626

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

14 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020	2019
	£	£
Total remuneration	16,799	17,380
	<u>16,799</u>	<u>17,380</u>

15 Volunteers

In common with many charities the members benefit from the contribution made by volunteers who give their time and talents willingly for the benefit of the organisation. The areas of activity which rely on the contribution of volunteers are many and varied and much of the activity would be unable to continue were it not for the commitment shown.

16 Company limited by guarantee

Veterans Scotland is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member.

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2020

	£	2020 £	£	2019 £
Donations and legacies				
Members subscriptions	56,090		55,280	
Donations	950		2,992	
Scottish Veterans Fund	200,000		197,120	
Scottish Government Funding (Catalyst for Change)	90,000		90,000	
FiMT Funding	22,500		22,500	
		369,540		367,892
Investment income				
Interest received		396		214
Total incoming resources		369,936		368,106
<u>Resources expended</u>				
Charitable activities				
Core activities				
Share of support costs - unrestricted		(51,715)		(64,180)
Scottish Veterans' Fund				
Grants distributed on behalf of the Scottish Veterans Fund	200,000		197,120	
		(200,000)		(197,120)
Catalyst for Change				
Share of support costs - restricted		(79,951)		(80,000)
FiMT Grant				
Share of support costs - restricted	23,062		15,979	
		(23,062)		(15,979)
Governance costs				
Independent examiners fees		(685)		(660)
Total resources expended		(355,413)		(357,939)
Surplus for the Year		14,523		10,167