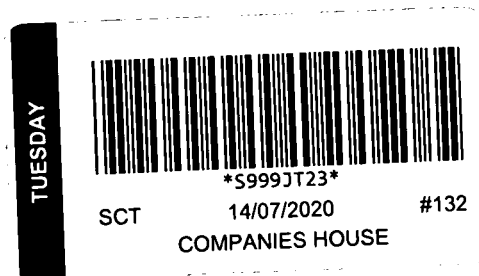


Charity Registration No. SC033882 (Scotland)

Company Registration No. SC241125 (Scotland)

**THE K.O.S.B. ASSOCIATION FUNDS**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**



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

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Directors And Trustees</b>	Colonel A.J. Loudon M.B.E. Lieutenant Colonel C.G.O. Hogg O.B.E., D.L. Major D.P. Sturrock T.D., W.S. Major R.H. Edlmann Lieutenant Colonel R.S. Combe M.B.E. Major A.G. Horsburgh Captain A.J.D. Herberts (Appointed 1 November 2019)
<b>Secretary</b>	Major D.P. Sturrock T.D., W.S.
<b>Charity number (Scotland)</b>	SC033882
<b>Company number</b>	SC241125
<b>Registered office</b>	8 St Ann's Place Haddington East Lothian EH1 4BS
<b>Independent examiner</b>	Colin Frame CA 17 Walkergate Berwick-upon-Tweed Northumberland TD15 1DJ
<b>Bankers</b>	Barclays Bank P.L.C. 22/24 Hide Hill Berwick upon Tweed TD15 1AF
<b>Investment advisors</b>	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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Statement of financial activities	6
Balance sheet	7
Notes to the financial statements	8 - 18

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

## **DIRECTORS AND TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors and trustees present their report and financial statements for the year ended 31 December 2019.

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.

Applications from K.O.S.B. veterans and their families for Welfare assistance and Benevolence grants are 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.

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

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

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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### Financial review

The accounts from page 6 onwards set out the full financial position for the year ended 31 December 2019.

#### Income

Total income for the year was £38,823 (2018: £70,869) a decrease of £32,046.

#### Expenditure

Total expenditure for the year was £75,414 (2018: £75,783) a decrease of £369.

The total net cost of benevolence was £14,000 (2018: £8,000) an increase of £6,000.

Financial assistance was given in 58 cases (2018: 74) 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 £1,296 (2018: £1,481).

The cost of publishing and distributing the Borderers' Chronicle, £5,014 (2018: £3,901) was covered by income received.

The total revenue deficit across all funds for the year before investment movements was £36,591 (2018: £4,914 deficit).

#### Balance sheet

The total net assets of the Association General Funds as at 31 December 2019 were £641,888 (2018: £600,975). The increase in value this year is entirely due to stronger investment market performance experienced throughout the year.

The total market value of the investments at 31 December 2019 was £642,962 (2018: £589,866).

### 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.

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

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

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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### **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.

### **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 Colonel A.J. Loudon M.B.E. and Lieutenant Colonel R.S. Combe M.B.E. will retire, with both eligible for re-election.

Having been appointed since the last AGM, Captain A.J.D. Herberts 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	(Retired 14 June 2019)
Lieutenant Colonel C.G.O. Hogg O.B.E., D.L.	
Captain J.G. Tweedie	(Resigned 1 November 2019)
Major D.P. Sturrock T.D., W.S.	
Major R.H. Edlmann	
Lieutenant Colonel R.S. Combe M.B.E.	
Major A.G. Horsburgh	
Captain A.J.D. Herberts	(Appointed 1 November 2019)

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 2019**

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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:

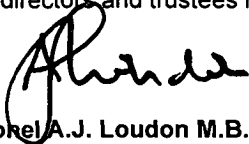
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures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

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: 12 June 2020

# 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 financial statements of the charitable company for the year ended 31 December 2019, which are set out on pages 6 to 18.

#### **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

17 Walkergate  
Berwick-upon-Tweed  
Northumberland  
TD15 1DJ

Dated: 12 June 2020



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

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Unrestricted funds general 2019 £	Unrestricted funds designated 2019 £	Total 2019 £	Total 2018 £
<b><u>Income from:</u></b>					
Subscriptions, donations, legacies and chronicle	3	7,880	4,960	12,840	31,354
Other trading activities	4	738	-	738	15,015
Investments	5	25,244	1	25,245	24,500
<b>Total income</b>		<b>33,862</b>	<b>4,961</b>	<b>38,823</b>	<b>70,869</b>
<b><u>Expenditure on:</u></b>					
Raising funds	6	10,114	-	10,114	17,892
Charitable activities	7	65,204	96	65,300	57,891
<b>Total resources expended</b>		<b>75,318</b>	<b>96</b>	<b>75,414</b>	<b>75,783</b>
Net gains/(losses) on investments	12	75,577	1,927	77,504	(63,072)
<b>Net movement in funds</b>		<b>34,121</b>	<b>6,792</b>	<b>40,913</b>	<b>(67,986)</b>
Fund balances at 1 January 2019		582,281	18,694	600,975	668,961
<b>Fund balances at 31 December 2019</b>		<b>616,402</b>	<b>25,486</b>	<b>641,888</b>	<b>600,975</b>

