

Charity Registration No. SC033882

Company Registration No. SC241125 (Scotland)

**THE K.O.S.B. ASSOCIATION FUNDS**  
**DIRECTORS AND TRUSTEES REPORT AND UNAUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

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# THE K.O.S.B. ASSOCIATION FUNDS

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Directors And Trustees

Colonel A.J. Loudon M.B.E.  
Brigadier F.A.L. Alstead C.B.E., D.L., M.Phil  
Lieutenant Colonel C.G.O. Hogg O.B.E., D.L.  
Captain J.G. Tweedie  
Major D.P. Sturrock T.D., W.S.  
Major R.H. Edlmann  
Lieutenant Colonel R.S. Combe M.B.E.

### Secretary

Major D.P. Sturrock T.D., W.S.

### Charity number

SC033882

### Company number

SC241125

### Registered office

The House of Narrow Gates  
St. Boswells  
Roxburghshire  
TD6 0AX

### Independent examiner

Colin Frame CA  
Greaves West & Ayre  
Chartered Accountants & Statutory Auditors  
Berwick upon Tweed  
Northumberland  
TD15 1EW

### Bankers

Barclays Bank P.L.C.  
22/24 Hide Hill  
Berwick upon Tweed  
TD15 1AF

### Investment advisors

Brewin Dolphin  
6th Floor  
Atria One  
144 Morrison Street  
Edinburgh  
EH3 8EX

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# THE K.O.S.B. ASSOCIATION FUNDS

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# THE K.O.S.B. ASSOCIATION FUNDS

## DIRECTORS AND TRUSTEES REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2015

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The directors and trustees present their report and accounts for the year ended 31 December 2015.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company governing documents, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and Accounting and Reporting by Charities : Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities (effective January 2015).

#### **Structure, governance and management**

The K.O.S.B. Association Funds were incorporated on 13th December 2002, as a charitable company limited by guarantee. It is governed by its Memorandum and Articles of Association.

The members of the charitable company are the current directors and trustees. Every member has one vote, at general meetings of the charitable company which may be given either personally or by proxy.

The business of the charitable company is managed by the directors and trustees, who may exercise all the powers of the charitable company.

The maximum number of directors and trustees is fifteen, and the minimum number is four. The directors and trustees may appoint at any time a director and trustee to fill a vacancy or as an additional director and trustee. One third of directors and trustees are due to retire from office at the annual general meeting, but are eligible for re-election.

At the AGM Lieutenant Colonel R.S. Combe M.B.E. and Captain J.G. Tweedie will retire, with both eligible for re-election.

New directors and trustees are given a copy of the Memorandum and Articles of Association, the latest report and accounts, and all the charitable company's documents on governance. 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 area of their duties which they think they would like strengthening.

#### **Directors and trustees**

The directors and trustees who served during the year are as stated below:

Colonel A.J. Loudon M.B.E.  
Brigadier F.A.L. Alstead C.B.E., D.L., M.Phil  
Lieutenant Colonel C.G.O. Hogg O.B.E., D.L.  
Captain J.G. Tweedie  
Major D.P. Sturrock T.D., W.S.  
Major R.H. Edlmann  
Lieutenant Colonel R.S. Combe M.B.E.

As a company limited by guarantee, the charitable company does not have a share capital. The liability of each member is limited to £1.

#### **Risk review**

The directors and trustees have conducted a review of the major risks to which the charitable company is exposed including the long term effect of the formation of the Royal Regiment of Scotland, and have established systems to mitigate the risks identified by putting the funds into their present corporate structure. The position in relation to administration is kept under review.

# **THE K.O.S.B. ASSOCIATION FUNDS**

## **DIRECTORS AND TRUSTEES REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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### **Objectives and activities**

The charitable company's objects are :-

- to relieve suffering, hardship and distress and promote the relief of need among men or women who have at any time served with the King's Own Scottish Borderers, and their families and dependants, by making grants of money, loans or guarantees.
- to act as administrators of the "King's Own Scottish Borderers War Memorial and War Relief Funds".
- to make contributions to or otherwise support charitable or benevolent bodies and to make donations for any public purpose connected with the activities of the charitable company or with the furtherance of its objects.

