

Charity registration number SC033882 (Scotland)

Company registration number SC241125 (Scotland)

THE K.O.S.B. ASSOCIATION FUNDS
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

THE K.O.S.B. ASSOCIATION FUNDS

LEGAL AND ADMINISTRATIVE INFORMATION

Directors And Trustees	Colonel A.J. Loudon M.B.E. CSTJ 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 Warrant Officer Class 1 J. Gillie (Appointed 7 January 2022)
Secretary	Major D.P. Sturrock T.D., W.S.
Charity number (Scotland)	SC033882
Company number	SC241125
Registered office	8 St Ann's Place Haddington East Lothian EH1 4BS
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

CONTENTS

	Page
Directors And Trustees report	1 - 4
Independent examiner's report	5
Statement of financial activities	6 - 7
Balance sheet	8 - 9
Notes to the financial statements	10 - 21

THE K.O.S.B. ASSOCIATION FUNDS

DIRECTORS AND TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors and trustees present their annual report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's governing document, 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)" (effective 1 January 2019).

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 very satisfactory, and a move to a growth-based total return approach was made during the course of the year. There continues to be 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. In particular, the fund has assisted, and will continue to assist, during the COVID-19 pandemic.

The salary of the Association Officer (Museum) continues to be funded by the Army Museums Ogilby Trust.

I continue to be extremely 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. Coming out of the pandemic, the Association plans to resume its normal level of activity, especially Minden day.

I once again wish to thank my fellow directors and trustees, and Association office bearers, the staff team and our volunteers for their unstinting contribution during what has been an unpredictable period during the pandemic. Their willingness to commit themselves on a voluntary basis is much appreciated by myself and the wider Regimental family, especially given the many other calls on their time.

THE K.O.S.B. ASSOCIATION FUNDS

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

FOR THE YEAR ENDED 31 DECEMBER 2021

Financial review

The accounts from page 6 onwards set out the full financial position for the year ended 31 December 2021.

Income

Total income for the year was £53,637 (2020: £56,183) a decrease of £2,546.

Expenditure

Total expenditure for the year was £85,026 (2020: £74,201) an increase of £10,825.

The total net cost of benevolence was £8,000 (2020: £13,000) a decrease of £5,000.

Financial assistance was given in 31 cases (2020: 44) 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 £100 (2020: £325).

The cost of publishing and distributing the Borderers' Chronicle, £5,170 (2020: £5,351) was covered by income received.

The total revenue deficit across all funds for the year before investment movements was £31,369 (2020: £18,018 deficit).

Balance sheet

The total net assets of the Association General Funds as at 31 December 2021 were £612,622 (2020: £575,218). 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 2021 was £595,563 (2020: £560,632).

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 2021

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 C.G.O. Hogg O.B.E., D.L. and Major A.G. Horsburgh will retire, with both eligible for re-election.

Having been appointed since the last AGM, Warrant Officer Class 1 J. Gillie 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. CStJ

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

Warrant Officer Class 1 J. Gillie

(Appointed 7 January 2022)

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 2021

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 SCRP;
- 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. CStJ

Director and Trustee

Dated: 1 June 2022

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 financial statements of the charitable company for the year ended 31 December 2021, which are set out on pages 6 to 21.

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: 1 June 2022

THE K.O.S.B. ASSOCIATION FUNDS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

Current financial year

		Unrestricted funds general	Unrestricted funds designated	Restricted funds	Total	Total
	Notes	2021 £	2021 £	2021 £	2021 £	2020 £
Income from:						
Subscriptions, donations, legacies and chronicle	3	14,498	-	22,305	36,803	35,440
Other trading activities	4	3,133	-	-	3,133	1,303
Investments	5	13,721	-	-	13,721	19,440
Total income		<u>31,352</u>	<u>-</u>	<u>22,305</u>	<u>53,657</u>	<u>56,183</u>
Expenditure on:						
Raising funds	6	<u>10,309</u>	<u>-</u>	<u>-</u>	<u>10,309</u>	<u>10,322</u>
Charitable activities	7	<u>52,840</u>	<u>2,402</u>	<u>19,475</u>	<u>74,717</u>	<u>63,879</u>
Total resources expended		<u>63,149</u>	<u>2,402</u>	<u>19,475</u>	<u>85,026</u>	<u>74,201</u>
Net gains/(losses) on investments	12	<u>65,616</u>	<u>3,157</u>	<u>-</u>	<u>68,773</u>	<u>(48,652)</u>
Net movement in funds		<u>33,819</u>	<u>755</u>	<u>2,830</u>	<u>37,404</u>	<u>(66,670)</u>
Fund balances at 1 January 2021		<u>543,647</u>	<u>26,851</u>	<u>4,720</u>	<u>575,218</u>	<u>641,888</u>
Fund balances at 31 December 2021		<u><u>577,466</u></u>	<u><u>27,606</u></u>	<u><u>7,550</u></u>	<u><u>612,622</u></u>	<u><u>575,218</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE K.O.S.B. ASSOCIATION FUNDS

