

SCOTTY'S LITTLE SOLDIERS

The Charity for bereaved British Forces children



ANNUAL REPORT 2018

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SCOTTY'S LITTLE SOLDIERS

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A NOTE FROM NIKKI

It's unbelievable to think that it's 8 years now since we started Scotty's Little Soldiers and 9 years since I lost Lee in Afghanistan.

Since then we've dedicated our lives to helping the children of our heroes. Having witnessed first-hand the effects losing a parent can have on a child, I hate to think of other families having to go through that and not having the support they need and deserve.

I remember like it was yesterday, having to sit my 5-year-old son Kai down and tell him his Dad wasn't coming home. I remember the pain and confusion when his friend's Dads all returned from their tours of Afghanistan. I remember having to move him away from those friends when our time in our Army house was up and we returned back to Norfolk to be closer to our family.

I was lucky to have a fantastic group of friends and family, but I still find it amazing that there is so little support available to our bereaved military families in the UK, even today. Because of that, Scotty's has found itself as the first point of contact for many families in distress. We've gone from a charity just trying to put a smile on a few kids' faces, to one which has become a real hub for the families of the fallen. There's a real sense of community that has developed through Scotty's and I love hearing about how families who met at one of our events have gone on to become really great friends and enjoy joint holidays together.

I still get frustrated on an almost daily basis that we aren't doing more. I can see so many gaps in the support available to bereaved families and I'm determined that Scotty's will fill those gaps and provide the help that's needed. I'm also excited though. I can see the progress we've made during the year and the plans for 2019. There is so much to be done but I now really believe that we can deliver on our promise to provide long-term support to the brave young people who have sacrificed so much.

Thank you so much for taking the time to find out more about our charity. I hope that, if you haven't already, our work will inspire you to join us on our mission to help their children smile.

Nikki

Founder



CHIEF EXECUTIVE'S REPORT

If 2017 was a transitional period for us at Scotty's Little Soldiers, 2018 was about putting our plans into action and laying the foundations for what we believe will become a charity of long term importance to the military community in the UK.

We increased our fundraising from £556k in 2017 to £667k in 2018 and managed to control our costs whilst providing the same level and quality of activities but for more beneficiaries. We finished the year with a small surplus helping us to gradually increase our cash reserves, a target for the next 5 years.

Over the next few pages you'll see some of the activities we provided for our amazing young Scotty Members but I'm also pleased to report that behind the scenes much of the infrastructure and planning has been put into place to roll out a number of new initiatives in 2019 and into early 2020.

Over the next 3 years Scotty's will transition from a charity focused primarily on helping to put smiles on children's faces and building a family community, to one which is also providing outstanding education and development opportunities, a wide range of impactful health and well-being initiatives, and providing a voice at a national level for a small but incredibly important group of people.

Our team will grow but like everything at Scotty's this will be driven by the needs of our beneficiaries. Nikki's own personal experiences combined with the feedback families provide to us help to shape the future Programmes and projects of the charity.

In 2018 we conducted a survey, in part to assess the impact of our existing services, but also to identify gaps in the support available to bereaved military families in the UK. We were amazed to discover that only 53% of bereaved military families felt they received enough support in the first year following a death. Those numbers dropped significantly after the first year. In year two, 85% of families felt there was not enough support for them and in the 3-5 years following,

that number increased to 94%. We believe that Scotty's has a responsibility to ensure that those families do not feel alone in the years that follow the death of parent who served in our Armed Forces, and that the children of our heroes are supported throughout their childhood and early adult years.

Our survey also highlighted the fact that most bereaved military families felt disconnected from the community but still felt that a relationship with the Armed Forces community was important to their family. In 2019 Scotty's will be launching a range of initiatives to help 'reconnect' those families.

Just like Nikki, I am excited about what follows. The plans for 2019 and 2020 are amazing and will have a real, significant positive impact on bereaved military children in the UK.

For more details of our plans and to keep informed of our progress I highly recommend following the charity on our social media accounts.

Stuart

Chief Executive





A Scotty Member enjoying his time at Scotty's Little Soldiers Christmas Party 2018