### **Achievements and performance**

During the year the fund has continued to support former members of the King's Own Scottish Borderers and their families and dependants in accordance with the aims and objectives set out above. It is anticipated that these activities will continue for the foreseeable future.

The performance of the investments of the charitable company has been satisfactory and there is a healthy position in the General Fund, which allows the charitable company to continue to meet the current calls on the funds.

Several donations were received during the year, each gratefully acknowledged. Income tax is reclaimed wherever possible on donations under the Gift Aid Scheme.

To protect and preserve the legacy of the Regiment, the directors and trustees have commissioned an acknowledged author to write a History of the Regiment, with publication being scheduled for Summer 2016.

Applications from K.O.S.B. veterans and their families for Welfare assistance and Benevolence grants are now processed and almonised by RHQ SCOTS. Financial assistance remains funded by the K.O.S.B. Association.

I am also grateful to the Branch and Re-union Secretaries who, along with many others, help with the work of the Association. Their input will become ever more valuable in the years to come.

I wish to thank my fellow directors and trustees for their contribution during what has been a very busy year; they have many other commitments aside their role as directors and trustees, and their input has been both vital and very much appreciated by myself and the wider Regimental family.

# THE K.O.S.B. ASSOCIATION FUNDS

## DIRECTORS AND TRUSTEES REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

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#### Financial review

The accounts from page 6 onwards set out the full financial position for the year ended 31st December 2015.

#### Income

Total income for the year was £40,877 (2014 £39,541) an increase of £1,336.

#### Expenditure

Total expenditure for the year was £73,004 (2014 £66,280) an increase of £6,724.

The total net cost of benevolence was £4,000 (2014 £20,000) a decrease of £16,000.

Financial assistance was given in 77 cases (2014 92) of hardship with all cases processed by RHQ SCOTS, who also dealt directly with the Army Benevolent Fund.

Donations to other organisations and charities amounted to £3,700 (2014 £1,394).

The cost of publishing and distributing the Borderers' Chronicle, £4,154 (2014 £4,730) was covered by income received.

The total revenue deficit across all funds for the year was £32,127 (2014 £26,739 deficit).

#### Balance sheet

The net assets of the Association General Funds at 31st December 2015 were £641,601 (2014 £685,145). The decrease this year is directly attributable to the decrease in market values of investments as well as holding less in cash at bank and in hand at the year end.

The market value of the investments at 31st December 2015 was £637,965 (2014 £669,899).

#### Grant making policy

Grants are made in accordance with the charitable company's objects, as set out on page 2, to relieve suffering, hardship and distress among men or women who have served at any time with the Regiment of The King's Own Scottish Borderers and their families and dependants. Each application is considered on its merits.

#### Public benefit

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

#### Reserves and investment policy

The directors and trustees have reviewed the reserves of the charitable company in relation to current and future requirements and consider that the reserves are adequate to allow the charitable company to continue to carry out its objects, and to meet its long term commitments.

The governing documents allow the directors and trustees to invest funds in any investment they think fit, at their absolute discretion.

Investments are professionally managed by Brewin Dolphin, acting on a discretionary basis. The investment objectives are to achieve a balance of income and capital growth with an emphasis on income, assuming a medium risk profile.

# THE K.O.S.B. ASSOCIATION FUNDS

## DIRECTORS AND TRUSTEES REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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### Statement of directors and trustees responsibilities

The directors and trustees, who are also the directors of The K.O.S.B. Association Funds for the purpose of company law, are responsible for preparing the Directors And Trustees 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 and trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company 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 and trustees are required to:

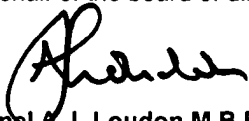
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures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

The directors and trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Exemptions

This report is prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board of directors and trustees



Colonel A.J. Loudon M.B.E.