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 2019

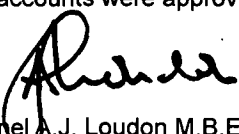
	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Investments	13		642,962		589,866
<b>Current assets</b>					
Stocks	14	20,382		25,278	
Debtors	15	3,704		3,702	
Cash at bank and in hand		10,116		11,215	
		34,202		40,195	
<b>Creditors: amounts falling due within one year</b>	16	(35,276)		(29,086)	
Net current (liabilities)/assets			(1,074)		11,109
<b>Total assets less current liabilities</b>			641,888		600,975
<b>Income funds</b>					
Unrestricted funds - designated	17	25,486		18,694	
Unrestricted funds - general		616,402		582,281	
		641,888		600,975	

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 2019. 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 12 June 2020

  
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 2019

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### 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 8 St Ann's Place, Haddington, East Lothian, EH1 4BS.

#### 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.

#### 1.2 Going concern

At the time of approving the financial statements, 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 financial statements.

#### 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.

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

---

### 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.

Investment income comprises dividends receivable during the year on listed investments held within the investment portfolio as well as interest receivable.

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.

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

---

### 1 Accounting policies

(Continued)

#### 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.

##### **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.

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 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.

### 3 Subscriptions, donations, legacies and chronicle

	Unrestricted funds general £	Unrestricted funds designated £	Total 2019 £	Total 2018 £
Donations and gifts	850	4,960	5,810	25,196
Subscriptions and chronicle	7,030	-	7,030	6,158
	<u>7,880</u>	<u>4,960</u>	<u>12,840</u>	<u>31,354</u>

### 4 Other trading activities

	Unrestricted funds general 2019 £	Total 2018 £
Sale of K.O.S.B. Regimental items	432	12,663
Sale of book - "Always a Borderer"	210	2,153
Sale of Christmas cards	96	199
Other trading activities	<u>738</u>	<u>15,015</u>

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 5 Investments

	Unrestricted funds general 2019 £	Unrestricted funds designated 2019 £	Total 2019 £	Total 2018 £
Income from listed investments	25,226	-	25,226	24,499
Interest receivable	18	1	19	1
	<u>25,244</u>	<u>1</u>	<u>25,245</u>	<u>24,500</u>
 For the year ended 31 December 2018	 <u>24,499</u>	 <u>1</u>		 <u>24,500</u>

### 6 Raising funds

	Total 2019 £	Total 2018 £
<u>Costs of goods sold and other costs</u>		
Work costs, including design and printing - "Always a Borderer"	99	1,175
Stock impairment - "Always a Borderer"	4,975	-
	<u>5,074</u>	<u>1,175</u>
Costs of goods sold and other costs		
<u>Raising funds</u>		
K.O.S.B. Regimental items and Christmas cards	359	11,830
	<u>4,681</u>	<u>4,887</u>
<u>Investment management costs</u>		
	<u>10,114</u>	<u>17,892</u>

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 7 Charitable activities

	Direct charitable expenditure £	Overhead expenses £	Management and administration £	Total 2019 £	Total 2018 £
Staff costs	-	-	26,936	26,936	24,042
Borderers chronicle	5,013	-	-	5,013	3,901
Remembrance wreaths and flowers	1,493	-	-	1,493	931
Advertising and promotions	-	-	-	-	510
Minden Day expenses	5,907	-	-	5,907	5,084
Kelso races	1,490	-	-	1,490	1,482
Insurances	-	1,285	-	1,285	1,258
Repairs and maintenance	-	625	-	625	526
Printing, stationery and office expenses	-	-	1,190	1,190	3,129
AGM expenses and lunches	-	-	83	83	124
Cruickshank dinner	-	-	616	616	525
Secretarial services	-	-	627	627	2,077
Bank charges	-	-	299	299	291
	<u>13,903</u>	<u>1,910</u>	<u>29,751</u>	<u>45,564</u>	<u>43,880</u>
Grant funding of activities (see note 8)	15,296	-	-	15,296	9,481
Share of governance costs (see note 9)	-	-	4,440	4,440	4,530
	<u>29,199</u>	<u>1,910</u>	<u>34,191</u>	<u>65,300</u>	<u>57,891</u>

### 8 Grants payable

	2019 £	2018 £
Grants to institutions:		
Grant donations to institutions and branches	1,296	1,481
Benevolence grants to individuals	14,000	8,000
	<u>15,296</u>	<u>9,481</u>



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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 8 Grants payable

(Continued)

#### Benevolence grants paid to individuals

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 King's Own Scottish Borderers and their families and dependants. Each application is considered on its merits.