OUR IMPACT

SCOTTY'S LITTLE SOLDIERS



258

SCOTTY RESPITE BREAKS FOR
BEREAVED FORCES CHILDREN



150

BENEFICIARIES
ATTENDED EVENTS
AND EXPERIENCES

133

SUPPORT CASES
OPENED



1,772

GIFTS AND VOUCHERS
SENT OUT TO BEREAVED
FAMILIES



119

SMALL GRANTS
PROVIDED



700
'THINKING OF YOU'
VOUCHERS GIVEN



110
SCOTTY MEMBERS
ATTENDED OUR
EXCLUSIVE
CHRISTMAS EVENT



40
SPECIAL
EXPERIENCES
PROVIDED



731
PERSONALISED CHRISTMAS AND
BIRTHDAY GIFTS SENT

258
SPECIAL
EXPERIENCES
PROVIDED





4

HIGHER EDUCATION
GRANTS PROVIDED



5

SUPER GRANTS PROVIDED



9

DRIVING LESSON GRANTS
PROVIDED



101

SCOTTY ALLOWANCE GRANTS
PROVIDED



OVER
£20,000

IN SMALL GRANTS PROVIDED TO
BEREAVED CHILDREN



ADVICE, GUIDANCE AND
SIGNPOSTING FOR BEREAVED
FAMILIES



133

SUPPORT CASES OPENED



MEMBERS

EXCLUSIVE
'MEMBERS ZONE'
SITE FOR
ACCESSING
SUPPORT



ACCESS TO PROFESSIONAL
BEREAVEMENT COUNSELLING



OVER
200

MEMBERS ON OUR PRIVATE ONLINE
FORUM FOR GUARDIANS

7

UK BEREAVED CHILDREN
ATTENDED OUR JOINT
SUPPORT WEEKEND WITH U.S
BEREAVED FAMILIES



F.A.Q

Why are there two 'Scotty's Little Soldiers' charities registered?

When Nikki founded the charity back in 2010 she had no idea how important it would become to our bereaved British Forces families in the UK. At that time she just wanted to raise enough money to purchase a holiday home that bereaved military families could use and so the charity was created in the most basic format. As the need for Scotty's support continued to grow we also realised the need to change the structure of the charity to one more appropriate to the future demands of the organisation. So in consultation with the Charity Commission we set up a new Charitable Incorporated Organisation (CIO) charity.

The existing charity had a number of agreements and leases already in place which proved time consuming and costly to transfer to the new charity so, again in consultation with the Charity Commission, we decided to keep the original charity until those leases expire in the next couple of years. At this point the original charity will be dissolved. Our CEO, Stuart, explains this process in a film posted on our YouTube channel 'Scotty's TV'.

How much money did the charity make in 2018?

Our income for 2018 was £685,298. This was up from the £555,930 that we raised in 2017. The majority of our fundraising comes from the amazing Great British public as well as a small selection of corporate partners. The charity has identified Grants and Trusts as an area of development and focus for 2019.

How much did the charity spend and on what?

Our total spend for the year was £667,236 leaving us a small surplus of £18,062. We spent £149,091 on raising funds and £518,145 on charitable activities. The Trustees have recognised the importance of investing in fundraising to help grow the charity to allow it to develop much needed new activities. This investment will continue in 2019 and 2020 to fuel that growth but keeping our costs as low as possible remains a core cultural value within the charity.

How much reserves does the charity have?

Our cash reserves at the close of 2018 were £226,300. This is the cash we had in the bank at that moment in time. Our aim is to grow our reserves to around 6 months of activity expenditure.

How many people work at the charity?

The average number of paid staff during 2018 was 7. We have a number of exciting new projects which will be implemented during 2019 and will add significant value to bereaved military families in the UK. These new projects will result in additional members joining the Scotty Team next year and we anticipate finishing 2019 with around 10 team members.

SCOTTY'S LITTLE SOLDIERS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

SCOTTY'S LITTLE SOLDIERS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Scotty's Little Soldiers	(Appointed 27 November 2018)
Charity number	1136854	
Principal address	Unit 21 Bergen Way North Lynn Industrial Estate PE30 2JG	
Auditor	Mapus-Smith & Lemmon LLP 48 King Street King's Lynn Norfolk PE30 1HE	
Bankers	HSBC Bank PLC 19 Minster St Salisbury SP1 1TE	
Solicitors	Stone King Thirty Station Road Cambridge Cambridgeshire CB1 2RE	

SCOTTY'S LITTLE SOLDIERS

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SCOTTY'S LITTLE SOLDIERS

TRUSTEE REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The Trustees present their report and financial statements for the year ended 31 December 2018.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's governing document, the Charities Act 2011 and the 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 (FRS102) published on 16 July 2014.

Objectives and activities

The Charity's objects are to provide relief from the effects of bereavement to young people who have suffered the loss of a parent who served with the Armed Forces of the Crown.

Vision:

'We want every bereaved British Forces child to have access to the very best emotional support, outstanding development opportunities and the chance to smile again'

Objectives:

1. To provide relevant and genuinely beneficial support to bereaved British Forces children which has a profoundly positive impact on their future lives.
2. To make this support available to as many bereaved British Forces children as possible.
3. To build a respected and sustainable charity which is able to fulfil objectives 1 & 2 for as long as is required by our beneficiaries.

Review of charitable activities and achievements for the public benefit

The charity's aim is to provide relief from the effects of bereavement to young people who have lost a parent who served in the British Armed Forces.

This relief is provided through 3 assistance programmes; Smiles; Support and Strides.

