

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 2017

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
LEGAL AND ADMINISTRATIVE INFORMATION

| | | |
|----------------------------------|---|---|
| President | Lt Gen Robert Baxter CBE | |
| Executive Committee | Col Martin Gibson OBE DL Cdre Barry Bryant CVO Lt Col Steve Conway Gp Capt Phil Cox Mr Kevin Gray MM Brig Barry le Grys MBE Col Kevin Haugh CBE Mr Richard Hellewell (Replaced by Mr Mark O'Donnell) Ms Debbie Hunter (Replaced by Wg Cdr Baz Dale) Col Mark Bibbey Mr Peter Minshall Lt Col Peter Poole MBE (Replaced by Ms Sue Freeth) Mr Robert Robson Col Robert Steele TD JP DL Ms Cathy Walker MBE (Replaced by Lt Gen Sir Andrew Gregory KBE CB) | Executive Chairman Seafarers UK Erskine Scottish Veterans' Residences Royal British Legion Scotland BLESMA The Limbless Veterans ABF The Soldiers Charity Scottish War Blinded RAF Benevolent Fund PoppyScotland Scottish Veterans Garden City Association Combat Stress The Royal Navy and Royal Marines Charity HHQ RHF/SCOTS 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 | |

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 2017

Veterans Scotland, a membership charity, 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.

The Renewing Our Commitments publication, issued in February 2016 by the Scottish Government in the context of the Armed Forces Covenant, has provided a clear political landscape for Veterans Scotland and its members. We have taken 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, which has enabled specific initiatives to be taken by Veterans Scotland. We have also benefitted from a three-year grant from the Forces in Mind Trust that will enable 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.

The membership very much continue to value the activity of the four Veterans Scotland Pillars (Comradeship, Health and Wellbeing, Housing and Support). 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. The structure and leadership of our Pillars is being reviewed and I am confident that the outcome will be even better engagement, collaborative working, effective communication and understanding.

Ahead, binding together the serving community and the veterans community, including families, under the overall banner of 'from cradle to grave' will be a key thrust of Veterans Scotland's work ahead. Demonstrating and promoting the value of those who have served their country, and their spouses, to society as a whole will be a key communication message; this while ensuring that the small minority who require care and support receive such service and advice in a holistic and effective way.

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

31 October 2017

VETERANS SCOTLAND

A COMPANY LIMITED BY GUARANTEE

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The directors present their report and accounts for the year ended 31 March 2017.

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

During the year, 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 Roadshows, through the Cross Party Group on Veterans (retitled to 'Armed Forces and Veterans Community' in year) that meets in the Scottish Parliament four times a year and through information on the Veterans Assist website. Importantly, during the year Veterans Scotland has started to implement the changes recommended following a review of its strategy, providing greater focus on its vision, mission and objectives.

Roadshows

In previous years, Veterans Scotland delivered a series of generic Roadshows within local authority areas; the majority of which have now been visited and briefed. During 2016-2017 two further roadshows were delivered in Glasgow and in Edinburgh to a combined audience of approximately 150. These presentations were funded through the Scottish Veterans Fund. The roadshows had representation from officials from statutory organisations involved in Health, Housing, Criminal Justice, Council, Education and Employment as well as charities, welfare organisations and 'movers and shakers' within the areas visited. MP's, MSP's and Members of the Scottish Youth Parliament also attended as well as a number of school pupils. Feedback provided at the time of the roadshows indicates that the information provided is well received and that we achieve our intention of raising awareness of veterans' needs. It is felt that this will result in better levels of service through greater understanding. In reviewing the efficacy of roadshows it was decided that greater value could come from subject specific briefings where the important subjects of Health, Housing, Employment could be considered.

VETERANS SCOTLAND

A COMPANY LIMITED BY GUARANTEE

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Veterans Champions Gathering

In October 2016, Veterans Scotland co-ordinated and delivered, in Glasgow, a Gathering of Armed Forces and Veterans Champions from across Scotland which included representation from local authorities, the Police, Housing organisations, the NHS, Firm Base, the Scottish Government and the Scottish Veterans Commissioner's Office. The purpose of the gathering was to bring together organisations with an interest in veterans' matters and to consider ways in which they may adapt their policies to meet the needs of the ex-Service community across Scotland. Approximately 180 attended the Gathering which provided a platform to focus on Housing, Well-Being, Comradeship activities and Employability. Generic briefings were provided on The Armed Forces Covenant; on The Serving Community in Scotland; Learning, Skills and Employability and on Educating Service Children. Delegates then had the opportunity to select two break-out sessions in which Employment, Housing, Well-Being and Meeting the Covenant were considered in greater depth. Feedback on this format was very positive and it will provide the basis for subsequent Gatherings.