During the year 58 grants totalling £13,874 were made to individuals (2018: 74 grants totalling £17,577) to which the Association Funds contributed £14,000 (2018: £8,000), the balance being almonised with other Army Welfare charities where appropriate. All grants are processed by RHQ SCOTS who are 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	2019	2018
	£	£	£
Legal and professional	840	840	846
Independent examination fee	700	700	600
Accountancy	2,900	2,900	3,084
	<u>4,440</u>	<u>4,440</u>	<u>4,530</u>
Analysed between			
Charitable activities	<u>4,440</u>	<u>4,440</u>	<u>4,530</u>

Governance costs includes payments to the independent examiner of £700 (2018: £600) for independent examination fees.

### 10 Directors And Trustees

None of the directors and trustees (or any persons connected with them) received any remuneration (2018: £Nil) or expenses (2018: £Nil) during the year.

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 11 Employees

#### Number of employees

The average monthly number of employees during the year was:

2019 Number	2018 Number
1	1
<u>1</u>	<u>1</u>

#### Employment costs

	2019 £	2018 £
Wages and salaries and pension contributions	26,936	24,042
	<u>26,936</u>	<u>24,042</u>

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

### 12 Net (losses)/gains on investments

	Unrestricted funds general £	Unrestricted funds designated £	Total 2019 £	Total 2018 £
Revaluation (loss)/gain of investments	73,252	1,927	75,179	(67,756)
Gain on sale of investments	2,325	-	2,325	4,684
	<u>75,577</u>	<u>1,927</u>	<u>77,504</u>	<u>(63,072)</u>
<b>For the year ended 31 December 2018</b>	<u>(63,072)</u>	<u>-</u>		<u>(63,072)</u>

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 13 Fixed asset investments

	Listed investments £
<b>Cost or valuation</b>	
At 31 December 2018	589,866
Additions	37,175
Valuation changes	77,504
Disposals	(61,583)
	<hr/>
At 31 December 2019	642,962
	<hr/>
<b>Carrying amount</b>	
At 31 December 2019	642,962
	<hr/>
At 31 December 2018	589,866
	<hr/>

### 14 Stocks

	2019 £	2018 £
Finished goods and goods for resale	20,382	25,278
	<hr/>	<hr/>

### 15 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	3,704	3,702
	<hr/>	<hr/>

### 16 Creditors: amounts falling due within one year

	2019 £	2018 £
Other taxation and social security	580	529
Trade creditors	31,896	25,155
Other creditors	-	902
Accruals and deferred income	2,800	2,500
	<hr/>	<hr/>
	35,276	29,086
	<hr/>	<hr/>

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 17 Unrestricted funds - designated

The income funds of the charity 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 2019 £	Movement in funds			Balance at 31 December 2019 £
		Total incoming resources £	Total resources expended £	Other gains/ (losses) £	
Piper Laidlaw VC Fund	415	1	(96)	-	320
Cruikshank Dinner Fund	18,279	-	-	1,927	20,206
Shepherd Fund	-	2,000	-	-	2,000
NI Memorial Stone Fund	-	2,960	-	-	2,960
	<u>18,694</u>	<u>4,961</u>	<u>(96)</u>	<u>1,927</u>	<u>25,486</u>

The Piper Laidlaw VC Fund consists of 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.

At the end of 2018, the K.O.S.B. Association Fund took over the management of a portfolio investment arising from a legacy by Captain Jack Cruikshank, to enable and subsidise an annual all ranks Dinner. Therefore, in order to separately identify these funds, the directors and trustees chose to designate the investment portfolio, which in future years will be used to defray some of the costs of the annual Cruikshank Dinner.

The Shepherd Fund consists of unrestricted donations that have been set aside by the directors and trustees in order to assist those men or women who served with the King's Own Scottish Borderers, and whose families are suffering hardship or distress in meeting the costs of funeral arrangements.

The NI Memorial Stone Fund consists of unrestricted funds that have been set aside by the directors and trustees in order for a Memorial Stone to be commissioned and erected in Northern Ireland to honour our fallen comrades.

#### 18 Analysis of net assets between funds

	Unrestricted General Fund 2019 £	Designated Fund 2019 £	Total 2019 £	Total 2018 £
Fund balances at 31 December 2019 are represented by:				
Investments	625,496	17,466	642,962	589,866
Current assets/(liabilities)	(9,094)	8,020	(1,074)	11,109
	<u>616,402</u>	<u>25,486</u>	<u>641,888</u>	<u>600,975</u>

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

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2019**

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#### **19 Events after the reporting date**

The directors and trustees have considered the effect that the COVID-19 pandemic will have on the charitable company.

An increase in applications for benevolence support is anticipated, and the funds are well placed to met these.

The directors and trustees are also exploring possible assistance under the support programmes of the UK and Scottish governments.

#### **20 Related party transactions**

There were no disclosable related party transactions during the year (2018: None).

#### **21 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.