

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 2018

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
LEGAL AND ADMINISTRATIVE INFORMATION

President	Lt Gen Robert Baxter CBE	
Executive Committee	Maj Gen Chris Hughes CBE Lt Col Steve Conway Gp Capt Phil Cox Mr Kevin Gray MM Brig Barry le Grys MBE Col Kevin Haugh CBE Col Mark Bibbey Mr Robert Robson Col Robert Steele TD JP DL Wg Cdr Baz Dale Ms Moira Bayne Ms Sue Freeth Mr David McNeill Lt Gen Sir Andrew Gregory KBE CB	Executive Chairman Erskine Scottish Veterans' Residences Royal British Legion Scotland BLESMA ABF The Soldiers Charity PoppyScotland The Royal Navy and Royal Marines Charity HHQ RHF/SCOTS RAF Benevolent Fund Housing Options Scotland Combat Stress Help for Heroes SSAFA
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 inc. N C Campbell & Co 8 St. Ann's Place Haddington East Lothian EH41 4BS	
Bankers	Royal Bank of Scotland plc 36 St Andrew Square Edinburgh EH2 2YB	

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VETERANS SCOTLAND

A COMPANY LIMITED BY GUARANTEE

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2018

Veterans Scotland, a membership charity of 80+ organisations, has continued to increase its overall effectiveness in delivery of our Mission Statement: to enhance the welfare of the veterans' community in Scotland by representing and supporting our member organisations in the delivery of their services. This has been achieved by engaging with and influencing an ever growing spectrum of stakeholders at the strategic level across the public, private and the wider voluntary sectors. In doing so, Veterans Scotland has encouraged communication and collaboration, leading to co-ordination and co-operation between members and the wider third sector and statutory community.

The Scottish Government's 'Renewing Our Commitments' publication, issued in February 2016, confirmed the political landscape for Veterans Scotland and its members. We continue to take every opportunity to promote: innovation; the sharing of proven practice; collaboration and partnership working to create the environment for the development of new services, when an unmet need has been identified; the continuing improvement of connectivity and timely 'all informed' communication at all levels.

Continuing financial support from the Scottish Government, both by way of a direct grant and through the Scottish Veterans Fund has been much appreciated; this has continued at a time when all budgets are under significant pressure and scrutiny. We continue to benefit from a three-year grant from the Forces in Mind Trust; enabling us to deliver 'Informing Scotland', a series of Gatherings at a National and Local level that will focus on how the Armed Forces Covenant is being delivered. This has also enabled us to liaise directly at Local Authority level, assisting them in delivering the Covenant.

The membership continue to value the activity of the four Veterans Scotland Pillars (Comradeship, Health and Wellbeing, Housing and Support); in year we have seen these begin to transition to 'Groups' thus encouraging greater contribution, especially from a wider audience of third sector and statutory bodies. This overall collegiate approach is proving its worth, further growing the effect of Veterans Scotland and its members to the benefit of veterans and their families across Scotland. We have begun to focus on the effectiveness of transition from 'Serving' to 'Served' and to ensure that this is done as effectively as possible, thereby reducing difficulty later on.

This is my final report as Chair of Veterans Scotland; it has been a real privilege to be able to play a small part in ensuring veterans and their families across Scotland receive the services and recognition they so richly deserve. A big thank you on the membership's behalf to the hard working small Head Office team. I am pleased to pass the baton to my successor, Chris Hughes, confident in the knowledge that the important work of Veterans Scotland will continue.

Colonel (Retired) Martin Gibson OBE DL
Outgoing Executive Chairman
Veterans Scotland

31 October 2018

VETERANS SCOTLAND

A COMPANY LIMITED BY GUARANTEE

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present their report and financial statements for the year ended 31 March 2018.

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 exists:

- To encourage cooperation and coordination between the ex-Service charities in Scotland.
- To engage, where appropriate, with the UK and Scottish Governments on matters relating to veterans' affairs.
- To act as a point of contact for Government and other agencies for all matters relating to veterans policy.

In achieving these aims we will deliver to 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 Veterans community is defined as:

Men or women who have at any time served with any branch of the Naval, Military and Air Forces of the Crown or her allies; Men or women who have at any time served with the Merchant Navy or the Nursing Services who have been involved in active service; wives, widows, husbands, widowers, partners, children and dependants of any of the above.

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.