Cross Party Groups

The Cross Party Group in the Scottish Parliament was dissolved at the end of the last Parliamentary Session and reformed in September 2016. At that stage it was agreed that Mr Maurice Corry MSP would take over as Convenor from Mr Alex Fergusson MSP. It was also agreed to widen the remit of the Group to include the serving community and to retitle it 'Cross Party Group on the Armed Forces and Veterans Community'. Topics considered in year included 'Employability of the ex-Services Community' and 'Health of the Armed Forces and Veterans Community'. Future meetings will include an update from the Scottish Government and 'Transition'. An average of 5 MSPs have attended each meeting; a total of 9 MSPs are members of the Group, some 7% of all MSPs.

Key Activities

Veterans Scotland delivers its activities through its membership, who currently operate as four 'Pillars'; these are: Housing, Health & Well-Being, Support and Comradeship & Remembrance. Each of these Pillars, with the exception of Comradeship & Remembrance, has been supported by a part-time post, funded by a capacity Building grant from the Scottish Government. A fifth and critical strand of the Veterans Scotland operation is Communication both Internal, which includes the sharing of good practice, development of common themes and mutual understanding, and External which includes promoting the needs of veterans to the public at large and statutory organisations, enhancing their understanding of veterans issues, providing information relevant to veterans in easily accessible and understandable formats and de-bunking myths relating to veterans as portrayed in parts of the media which can result in adverse perceptions of veterans to their disadvantage.

Financial review

Total income and expenditure amounted to £251,190 (2016: £268,190) and £237,480 (2016: £241,094) respectively resulting in net incoming resources of £13,710 (2016: £27,096 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 £55,605 (2016: £60,283), Investment income was £585 (2016: £493) reflecting a gross income of £56,190 (2016: £60,776) (in addition, Poppyscotland provided support with an imputed value of £7,000), this is largely in line with the previous year reflecting the annual support from member organisations. Expenditure from unrestricted funds amounted to £40,356 (2016: £25,825) which was spent on our core activities, administering, representing and promoting the aims and objectives of the company.

Restricted funds

Incoming resources amounted to £195,000 (2016: £207,414) with £197,124 (2016: £215,269) being expended in furtherance of the funding aims agreed with the grant-giving organisations. A balance of £12,396 (2016: £19,520) will be carried forward to fund the agreed outstanding activities.

Funds

Total funds at 31 March 2017 amount to £158,776 (2016: £145,066) representing £146,380 (2016: £125,546) and £12,396 (2016: £19,520) of unrestricted and restricted funds respectively as per Note 14 of the Financial Statements and are held as current assets, including cash balances of £166,147 (2016: £150,906) at the year-end date of 31 March 2017.

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

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.

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 2017

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
Cdre Barry Bryant CVO
Lt Col Steve Conway
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
Col Mark Bibbey
Mr Peter Minshall
Lt Col Peter Poole MBE (Resigned 2 February 2017)
Mr Robert Robson
Col Robert Steele TD JP DL
Ms Cathy Walker MBE (Resigned 2 February 2017)

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 2017

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 2017

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

I report on the accounts of the charity for the year ended 31 March 2017, 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 accounts 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 accounts as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In 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 accounts 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 accounts 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: 15 November 2017

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2017

| | Notes | Unrestricted funds £ | Restricted funds £ | Total 2017 £ | Total 2016 £ |
|---|--------|-------------------------|-----------------------|-----------------------|-----------------------|
| <u>Income from:</u> | | | | | |
| Donations and legacies | 3 | 55,605 | 195,000 | 250,605 | 267,697 |
| Investments | 4 | 585 | - | 585 | 493 |
| Total income | | <u>56,190</u> | <u>195,000</u> | <u>251,190</u> | <u>268,190</u> |
| <u>Expenditure on:</u> | | | | | |
| Charitable activities | 5 6 | 40,356 | 197,124 | 237,480 | 241,094 |
| Net incoming/(outgoing) resources before transfers | | <u>15,834</u> | <u>(2,124)</u> | <u>13,710</u> | <u>27,096</u> |
| Gross transfers between funds | | <u>5,000</u> | <u>(5,000)</u> | <u>-</u> | <u>-</u> |
| Net income/(expenditure) for the year/ Net movement in funds | | <u>20,834</u> | <u>(7,124)</u> | <u>13,710</u> | <u>27,096</u> |
| Fund balances at 1 April 2016 | | <u>125,546</u> | <u>19,520</u> | <u>145,066</u> | <u>117,970</u> |
| Fund balances at 31 March 2017 | | <u><u>146,380</u></u> | <u><u>12,396</u></u> | <u><u>158,776</u></u> | <u><u>145,066</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 2017

| | Notes | 2017 £ | £ | 2016 £ | £ |
|---|-----------|-----------|----------------|-----------|----------------|
| Current assets | | | | | |
| Cash at bank and in hand | | 166,147 | | 150,906 | |
| Creditors: amounts falling due within one year | 12 | (7,371) | | (5,840) | |
| Net current assets | | | <u>158,776</u> | | <u>145,066</u> |
| Income funds | | | | | |
| Restricted funds | 13 | | 12,396 | | 19,520 |
| Unrestricted funds | | | 146,380 | | 125,546 |
| | | | <u>158,776</u> | | <u>145,066</u> |

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 2017. 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 accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts were approved by the Directors on 31 October 2017

Col Martin Gibson OBE DL
Trustee

Mr Kevin Gray MM
Trustee

Company Registration No. SC239808

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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

The accounts 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.

