

Charity Registration No. SC033882 (Scotland)

Company Registration No. SC241125 (Scotland)

THE K.O.S.B. ASSOCIATION FUNDS
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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THE K.O.S.B. ASSOCIATION FUNDS

LEGAL AND ADMINISTRATIVE INFORMATION

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.
Major A.G. Horsburgh (Appointed 4 January 2017)

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

Charity number (Scotland) SC033882

Company number SC241125

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

Independent examiner Colin Frame CA
Greaves West & Ayre
17 Walkergate
Berwick upon Tweed
Northumberland
TD15 1DJ

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

THE K.O.S.B. ASSOCIATION FUNDS

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THE K.O.S.B. ASSOCIATION FUNDS

DIRECTORS AND TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2016

The directors and trustees present their report and accounts for the year ended 31 December 2016.

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 Standards applicable in the UK and Republic of Ireland (FRS 102).

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.

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

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.

The History of the Regiment, "Always a Borderer", written and collated by Iain Gale, was published on Minden Day 2016. This protects and preserves the legacy of the Regiment.

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, especially the volunteers, 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 another busy year; they have many other commitments aside from their role as directors and trustees, and their input has been both vital and very much appreciated by myself and the wider Regimental family.

Since the year-end, I am pleased to report that Major A.G. Horsburgh accepted an invitation to join the board as a director and trustee, which he accepted, and I give him a warm welcome.

THE K.O.S.B. ASSOCIATION FUNDS

DIRECTORS AND TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2016

Financial review

The accounts from page 6 onwards set out the full financial position for the year ended 31st December 2016.

Income

Total income for the year was £58,267 (2015 £40,877) an increase of £17,390.

Expenditure

Total expenditure for the year was £94,384 (2015 £73,004) an increase of £21,380.

The total net cost of benevolence was £26,000 (2015 £4,000) an increase of £22,000.

Financial assistance was given in 70 cases (2015 77) 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 £805 (2015 £3,700).

The cost of publishing and distributing the Borderers' Chronicle, £4,008 (2015 £4,153) was covered by income received.

The total revenue deficit across all funds for the year was £36,117 (2015 £32,127 deficit).

Balance sheet

The net assets of the Association General Funds at 31st December 2016 were £686,160 (2015 £641,601). The increase this year is directly attributable to the increase in market values of investments as well as holding more in stock at the year end.

The market value of the investments at 31st December 2016 was £647,480 (2015 £637,965).

Grant making policy

Grants are made in accordance with the charitable company's objects, as set out on page 1, 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.

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)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2016

Structure, governance and management

The K.O.S.B. Association Funds were incorporated on 13 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 A.J. Loudon M.B.E. and Brigadier F.A.L. Alstead C.B.E., D.L., M.Phil will retire, with both eligible for re-election.

Having been appointed since the last AGM, Major A.G. Horsburgh automatically retires and is 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.

Major A.G. Horsburgh

(Appointed 4 January 2017)

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

THE K.O.S.B. ASSOCIATION FUNDS

DIRECTORS AND TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2016

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:

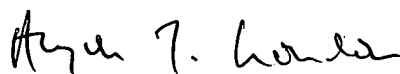
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures 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.

The directors and trustees report was approved by the Board of Directors and Trustees.



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

Director and Trustee

Dated: 9 June 2017

THE K.O.S.B. ASSOCIATION FUNDS

INDEPENDENT EXAMINER'S REPORT

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

I report on the accounts of the charitable company for the year ended 31 December 2016, which are set out on pages 6 to 17.

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 statement

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 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 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
17 Walkergate
Berwick upon Tweed
Northumberland
TD15 1DJ

Dated: 9 June 2017

THE K.O.S.B. ASSOCIATION FUNDS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Unrestricted funds general £	Unrestricted funds designated £	Total 2016 £	Total 2015 £
<u>Income from:</u>					
Donations and legacies	3	22,102	-	22,102	9,788
Other trading activities	4	7,989	-	7,989	783
Investments	5	28,176	-	28,176	30,306
Total income		58,267	-	58,267	40,877
<u>Expenditure on:</u>					
Raising funds	6	19,390	-	19,390	17,562
Charitable activities	7	74,898	96	74,994	55,442
Total resources expended		94,288	96	94,384	73,004
Net gains on investments	12	80,676	-	80,676	(11,417)
Net movement in funds		44,655	(96)	44,559	(43,544)
Fund balances at 1 January 2016		640,900	701	641,601	685,145
Fund balances at 31 December 2016		685,555	605	686,160	641,601

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.