Achievements and performance

Veterans Scotland continues to raise the profile of matters relating to members of the ex-Service community across Scotland. In order to achieve this, VS has met senior Scottish Governments Ministers, in particular Mr Keith Brown MSP, Cabinet Secretary for Employment, Jobs and Fair Work in his capacity as Minister for Veterans. VS has regular meetings with Scottish Government officials from the Defence Policy Unit, and with the Scottish Veterans Commissioner; this enables VS to influence the content of the Commissioner's report and to liaise with Scottish Government on the manner in which his recommendations are implemented.

VETERANS SCOTLAND

A COMPANY LIMITED BY GUARANTEE

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

Cross Party Group

VS co-ordinates the activity of the Scottish Parliaments Cross Party Group on the Armed Forces and Veterans Community, in year, topics that have been considered have included:

- Legion Scotland's veterans community support and befriending services
- Meeting the obligations to the Armed Forces Covenant
- Transition - Family's Perspective (Research by the Families Federations)
- Education for Children for Services Families
- A Scottish Government Update by Mr Keith Brown
- Health of Veterans, including the work of Combat Stress, Veterans 1st Point, Glasgow University's Veterans Health research and FiMT's Call to Mind Report

Armed Forces and Veterans Champions

VS also liaises with Veterans Champions in Local Authorities, the NHS, Police, Skill Development Scotland, Department of Work and Pensions and others. This year has seen significant emphasis being placed on assisting these Champions to meet their obligations to the Armed Forces Covenant which was emphasised during the annual 'Champions Gathering' in Glasgow in October - attended by some 180 Champions and others involved in delivering services that veterans need

VS has started to extend the reach of the Champions Gathering by introducing 'Local Gatherings' at which people from neighbouring local authorities with interests in providing services for members of the veterans community come together to consider how they may improve the way that the Covenant obligations are met in their areas.

Communication

Our Veterans Assist website has continued to be an effective source of information, advice and guidance for veterans and those seeking to support veterans. Veterans Assist has now been linked to the UK wide Veteran Gateway so those seeking information there may be signposted to our site. We continue to publicise information and new stories on our social media platforms and have seen significant levels of interest in these. It is our ambitions to continue to develop our use of these platforms and use of and distribution of electronic newsletters.

Financial review

Total income and expenditure amounted to £367,169 (2017: £251,190) and £333,486 (2017: £237,480) respectively resulting in net incoming resources of £33,683 (2017: £13,710 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 £54,634 (2017: £55,605), Investment income was £35 (2017: £585) reflecting a gross income of £54,669 (2017: £56,190), this is largely in line with the previous year reflecting the annual support from member organisations. Expenditure from unrestricted funds amounted to £42,418 (2017: £40,356) 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 (2017: £195,000) with £291,068 (2017: £197,124) being expended in furtherance of the funding aims agreed with the grant-giving organisations. A balance of £23,828 (2017: £12,396) will be carried forward to fund the agreed outstanding activities.

Funds

Total funds at 31 March 2018 amount to £192,459 (2017: £158,776) representing £168,631 (2017: £146,380) and £23,828 (2017: £12,396) of unrestricted and restricted funds respectively as per Note 14 of the Financial Statements and are held as current assets, including cash balances of £199,925 (2017: £166,147) at the year-end date of 31 March 2018.

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

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 financials reserve for a twelve month period in the event of a catastrophic reduction in funding. 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.

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.

This will be achieved by providing information, advice and guidance through the Veterans Assist website, through regular updates on our social media platforms and by briefings, in the form of general roadshows and subject specific briefings, to groups and individuals whilst continuing to promote good practice between member organisations.

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.

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

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:

Lt Gen Robert Baxter CBE	
Col Martin Gibson OBE DL	(Resigned 1 February 2018)
Cdre Barry Bryant CVO	(Resigned 1 November 2017)
Lt Col Steve Conway	(Resigned 1 June 2018)
Gp Capt Phil Cox	
Mr Kevin Gray MM	
Brig Barry le Grys MBE	
Col Kevin Haugh CBE	
Mr Richard Hellewell	(Resigned 1 July 2017)
Ms Debbie Hunter	(Resigned 1 December 2017)
Col Mark Bibbey	
Mr Peter Minshall	(Resigned 1 December 2017)
Mr Robert Robson	
Col Robert Steele TD JP DL	
Maj Gen Chris Hughes CBE	(Appointed 1 February 2018)
Wg Cdr Barry Dale	(Appointed 1 May 2018)
Ms Moira Bayne	(Appointed 1 May 2018)
Ms Sue Freeth	
Mr David McNeill	(Appointed 1 May 2018)
Lt Gen Sir Andrew Gregory KBE CB	

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.