These accounts for the year ended 31 March 2017 are the first accounts of Veterans Scotland prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the accounts, 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 accounts.

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 accounts.

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 2017

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 2017

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 2017

3 Donations and legacies

| | Unrestricted funds | Restricted funds | Total 2017 | Total 2016 |
|---|-----------------------|---------------------|----------------|----------------|
| | £ | £ | £ | £ |
| Donations and gifts | 55,605 | - | 55,605 | 60,283 |
| Grants receivable | - | 195,000 | 195,000 | 207,414 |
| | <u>55,605</u> | <u>195,000</u> | <u>250,605</u> | <u>267,697</u> |
| For the year ended 31 March 2016 | <u>60,283</u> | <u>207,414</u> | | <u>267,697</u> |
| Donations and gifts | | | | |
| Members subscriptions | 54,925 | - | 54,925 | 53,245 |
| Donations | 680 | - | 680 | 7,038 |
| | <u>55,605</u> | <u>-</u> | <u>55,605</u> | <u>60,283</u> |
| Grants receivable for core activities | | | | |
| Scottish Veterans Fund | - | 125,000 | 125,000 | 120,000 |
| Scottish Government Funding (Catalyst for Change) | - | 70,000 | 70,000 | 87,414 |
| | <u>-</u> | <u>195,000</u> | <u>195,000</u> | <u>207,414</u> |

Of income from donations and legacies in 2016, £60,283 was unrestricted and £207,414 was restricted.

4 Investments

| | 2017 | 2016 |
|---------------------|------------|------------|
| | £ | £ |
| Interest receivable | <u>585</u> | <u>493</u> |

All income from investments in 2016 was unrestricted.

5 Donated Services

Office facilities valued at £Nil (2016: £6,828) 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 2017

6 Charitable activities

| | Core activities £ | Scottish Veterans' Fund £ | Catalyst for Change £ | Total 2017 £ | Total 2016 £ |
|--|-------------------------|------------------------------------|--------------------------------|--------------------|--------------------|
| Grant funding of activities (see note 7) | - | 95,640 | - | 95,640 | 100,000 |
| Share of support costs (see note 8) | 39,736 | 24,360 | 77,124 | 141,220 | 140,494 |
| Share of governance costs (see note 8) | 620 | - | - | 620 | 600 |
| | <u>40,356</u> | <u>120,000</u> | <u>77,124</u> | <u>237,480</u> | <u>241,094</u> |
| Analysis by fund | | | | | |
| 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>237,480</u> | |
| For the year ended 31 March 2016 | | | | | |
| Unrestricted funds | 25,825 | - | - | | 25,825 |
| Restricted funds | - | 116,110 | 99,159 | | 215,269 |
| | <u>25,825</u> | <u>116,110</u> | <u>99,159</u> | | <u>241,094</u> |

Of expenditure in 2016, £25,825 was unrestricted and £215,269 was restricted.

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

7 Grants payable

| | 2017 |
|-----------------------------------|-------------|
| | £ |
| Grants to institutions: | |
| Glasgow Helping Heroes | 4,000 |
| Queens Own Highland | 1,000 |
| Community Veterans Scotland | 5,000 |
| Thistle | 8,000 |
| Veterans Helping Veterans | 8,000 |
| Walking with the wounded | 5,000 |
| Lothian Veterans Centre | 5,000 |
| Salute my job | 7,000 |
| Housing Options Scotland | 8,000 |
| Stand Easy | 1,000 |
| Lady Haig Poppy Factory | 2,000 |
| Glen Art | 14,715 |
| The Kings Centre | 2,040 |
| Sacro | 5,000 |
| Combat Scotland | 5,000 |
| Poppyscotland | 4,358 |
| Grampian Employment Opportunities | 6,000 |
| SSAFA | 4,527 |
| | <hr/> |
| | 95,640 |
| | <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 2017