THE K.O.S.B. ASSOCIATION FUNDS

BALANCE SHEET

AS AT 31 DECEMBER 2016

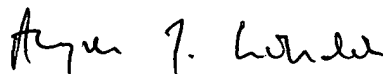
	Notes	2016 £	£	2015 £	£
Fixed assets					
Investments	13		647,480		637,965
Current assets					
Stocks	15	31,806		5,407	
Debtors	16	3,438		-	
Cash at bank and in hand		13,844		15,501	
		49,088		20,908	
Creditors: amounts falling due within one year	17	(10,408)		(17,272)	
Net current assets			38,680		3,636
Total assets less current liabilities			686,160		641,601
Income funds					
Unrestricted funds - designated	19		605		701
Unrestricted funds - general			685,555		640,900
			686,160		641,601

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 2016. 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 provisions applicable to charitable company subject to the small companies' regime.

The accounts were approved by the Directors and Trustees on 9 June 2017



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

Company Registration No. SC241125

THE K.O.S.B. ASSOCIATION FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Charity information

The K.O.S.B. Association Funds is a private company limited by guarantee incorporated in Scotland. The registered office is The House of Narrow Gates, St. Boswells, Roxburghshire, TD6 0AX.

1.1 Accounting convention

The accounts have been prepared in accordance with the charitable company'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 charitable company is a Public Benefit Entity as defined by FRS 102.

The charitable company 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 charitable company. 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 fixed asset investments to market value. The principal accounting policies adopted are set out below.

These accounts for the year ended 31 December 2016 are the first accounts of The K.O.S.B. Association Funds 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 January 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 and trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors and trustees 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 and trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

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.

THE K.O.S.B. ASSOCIATION FUNDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.4 Incoming resources

Income is recognised when the charitable company 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 charitable company 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.

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

Legacies are recognised at the earlier of the date that the notification of distribution is received or that the legacy is 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 and inclusive of VAT and other sales related taxes.

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.

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.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.7 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.

1.8 Financial instruments

The charitable company 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 charitable company's balance sheet when the charitable company 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.

THE K.O.S.B. ASSOCIATION FUNDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

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.

Derecognition of financial liabilities

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

1.9 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 charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the directors and trustees 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.

THE K.O.S.B. ASSOCIATION FUNDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

3 Donations and legacies

	Unrestricted funds general £	Unrestricted funds designated £	Total 2016 £	Total 2015 £
Donations and gifts	8,025	-	8,025	2,804
Subscriptions and chronicle	6,741	-	6,741	6,984
Book sponsorship - "Always a Borderer"	7,336	-	7,336	-
	<u>22,102</u>	<u>-</u>	<u>22,102</u>	<u>9,788</u>

4 Other trading activities

	2016 £	2015 £
Sale of K.O.S.B. Regimental items	179	524
Sale of book - "Always a Borderer"	7,689	-
Sale of Christmas cards	121	259
Other trading activities	<u>7,989</u>	<u>783</u>

5 Investments

	2016 £	2015 £
Income from listed investments	28,176	30,298
Interest receivable	-	8
	<u>28,176</u>	<u>30,306</u>

THE K.O.S.B. ASSOCIATION FUNDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

6 Raising funds

	2016	2015
	£	£
<u>Costs of goods sold and other costs</u>		
Work costs, including design and printing - "Always a Borderer"	13,936	12,096
<u>Raising funds</u>		
K.O.S.B. Regimental items and Christmas cards	519	396
<u>Investment management costs</u>	4,935	5,070
	<u>19,390</u>	<u>17,562</u>

7 Charitable activities

	Direct charitable expenditure £	Overhead expenses £	Management and administration £	Total 2016 £	Total 2015 £
Staff costs	-	-	23,055	23,055	23,000
Borderers chronicle	4,008	-	-	4,008	4,153
Remembrance wreaths and flowers	1,369	-	-	1,369	846
Advertising and promotions	449	-	-	449	302
Minden Day expenses	5,268	-	-	5,268	5,439
Kelso races	1,380	-	-	1,380	1,380
Insurances	-	950	-	950	1,256
Repairs and maintenance	-	660	-	660	744
Printing, stationery and office expenses	-	-	4,121	4,121	3,534
AGM expenses and lunches	-	-	253	253	929
Cruickshank dinner	-	-	415	415	295
Secretarial services	-	-	2,167	2,167	2,337
Bank charges	-	-	142	142	-
Farewell expenses	-	-	758	758	-
	<u>12,474</u>	<u>1,610</u>	<u>30,911</u>	<u>44,995</u>	<u>44,215</u>
Grant funding of activities (see note 8)	26,805	-	-	26,805	7,700
Share of governance costs (see note 9)	-	-	3,194	3,194	3,527
	<u>39,279</u>	<u>1,610</u>	<u>34,105</u>	<u>74,994</u>	<u>55,442</u>