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

Prior financial year

		Unrestricted funds general	Unrestricted funds designated	Restricted funds	Total
	Notes	2020 £	2020 £	2020 £	2020 £
Income from:					
Subscriptions, donations, legacies and chronicle	3	22,330	2,003	11,107	35,440
Other trading activities	4	1,303	-	-	1,303
Investments	5	19,440	-	-	19,440
Total income		<u>43,073</u>	<u>2,003</u>	<u>11,107</u>	<u>56,183</u>
Expenditure on:					
Raising funds	6	<u>10,322</u>	<u>-</u>	<u>-</u>	<u>10,322</u>
Charitable activities	7	<u>55,296</u>	<u>2,196</u>	<u>6,387</u>	<u>63,879</u>
Total resources expended		<u>65,618</u>	<u>2,196</u>	<u>6,387</u>	<u>74,201</u>
Net (losses)/gains on investments	12	<u>(50,210)</u>	<u>1,558</u>	<u>-</u>	<u>(48,652)</u>
Net movement in funds		<u>(72,755)</u>	<u>1,365</u>	<u>4,720</u>	<u>(66,670)</u>
Fund balances at 1 January 2020		<u>616,402</u>	<u>25,486</u>	<u>-</u>	<u>641,888</u>
Fund balances at 31 December 2020		<u><u>543,647</u></u>	<u><u>26,851</u></u>	<u><u>4,720</u></u>	<u><u>575,218</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE K.O.S.B. ASSOCIATION FUNDS

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investments	13		595,563		560,632
Current assets					
Stocks	15	11,255		17,051	
Debtors	16	-		9,370	
Cash at bank and in hand		13,707		25,752	
		<u>24,962</u>		<u>52,173</u>	
Creditors: amounts falling due within one year	17	<u>(7,903)</u>		<u>(37,587)</u>	
Net current assets			17,059		14,586
Total assets less current liabilities			<u>612,622</u>		<u>575,218</u>
Income funds					
Restricted funds	18		7,550		4,720
Unrestricted funds - designated	19		27,606		26,851
Unrestricted funds - general			577,466		543,647
			<u>612,622</u>		<u>575,218</u>

THE K.O.S.B. ASSOCIATION FUNDS

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

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 2021. No member of the charitable company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The directors/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.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Directors And Trustees on 1 June 2022

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

Trustee

Company registration number SC241125

THE K.O.S.B. ASSOCIATION FUNDS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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 financial statements have been prepared in accordance with the charitable company's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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)" (effective 1 January 2019). 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 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.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

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.

THE K.O.S.B. ASSOCIATION FUNDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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 Expenditure

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 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.

1.7 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.

1.8 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 2021

1 Accounting policies

(Continued)

1.9 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.

1.10 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.

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 2021

3 Subscriptions, donations, legacies and chronicle

	Unrestricted funds general	Unrestricted funds designated	Restricted funds	Total 2021	Total 2020
	£	£	£	£	£
Donations and gifts	3,065	-	-	3,065	12,668
Grants	-	-	22,305	22,305	11,107
Subscriptions and chronicle	9,435	-	-	9,435	7,851
Gift aid	1,998	-	-	1,998	3,814
	<u>14,498</u>	<u>-</u>	<u>22,305</u>	<u>36,803</u>	<u>35,440</u>

4 Other trading activities

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Sale of K.O.S.B. Regimental items	339	945
Sale of book - "Always a Borderer"	2,660	-
Sale of Christmas cards	134	358
Other trading activities	<u>3,133</u>	<u>1,303</u>

5 Investments

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Income from listed investments	13,721	19,436
Interest receivable	-	4
	<u>13,721</u>	<u>19,440</u>

THE K.O.S.B. ASSOCIATION FUNDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6	Raising funds	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
	<u>Costs of goods sold and other costs</u>		
	Work costs, including design and printing - "Always a Borderer"	755	-
	Stock impairment - "Always a Borderer"	4,723	4,975
	Costs of goods sold and other costs	5,478	4,975
	<u>Raising funds</u>		
	K.O.S.B. Regimental items and Christmas cards	567	1,155
	<u>Investment management costs</u>	4,264	4,192
		10,309	10,322

7 Charitable activities

	Direct charitable expenditure £	Overhead expenses £	Management and administration £	Total 2021 £	Total 2020 £
Staff costs	-	-	44,277	44,277	31,387
Borderers Chronicle	5,170	-	-	5,170	5,351
Remembrance wreaths and flowers	487	-	-	487	348
Advertising and promotions	2,959	-	-	2,959	120
Minden Day expenses	734	-	-	734	490
Insurances	-	1,712	-	1,712	1,618
Repairs and maintenance	-	605	-	605	466
Printing, stationery and office expenses	-	-	2,763	2,763	3,389
AGM expenses and lunches	-	-	93	93	55
Cruikshank Dinner	-	-	656	656	-
Bank charges	-	-	231	231	106
NI Memorial stone	2,306	-	-	2,306	2,100
	11,656	2,317	48,020	61,993	45,430
Grant funding of activities (see note 8)	8,100	-	-	8,100	13,325
Share of governance costs (see note 9)	-	-	4,624	4,624	5,124
	19,756	2,317	52,644	74,717	63,879