8 Support costs

| | Support costs £ | Governance costs £ | 2017 £ | 2016 £ | Basis of allocation |
|--|--------------------|-----------------------|----------------|----------------|------------------------|
| Staff costs | 22,795 | - | 22,795 | 13,998 | |
| Office expenses - other | 6,747 | - | 6,747 | 4,399 | |
| Accommodation and administrative support | - | - | - | 6,828 | |
| Independent examiner fees | - | 620 | 620 | 600 | Governance |
| VS Scottish Veterans Fund - Roadshows/Assist | 24,360 | - | 24,360 | 16,110 | |
| Catalyst for Change | 77,124 | - | 77,124 | 99,159 | |
| Consultancy costs | 10,194 | - | 10,194 | - | |
| | <u>141,220</u> | <u>620</u> | <u>141,840</u> | <u>141,094</u> | |
| Analysed between Charitable activities | <u>141,220</u> | <u>620</u> | <u>141,840</u> | <u>141,094</u> | |

Governance costs includes payments to the independent examiner of £620 (2016: £600) for independent examination fees.

9 Directors

None of the 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 employees during the year was:

| | 2017 Number | 2016 Number |
|-------------------------|-------------------|-------------------|
| Permanent staff | <u>5</u> | <u>6</u> |
| Employment costs | 2017 £ | 2016 £ |
| Wages and salaries | 92,582 | 98,948 |
| Social security costs | 3,489 | 3,764 |
| | <u>96,071</u> | <u>102,712</u> |

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

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

| | | | |
|-----------|---|-------------------|-------------------|
| 11 | Financial instruments | 2017 | 2016 |
| | | £ | £ |
| | Carrying amount of financial liabilities | | |
| | Measured at amortised cost | 7,371 | 5,840 |
| | | <u> </u> | <u> </u> |
| | | | |
| 12 | Creditors: amounts falling due within one year | 2017 | 2016 |
| | | £ | £ |
| | Accruals and deferred income | 7,371 | 5,840 |
| | | <u> </u> | <u> </u> |
| | | | |
| 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 2017 |
|------------------------|----------------------------|-----------------------|-----------------------|-------------------|-----------------------------|
| | Balance at 1 April 2016 | Incoming resources | Resources expended | Transfers | |
| | £ | £ | £ | £ | £ |
| Scottish Veterans Fund | - | 125,000 | (120,000) | (5,000) | - |
| Queen's Jubilee Fund | 12,396 | - | - | - | 12,396 |
| Catalyst for Change | 7,124 | 70,000 | (77,124) | - | - |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | 19,520 | 195,000 | (197,124) | (5,000) | 12,396 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </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: 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: this is funding agreed until March 2016 to 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 £5,000 was transferred from the restricted Scottish Veterans 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.

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

14 Analysis of net assets between funds

| | Unrestricted Funds | Restricted Funds | Total |
|--|-------------------------------|-----------------------------|-----------------------|
| | £ | £ | £ |
| Fund balances at 31 March 2017 are represented by: | | | |
| Current assets/(liabilities) | 146,380 | 12,396 | 158,776 |
| | <u>146,380</u> | <u>12,396</u> | <u>158,776</u> |
| | <u><u>146,380</u></u> | <u><u>12,396</u></u> | <u><u>158,776</u></u> |

15 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

| | 2017 | 2016 |
|--------------------|---------------|---------------|
| | £ | £ |
| Total remuneration | 21,862 | 20,248 |
| | <u>21,862</u> | <u>20,248</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 2017

| | £ | 2017 £ | £ | 2016 £ |
|--|-------------------|-------------------|-------------------|-------------------|
| Donations and legacies | | | | |
| Members subscriptions | 54,925 | | 53,245 | |
| Donations | 680 | | 7,038 | |
| Scottish Veterans Fund | 125,000 | | 120,000 | |
| Scottish Government Funding (Catalyst for Change) | 70,000 | | 87,414 | |
| | <u> </u> | 250,605 | <u> </u> | 267,697 |
| Investment income | | | | |
| Interest received | | 585 | | 493 |
| | | <u> </u> | | <u> </u> |
| Total incoming resources | | 251,190 | | 268,190 |
| | | <u> </u> | | <u> </u> |
| <u>Resources expended</u> | | | | |
| Charitable activities | | | | |
| Core activities | | | | |
| Share of support costs - unrestricted | | (39,736) | | (25,225) |
| Scottish Veterans' Fund | | | | |
| Grants distributed on behalf of the Scottish Veterans Fund | 95,640 | | 100,000 | |
| Share of support costs - restricted | 24,360 | | 16,110 | |
| | <u> </u> | (120,000) | <u> </u> | (116,110) |
| Catalyst for Change | | | | |
| Share of support costs - restricted | | (77,124) | | (99,159) |
| Governance costs | | | | |
| Independent examiners fees | | (620) | | (600) |
| | | <u> </u> | | <u> </u> |
| Surplus for the Year | | 13,710 | | 27,096 |
| | | <u> </u> | | <u> </u> |