THE K.O.S.B. ASSOCIATION FUNDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

8 Grants payable

	2016 £	2015 £
Grants to institutions:		
Grant donations to institutions and branches	805	3,700
Benevolence grants to individuals	26,000	4,000
	<u>26,805</u>	<u>7,700</u>

Benevolence grants paid 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 70 grants totalling £16,091 were made to individuals (2015: 77 grants totalling £17,229) to which the Association Funds contributed £26,000 (2015 £4,000) - to catch up from 2015, 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.

Grant donations to institutions and branches

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

9 Support costs

	Governance costs £	2016 £	2015 £	Basis of allocation
Legal and professional	-	-	300	Governance
Independent examination fee	570	570	570	Governance
Accountancy	2,624	2,624	2,657	Governance
	<u>3,194</u>	<u>3,194</u>	<u>3,527</u>	
Analysed between				
Charitable activities	<u>3,194</u>	<u>3,194</u>	<u>3,527</u>	

Governance costs includes payments to the independent examiner of £570 (2015 - £570) for independent examination fees.

THE K.O.S.B. ASSOCIATION FUNDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

10 Directors And Trustees

None of the directors and trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year.

None of the directors and trustees (or any persons connected with them) received any remuneration (2015 £Nil) or expenses (2015 £Nil) during the year.

11 Employees

Number of employees

The average monthly number employees during the year was:

	2016 Number	2015 Number
	1	1

Employment costs

	2016 £	2015 £
Wages and salaries	23,055	23,000

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

12 Net gains/(losses) on investments

	2016 £	2015 £
Revaluation gain/(loss) of investments	42,306	(61,584)
Gain/(loss) on sale of investments	38,370	50,167
	80,676	(11,417)

THE K.O.S.B. ASSOCIATION FUNDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

13 Fixed asset investments

	Listed investments £
Cost or valuation	
At 31 December 2015	637,965
Additions	34,541
Valuation changes	80,676
Disposals	(105,702)
	<hr/>
At 31 December 2016	647,480
	<hr/>
Carrying amount	
At 31 December 2016	647,480
	<hr/>
At 31 December 2015	637,965
	<hr/>

14 Financial instruments	2016 £	2015 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	3,438	-
Equity instruments measured at cost less impairment	647,480	637,965
	<hr/>	<hr/>
Carrying amount of financial liabilities		
Measured at amortised cost	6,919	10,683
	<hr/>	<hr/>

15 Stocks	2016 £	2015 £
Finished goods and goods for resale	31,806	5,407
	<hr/>	<hr/>

16 Debtors	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	3,438	-
	<hr/>	<hr/>

THE K.O.S.B. ASSOCIATION FUNDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

17 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Other taxation and social security		533	533
Deferred income	18	2,956	6,056
Trade creditors		3,347	8,583
Other creditors		1,372	-
Accruals and deferred income		2,200	2,100
		<u>10,408</u>	<u>17,272</u>

18 Deferred income

	2016 £	2015 £
Other deferred income	<u>2,956</u>	<u>6,056</u>

Deferred income is included in the financial statements as follows:

	2016 £	2015 £
Advanced book sales and sponsorship - "Always a Borderer"	-	6,056
WW1 Memorial Fundraising	<u>2,956</u>	<u>-</u>
	<u>2,956</u>	<u>6,056</u>

19 Unrestricted funds - designated

These are unrestricted funds which are material to the charitable company's activities made up as follows:

	Balance at 1 January 2016 £	Movement in funds		Balance at 31 December 2016 £
		Total incoming resources £	Total resources expended £	
Piper Laidlaw VC Fund	<u>701</u>	<u>-</u>	<u>(96)</u>	<u>605</u>

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.

THE K.O.S.B. ASSOCIATION FUNDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

20 Analysis of net assets between funds

	Unrestricted General Fund	Designated Fund	Total
	£	£	£
Fund balances at 31 December 2016 are represented by:			
Investments	647,480	-	647,480
Current assets/(liabilities)	38,075	605	38,680
	<u>685,555</u>	<u>605</u>	<u>686,160</u>

21 Related party transactions

There were no disclosable related party transactions during the year (2015 - none).

22 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.