Director and Trustee

Dated: 1 June 2016

# THE K.O.S.B. ASSOCIATION FUNDS

## INDEPENDENT EXAMINER'S REPORT

### TO THE DIRECTORS AND TRUSTEES OF THE K.O.S.B. ASSOCIATION FUNDS

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I report on the accounts of the charitable company for the year ended 31 December 2015, which are set out on pages 6 to 16.

#### **Respective responsibilities of directors and trustees and examiner**

The charitable company's Directors and Trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charitable company's Directors and Trustees 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 report**

My examination was carried out in accordance with the Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. 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 directors and 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 the course of 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 Accounting 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.



Colin Frame CA

Greaves West & Ayre  
Chartered Accountants & Statutory Auditors  
Berwick upon Tweed  
Northumberland  
TD15 1EW

Dated: 1 June 2016



# THE K.O.S.B. ASSOCIATION FUNDS

## STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Unrestricted funds £	Designated funds £	Total 2015 £	Total 2014 £
<b><u>Incoming Resources</u></b>					
<b>Income and endowments from:</b>					
Donations and legacies	2	8,991	797	9,788	8,532
Other trading activities		783	-	783	306
Investments	3	30,306	-	30,306	30,703
<b>Total incoming resources</b>		<b>40,080</b>	<b>797</b>	<b>40,877</b>	<b>39,541</b>
<b><u>Resources expended</u></b>					
<b>Expenditure on:</b>					
K.O.S.B. Regimental items and christmas cards		396	-	396	42
Work costs - A History of the K.O.S.B.		12,096	-	12,096	7,500
Investment management costs		5,070	-	5,070	3,335
		<b>17,562</b>	<b>-</b>	<b>17,562</b>	<b>10,877</b>
<b>Charitable activities</b>					
Direct charitable expenditure		12,121	-	12,121	12,836
Overhead expenses	5	1,904	96	2,000	1,309
Management and administration		33,621	-	33,621	19,864
Benevolence grants paid and charitable donations		7,700	-	7,700	21,394
<b>Total charitable activities</b>		<b>55,346</b>	<b>96</b>	<b>55,442</b>	<b>55,403</b>
<b>Total expenditure</b>	4	<b>72,908</b>	<b>96</b>	<b>73,004</b>	<b>66,280</b>
<b>Net (expenditure)/income</b>		<b>(32,828)</b>	<b>701</b>	<b>(32,127)</b>	<b>(26,739)</b>
<b>Other recognised gains/(losses):</b>					
(Losses)/gains on investment assets		(11,417)	-	(11,417)	541
<b>Net movement in funds</b>		<b>(44,245)</b>	<b>701</b>	<b>(43,544)</b>	<b>(26,198)</b>
<b>Fund balances at 1 January 2015</b>		<b>685,145</b>	<b>-</b>	<b>685,145</b>	<b>711,343</b>
<b>Fund balances at 31 December 2015</b>		<b>640,900</b>	<b>701</b>	<b>641,601</b>	<b>685,145</b>

All of the above results are derived from continuing activities.

All gains and (losses) recognised in the year are included above. The surplus for the year for Companies Act purposes comprises the net outgoing resources for the year plus realised gains on investments and was £18,040 (2014 £78,701 surplus).