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

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.

Col James Wilson

Charity Secretary

Dated: 31 October 2018

**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 2018, which are set out on pages 8 to 19.

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.

Douglas Gould LLB CA

Greaves West & Ayre inc. N C Campbell & Co
8 St. Ann's Place
Haddington
East Lothian
EH41 4BS

Dated: 31 October 2018

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<u>Income from:</u>					
Donations and legacies	3	54,634	312,500	367,134	250,605
Investments	4	35	-	35	585
Total income		<u>54,669</u>	<u>312,500</u>	<u>367,169</u>	<u>251,190</u>
<u>Expenditure on:</u>					
Charitable activities	5 6	42,418	291,068	333,486	237,480
Net incoming resources before transfers		<u>12,251</u>	<u>21,432</u>	<u>33,683</u>	<u>13,710</u>
Gross transfers between funds		10,000	(10,000)	-	-
Net income for the year/ Net movement in funds		<u>22,251</u>	<u>11,432</u>	<u>33,683</u>	<u>13,710</u>
Fund balances at 1 April 2017		146,380	12,396	158,776	145,066
Fund balances at 31 March 2018		<u><u>168,631</u></u>	<u><u>23,828</u></u>	<u><u>192,459</u></u>	<u><u>158,776</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 2018

	Notes	2018 £	£	2017 £	£
Current assets					
Cash at bank and in hand		199,925		166,147	
Creditors: amounts falling due within one year					
	12	(7,466)		(7,371)	
Net current assets			192,459		158,776
Income funds					
Restricted funds	13		23,828		12,396
Unrestricted funds			168,631		146,380
			192,459		158,776

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 2018. 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.

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 31 October 2018

Mr Kevin Gray MM
Trustee

Maj Gen Chris Hughes CBE
Trustee

Company Registration No. SC239808

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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 unless the funds have been designated for other purposes.

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 2018

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 2018

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 2018

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Donations and gifts	54,634	-	54,634	55,605
Grants receivable	-	312,500	312,500	195,000
	<u>54,634</u>	<u>312,500</u>	<u>367,134</u>	<u>250,605</u>
For the year ended 31 March 2017	<u>55,605</u>	<u>195,000</u>		<u>250,605</u>
Donations and gifts				
Members subscriptions	54,505	-	54,505	54,925
Donations	129	-	129	680
	<u>54,634</u>	<u>-</u>	<u>54,634</u>	<u>55,605</u>
Grants receivable for core activities				
Scottish Veterans Fund	-	200,000	200,000	125,000
Scottish Government Funding (Catalyst for Change)	-	90,000	90,000	70,000
FiMT Funding	-	22,500	22,500	-
	<u>-</u>	<u>312,500</u>	<u>312,500</u>	<u>195,000</u>

Of income from donations and legacies in 2017, £55,605 was unrestricted and £195,000 was restricted.

4 Investments

	2018	2017
	£	£
Interest receivable	35	585
	<u>35</u>	<u>585</u>

All income from investments in 2017 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 2018

6 Charitable activities

	Core activities £	Scottish Veterans' Fund £	Catalyst for Change £	FiMT Grant £	Total 2018 £	Total 2017 £
Grant funding of activities (see note 7)	-	192,200	-	-	192,200	95,640
Share of support costs (see note 8)	41,778	7,800	80,000	11,068	140,646	141,220
Share of governance costs (see note 8)	640	-	-	-	640	620
	<u>42,418</u>	<u>200,000</u>	<u>80,000</u>	<u>11,068</u>	<u>333,486</u>	<u>237,480</u>
Analysis by fund						
Unrestricted funds	42,418	-	-	-	42,418	
Restricted funds	-	200,000	80,000	11,068	291,068	
	<u>42,418</u>	<u>200,000</u>	<u>80,000</u>	<u>11,068</u>	<u>333,486</u>	
For the year ended 31 March 2017						
Unrestricted funds	40,356	-	-	-		40,356
Restricted funds	-	120,000	77,124	-		197,124
	<u>40,356</u>	<u>120,000</u>	<u>77,124</u>	<u>-</u>		<u>237,480</u>

Of expenditure in 2017, £40,356 was unrestricted and £197,124 was restricted.