THE K.O.S.B. ASSOCIATION FUNDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Grants payable

	2021 £	2020 £
Grants to institutions:		
Grant donations to institutions and branches	100	325
Grants to individuals	8,000	13,000
	<u>8,100</u>	<u>13,325</u>

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 31 grants totalling £6,498 were made to individuals (2020: 44 grants totalling £10,368) to which the Association Funds contributed £8,000 (2020: £13,000), 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 £	2021 £	Governance costs £	2020 £
Legal and professional	774	774	1,218	1,218
Independent examination fee	800	800	750	750
Accountancy	3,050	3,050	3,156	3,156
	<u>4,624</u>	<u>4,624</u>	<u>5,124</u>	<u>5,124</u>
Analysed between				
Charitable activities	4,624	4,624	5,124	5,124
	<u>4,624</u>	<u>4,624</u>	<u>5,124</u>	<u>5,124</u>

Governance costs includes payments to the independent examiner of £800 (2020: £750) for independent examination fees.

10 Directors And Trustees

THE K.O.S.B. ASSOCIATION FUNDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Directors And Trustees

(Continued)

None of the directors and trustees (or any persons connected with them) received any remuneration (2020: £Nil) or expenses (2020: £Nil) during the year.

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	2	2
	<u>2</u>	<u>2</u>

Employment costs

	2021 £	2020 £
Wages and salaries and pension contributions	44,277	31,387
	<u>44,277</u>	<u>31,387</u>

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

12 Net gains/(losses) on investments

	Unrestricted funds general	Unrestricted funds designated	Total 2021	Total 2020
	£	£	£	£
Revaluation (loss)/gain of investments	(4,528)	3,157	(1,371)	(37,616)
Gain on sale of investments	70,144	-	70,144	(11,036)
	<u>65,616</u>	<u>3,157</u>	<u>68,773</u>	<u>(48,652)</u>
For the year ended 31 December 2020	<u>(50,210)</u>	<u>1,558</u>		<u>(48,652)</u>

THE K.O.S.B. ASSOCIATION FUNDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

13 Fixed asset investments

	Listed investments £
Cost or valuation	
At 31 December 2020	560,632
Additions	219,647
Valuation changes	68,773
Disposals	(253,489)
At 31 December 2021	595,563
Carrying amount	
At 31 December 2021	595,563
At 31 December 2020	560,632

14 Financial instruments

	2021 £	2020 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	595,563	560,632

15 Stocks

	2021 £	2020 £
Finished goods and goods for resale	11,255	17,051

16 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	-	9,370

17 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	819	685
Trade creditors	3,324	33,045
Other creditors	56	27
Accruals and deferred income	3,704	3,830
	7,903	37,587

THE K.O.S.B. ASSOCIATION FUNDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

18 Restricted funds

The income funds of the charitable company include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds					
	Incoming resources	Resources expended	Balance at 1 January 2021	Incoming resources	Resources expended	Balance at 31 December 2021
	£	£	£	£	£	£
Association Officer (Museum) Fund	11,107	(6,387)	4,720	22,305	(19,475)	7,550

The Association Officer (Museum) Fund consists of unrestricted grants received from the Army Museums Ogilby Trust that have been set aside by the directors and trustees in order to assist with the employment of an Association Officer (Museum) to help maintain the K.O.S.B. Regimental Collection.

THE K.O.S.B. ASSOCIATION FUNDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

19 Unrestricted funds - designated

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:

	Movement in funds					
	Balance at 1 January 2020	Total income resources	Total resources expended	Other gains/(losses)	Balance at 1 January 2021	Total resources expended
	£	£	£	£	£	£
Piper Laidlaw VC Fund	320	-	(96)	-	224	(96)
Cruikshank Dinner Fund	20,206	-	-	1,558	21,764	-
Shepherd Fund	2,000	103	-	-	2,103	-
NI Memorial Stone Fund	2,960	1,900	(2,100)	-	2,760	(2,306)
	25,486	2,003	(2,196)	1,558	26,851	(2,402)
					3,157	27,606

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 those 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.

THE K.O.S.B. ASSOCIATION FUNDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

20 Analysis of net assets between funds

	Unrestricted General Fund	Designated Fund	Restricted Fund	Total Unrestricted General Fund	Designated Fund	Restricted Fund	Total
	2021	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£	£
Fund balances at 31 December 2021 are represented by:							
Investments	573,382	22,181	-	595,563	541,608	19,024	560,632
Current assets/(liabilities)	4,084	5,425	7,550	17,059	2,039	7,827	14,586
	577,466	27,606	7,550	612,622	543,647	26,851	575,218

THE K.O.S.B. ASSOCIATION FUNDS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

21 Related party transactions

There were no disclosable related party transactions during the year (2020: 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.

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