# THE K.O.S.B. ASSOCIATION FUNDS

## BALANCE SHEET

AS AT 31 DECEMBER 2015

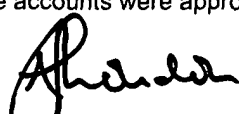
	Notes	2015 £	£	2014 £	£
<b>Fixed assets</b>					
Investments	10		637,965		669,899
<b>Current assets</b>					
Stocks		5,408		5,663	
Cash at bank and in hand		15,500		19,680	
		<u>20,908</u>		<u>25,343</u>	
<b>Creditors: amounts falling due within one year</b>	11	(17,272)		(10,097)	
<b>Net current assets</b>			3,636		15,246
<b>Total assets less current liabilities</b>			<u>641,601</u>		<u>685,145</u>
<b>Income funds</b>					
Unrestricted funds:					
Designated funds	14		701		-
Other charitable funds					
Unrestricted income funds		639,338		621,999	
Revaluation reserve		1,562		63,146	
		<u>640,900</u>		<u>685,145</u>	
			<u>641,601</u>		<u>685,145</u>

The charitable company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2015. No member of the charitable company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The directors and trustees acknowledge their responsibilities for ensuring that the charitable company 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 charitable 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 charitable company.

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities (effective January 2015).

The accounts were approved by the Board on 1 June 2016

  
Colonel A.J. Loudon M.B.E.  
Director and Trustee

Company Registration No. SC241125

# THE K.O.S.B. ASSOCIATION FUNDS

## NOTES TO THE ACCOUNTS

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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### **1 Accounting policies**

#### **1.1 Basis of preparation**

The accounts have been prepared under the historical cost convention modified to include the revaluation of fixed asset investments to market value and in accordance with the Companies Act 2006, Accounting and Reporting by Charities : Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Charities Accounts (Scotland) Regulations 2006.

#### **1.2 Incoming resources**

All incoming resources are included at the point when the charitable company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Legacies are recognised at the earlier of the date that the notification of distribution is received or that the legacy is received.

Grants and donations, including those received from other organisations to be paid over to beneficiaries, are recognised in full when received. Where they have been received for specified purposes or beneficiaries, these grants and donations are shown as restricted funds.

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

#### **1.3 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.

Costs of generating funds are the costs of Christmas cards and regimental items sold in the year.

Management and administration costs are those incurred in connection with the administration of the charitable company and compliance with constitutional and statutory requirements.

#### **1.4 Investments**

Fixed asset investments are stated at market value at the balance sheet date. Changes in market value are recognised in the Statement of Financial Activities, and are taken to the Revaluation Reserve.

#### **1.5 Stock**

Stock is valued at the lower of cost and net realisable value.

#### **1.6 Accumulated funds**

The general fund is an unrestricted fund which is available for use at the discretions of the directors and trustees in furtherance of the objectives of the charitable company.

Designated funds are unrestricted funds that have been set aside by the directors and trustees for particular purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors.

#### **1.7 Turnover**

Turnover represents the total value of all income receivable in the year, inclusive of value added tax.

# THE K.O.S.B. ASSOCIATION FUNDS

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 2 Donations and legacies

	Unrestricted funds £	Designated funds £	Total 2015 £	Total 2014 £
Donations and gifts	2,007	797	2,804	1,315
Subscriptions and chronicle	6,984	-	6,984	7,217
	<u>8,991</u>	<u>797</u>	<u>9,788</u>	<u>8,532</u>
<b>Donations and gifts</b>				
Unrestricted funds:				
Donations and legacies			2,007	1,315
			<u>2,007</u>	<u>1,315</u>
Designated funds:				
Donations and legacies			797	-
			<u>797</u>	<u>-</u>
<b>Subscriptions and chronicle</b>				
Unrestricted funds:				
Subscriptions and chronicle			6,984	7,217
			<u>6,984</u>	<u>7,217</u>

### 3 Investments

	2015 £	2014 £
Income from listed investments	30,298	30,676
Interest receivable	8	27
	<u>30,306</u>	<u>30,703</u>