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

7 Grants payable

	2018
	£
Grants to institutions:	
Horsebank UK	7,500
SVR	2,400
First Base	1,340
Thistle	9,899
ECYO	5,811
Poppy Scotland	3,000
Lothian Veterans Centre	16,500
Salute my job	14,400
New Start Highland	9,000
RFEA	21,661
Lady Haig Poppy Factory	2,000
Macrobert Trust	10,360
The Kings Church	6,647
Sacro	39,522
Combat Stress	11,760
Support in Mind	4,000
Capital City Partnership	11,400
Erskine	15,000
	<hr/>
	192,200
	<hr/> <hr/>

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

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

8 Support costs

	Support costs £	Governance costs £	2018 £	2017 £	Basis of allocation
Staff costs	31,566	-	31,566	22,795	
Office expenses - other	10,212	-	10,212	6,747	
Independent examiner fees	-	640	640	620	Governance
VS Scottish Veterans Fund - Roadshows/Assist	7,800	-	7,800	24,360	
Catalyst for Change	80,000	-	80,000	77,124	
Consultancy costs	-	-	-	10,194	
FiMT costs	11,068	-	11,068	-	
	<u>140,646</u>	<u>640</u>	<u>141,286</u>	<u>141,840</u>	
Analysed between Charitable activities	<u>140,646</u>	<u>640</u>	<u>141,286</u>	<u>141,840</u>	

Governance costs includes payments to the independent examiner of £640 (2017: £620) for independent examination fees.

9 Directors

In their capacity as Executive Chairman, Col Martin Gibson and Maj Gen Chris Hughes were remunerated on behalf of the company:

Col Martin Gibson - Salary & Social Security £17,006 (2017: £17,788), Transport & Subsistence £4,403 (2017: £4,074)

Maj Gen Chris Hughes - Salary & Social Security £2,222 (2017: £Nil), Transport & Subsistence £106 (2017: £Nil)

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

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

10 Employees

Number of employees

The average monthly number employees during the year was:

	2018	2017
	Number	Number
Permanent staff	5	5

Employment costs

	2018	2017
	£	£
Wages and salaries	99,494	92,582
Social security costs	4,293	3,849
	<u>103,787</u>	<u>96,071</u>

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

11 Financial instruments

	2018	2017
	£	£
Carrying amount of financial liabilities		
Measured at amortised cost	7,466	7,371

12 Creditors: amounts falling due within one year

	2018	2017
	£	£
Accruals and deferred income	7,466	7,371

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

13 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 2018 £
	Balance at 1 April 2017 £	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	(80,000)	(10,000)	-
FiMT Funding	-	22,500	(11,068)	-	11,432
	<u>12,396</u>	<u>312,500</u>	<u>(291,068)</u>	<u>(10,000)</u>	<u>23,828</u>

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 £10,000 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.

14 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total £
Fund balances at 31 March 2018 are represented by:			
Current assets/(liabilities)	168,631	23,828	192,459
	<u>168,631</u>	<u>23,828</u>	<u>192,459</u>

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

15 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2018	2017
	£	£
Total remuneration	21,411	21,862
	<u>21,411</u>	<u>21,862</u>

16 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.

17 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 2018

	£	2018 £	£	2017 £
Donations and legacies				
Members subscriptions	54,505		54,925	
Donations	129		680	
Scottish Veterans Fund	200,000		125,000	
Scottish Government Funding (Catalyst for Change)	90,000		70,000	
FiMT Funding	22,500		-	
		367,134		250,605
Investment income				
Interest received		35		585
Total incoming resources		367,169		251,190
<u>Resources expended</u>				
Charitable activities				
Core activities				
Share of support costs - unrestricted		(41,778)		(39,736)
Scottish Veterans' Fund				
Grants distributed on behalf of the Scottish Veterans Fund	192,200		95,640	
Share of support costs - restricted	7,800		24,360	
		(200,000)		(120,000)
Catalyst for Change				
Share of support costs - restricted		(80,000)		(77,124)
FiMT Grant				
Share of support costs - restricted	11,068		-	
		(11,068)		-
Governance costs				
Independent examiners fees		(640)		(620)
Total resources expended		(333,486)		(237,480)
Surplus for the Year		33,683		13,710