# THE K.O.S.B. ASSOCIATION FUNDS

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 4 Total resources expended

	Staff costs £	Other costs £	Grant funding £	Total 2015 £	2014 £
<b>Expenditure on:</b>					
Costs of goods sold and other costs	-	12,492	-	12,492	7,542
Investment management costs	-	5,070	-	5,070	3,335
<b>Total</b>	<b>-</b>	<b>17,562</b>	<b>-</b>	<b>17,562</b>	<b>10,877</b>
<b>Charitable activities</b>					
<b>Direct charitable expenditure</b>					
Activities undertaken directly	-	12,121	-	12,121	12,836
<b>Overhead expenses</b>					
Activities undertaken directly	-	2,000	-	2,000	1,309
<b>Management and administration</b>					
Activities undertaken directly	23,000	7,094	-	30,094	16,984
Governance costs 7	-	3,527	-	3,527	2,880
Activities undertaken directly	23,000	10,621	-	33,621	19,864
<b>Benevolence grants paid and charitable donations</b>					
Grant funding of activities	-	-	7,700	7,700	21,394
	<b>23,000</b>	<b>28,742</b>	<b>7,700</b>	<b>55,442</b>	<b>55,403</b>
	<b>23,000</b>	<b>46,304</b>	<b>7,700</b>	<b>73,004</b>	<b>66,280</b>

# THE K.O.S.B. ASSOCIATION FUNDS

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

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### 5 Activities undertaken directly

	2015 £	2014 £
Other costs relating to Direct charitable expenditure comprise:		
Borders Chronicle	4,154	4,730
Remembrance wreaths and flowers	846	868
Advertising and promotions	302	619
Minden Day roses and buffet	5,439	5,299
Kelso Races	1,380	1,320
	<u>12,121</u>	<u>12,836</u>
Other costs relating to Overhead expenses comprise:		
Insurances	1,256	1,255
Repairs and maintenance	648	54
Other costs	96	-
	<u>2,000</u>	<u>1,309</u>
Other costs relating to Management and administration comprise:		
Printing, stationery and office expenses	3,533	1,346
A.G.M. expenses and lunches	929	405
Cruickshank dinner	295	340
Secretarial services	2,337	7,728
	<u>7,094</u>	<u>9,819</u>

# THE K.O.S.B. ASSOCIATION FUNDS

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 6 Grants payable

	Benevolence grants £	Charitable donations £	Total 2015 £	Total 2014 £
Grants and donations payable	<u>4,000</u>	<u>3,700</u>	<u>7,700</u>	<u>21,394</u>

#### Benevolence grants to individuals

Grants are made in accordance with the charitable company's objects, as set out on page 2, to relieve suffering, hardship and distress among men or women who have served at any time with the King's Own Scottish Borderers and their families and dependants. Each application is considered on its merits.

During the year 77 grants totalling £17,228.60 were made to individuals (2014: 92 grants totalling £25,847.62) to which the Association Funds contributed £4,000 (2014 £20,000), the balance being almonised with other Army Welfare charities where appropriate. All grants are processed by RHQ SCOTS who are now responsible for all K.O.S.B. Welfare assistance and Benevolence applications.

#### Charitable grant donations to institutions

This includes a number of small donations made to K.O.S.B. Association Branch Secretaries and Army related charities located in Scotland.

### 7 Governance costs

	2015 £	2014 £
Legal and professional	300	-
Independent examination	570	570
Accountancy	2,657	2,310
	<u>3,527</u>	<u>2,880</u>

### 8 Directors and trustees

None of the directors and trustees (or any persons connected with them) received any remuneration (2014 £Nil) or expenses (2014 £Nil) during the year.

# THE K.O.S.B. ASSOCIATION FUNDS

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 9 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2015 Number	2014 Number
Association secretary	1	1

#### Employment costs

	2015 £	2014 £
Wages and salaries	23,000	7,165

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

### 10 Fixed asset investments

	£
Market value at 1 January 2015	669,898
Disposals at opening book value	(149,136)
Acquisitions at cost	128,620
Change in value in the year	(11,417)
<b>Market value at 31 December 2015</b>	<b>637,965</b>
<b>Historical cost:</b>	
At 31 December 2015	565,497
At 31 December 2014	537,216

The cost value of investments represents the market value of the investments on the date that the investments were transferred to the charitable company from the original Trust, adjusted for any additions or disposals during the subsequent period.

Investments are professionally managed and valued by Brewin Dolphin. The investment objectives are to achieve a balance of income and capital growth with an emphasis on income, assuming a medium risk profile.

The unrealised gain on revaluation is taken to the revaluation reserve.

Holdings over 5% of the portfolio at market value comprise:-

	%	£
Aviva Investors UK US Equity Income	6.52	41,613
JP Morgan AM UK Ltd US Equity Income	6.47	41,307
BNY Mellon Fund Managers Newton Global Higher Income	5.11	32,582



# THE K.O.S.B. ASSOCIATION FUNDS

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

<b>11 Creditors: amounts falling due within one year</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade creditors	8,583	4,097
Taxes and social security costs	533	534
Accruals	2,100	2,000
Deferred income	6,056	3,466
	<u>17,272</u>	<u>10,097</u>

<b>12 Deferred income</b>	<b>£</b>	<b>£</b>
Deferred income is included within:		
Creditors due within one year	<u>6,056</u>	<u>3,466</u>

Deferred income is comprised of advanced book sales and sponsorship acknowledgements relating to the commissioned book entitled "A History of the KOSB" which is currently being written. The directors and trustees will publish the work at some point during 2016, at which time, deferred book sales and sponsorship acknowledgements will be released to the SOFA.

### 13 Unrestricted funds

	Balance at 1 January 2015	Movement in funds			At 31 December 2015
	£	Total incoming resources £	Total resources expended £	Transfers between funds £	£
Unrestricted income funds	621,999	40,080	(72,908)	50,167	639,338
Revaluation reserve	63,146	-	-	(61,584)	1,562
	<u>685,145</u>	<u>40,080</u>	<u>(72,908)</u>	<u>(11,417)</u>	<u>640,900</u>

The unrestricted General Funds represent the free funds of the charitable company and are available for use at the discretion of the directors and trustees in furtherance of the general objectives of the charitable company.

# THE K.O.S.B. ASSOCIATION FUNDS

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

#### 14 Designated funds

The income funds of the charitable company include the following designated funds which have been set aside out of unrestricted funds by the directors and trustees for specific purposes:

	Balance at 1 January 2015	Movement in funds		At 31 December 2015
	£	Total incoming resources £	Total resources expended £	£
Piper Laidlaw VC Fund	-	797	(96)	701
	-	797	(96)	701

The Piper Laidlaw VC Fund are unrestricted funds that have been set aside by the directors and trustees in order to care and maintain Piper Laidlaw's grave located within Norham Church grounds.

#### 15 Analysis of net assets between funds

	Unrestricted General Fund £	Designated Fund £	Total £
Fund balances at 31 December 2015 are represented by:			
Investments	637,965	-	637,965
Current assets	20,207	701	20,908
Creditors: amounts falling due within one year	(17,272)	-	(17,272)
	640,900	701	641,601
Unrealised gains included above:			
On investments	1,562	-	1,562
	1,562	-	1,562
Reconciliation of movements in unrealised gains			
Unrealised gains at 1 January 2015	63,146	-	63,146
Net gains on revaluations in year	(61,584)	-	(61,584)
Unrealised gains at 31 December 2015	1,562	-	1,562

# **THE K.O.S.B. ASSOCIATION FUNDS**

## **NOTES TO THE ACCOUNTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2015***

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### **16 Financial commitments**

In 2013, the directors and trustees agreed one of the best ways to preserve and promote the history and legacy of the Regiment was to commission a book to be researched and written entitled A History of the KOSB. The directors and trustees will publish the work in 2016, in hardback form and retail it to any interested parties.

To this end, the directors and trustees have agreed to commit £40,000 as a flat fee for the author of the book. The final £7,500 of which was paid this year.

Further costs including design and printing are estimated at £28,000, of which £4,596 was paid this year.

### **17 Company limited by guarantee**

Every ordinary member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while he is a member or within one year after he ceases to be a member, for such an amount as may be required not exceeding £1.