Smiles provides opportunities for bereaved Forces children to smile again through fun based activities such as holiday breaks, group events, gifts and vouchers and special experiences.

The Support programme aims to deal with the more emotional side of bereavement and provides access to professional bereavement counselling provided by partners Winston's Wish in a project funded by Help for Heroes.

The Strides programme is designed to offer beneficiaries assistance with their personal development and includes a range of activity and educational grants.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

During the year the charity, as well as using employees and the trustees to promote charity donations and fundraising events, also rely on many volunteers and fundraisers in order to provide donations to the charity and arrange fundraising events for which proceeds are then donated to Scotty's Little Soldiers. The income is only recognised by Scotty's Little Soldiers at the time the donation is made. Thank you letters are arranged to be sent out to fundraisers of the charity.

SCOTTY'S LITTLE SOLDIERS

TRUSTEE REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Achievements and performance

Main achievements of charity during the year

- Provided direct support to 385 bereaved British Forces children and young people and their families.
- Dispatched 1,772 gifts and vouchers during the year for anniversaries such as birthdays, Christmas, the death of their parent or Remembrance.
- Organised an exclusive magical weekend Christmas event for 110 beneficiaries with travel expenses and overnight accommodation included.
- Sent 345 gift vouchers at the anniversary of a child's parent death and 355 family meal vouchers at Remembrance.
- Opened 133 Family Support cases using the charity's online support forum.
- Provided £20,404 in small grants including;
 - 101 Scotty Allowance grants.
 - 4 Higher Education Grants.
 - 9 Driving Lesson Grants.
 - 5 Super Grants

Financial review

Review of the financial position of the charity and reserves policy

Financially the organisation is healthy and we are meeting our objectives and targets set. The Trustee Board have agreed a Reserves policy in line with the organisation objectives that all reserves shall be applied solely towards promotion of the object of the charity. In the event of dissolution of the charity the reserves would be first used for severance payments and winding up costs. The constitution states that any surplus must be either used directly for the objects of the charity, be transferred to another charity with like objects or in any other manner approved by the Charity Commission. The present level of reserves held is £880,681 which includes £515,766 of tangible assets and £226,300 in cash reserves available to use. £856,318 of the reserves held are categorised as unrestricted funds, £24,363 are categorised as restricted funds.

Principal sources of income and how expenditure meets objectives

The principal sources of income is that of donations received through collections and fundraising. These sources of income been used in the year to support the key objectives of the charity as outlined in this trustees report.

Risk Management

The Trustees has assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The Trustees have a risk management review which comprises

- a continuing review of the risks the charity may face;
- the establishment of systems and procedures to mitigate those identified risks and
- the implementation of procedures designed to minimise the potential impact on the charity should those risks materialise.

SCOTTY'S LITTLE SOLDIERS

TRUSTEE REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Plans for the future

The charity has identified the following key targets for the coming year:

- The primary objective for the charity is to make its existing range of activities available to more bereaved children.
- Having secured funding to develop the charity's SUPPORT Programme during 2018, these plans will be implemented during 2019.
- The charity will seek to diversify its fundraising activities by increasing its focus on grants and trusts funding in 2019.

Structure, governance and management

Governing Document

The Charity is governed by its Constitution dated 17 April 2010. It was registered as a charity with the Charity Commission on 13 July 2010.

Trustees

The Trustees who served during the year were:

Mr J S Worthy	(Resigned 19 November 2018)
Mr L Priestley	(Resigned 27 November 2018)
Mr B Holmes	(Resigned 27 November 2018)
Scotty's Little Soldiers	(Appointed 27 November 2018)

The senior official to whom the day to day management of the charity is delegated by the charity Trustees is Stuart Robinson and co founder Nikki Scott.

Appointment of new Trustees

Scotty's Little Soldiers CIO is the sole Trustee of the charity and this will remain the case moving forward. The CIO has a formal Trustee Recruitment policy and process. New Trustees positions can be advertised by the CIO or nominations from the management team and the existing Trustees can be put forward. Those nominated and appointed are elected at the first AGM following appointment.

During the year the CIO appointed two new Trustees to add additional skills to the new board. The CIO plans to add further Trustees over the next 2 years to fill gaps in the boards current skill set.

Trustees induction and training

When considering nominations of Trustees the requirement for any specialist skills needed are reviewed.

Trustees are encouraged to attend appropriate external training events when these will facilitate the undertaking of their role.

New Trustees attend an orientation meeting to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the various committees and decision making processes, the financial plan and recent financial performance of the charity. During this initial orientation programme they meet key employees and other Trustees.

The remuneration of the senior officials of the charity is decided and agreed unanimously by the board of trustees, and is felt to accurately reflect their level of service and dedication to the charity whilst they promote the charity's objectives as outlined in the trustees report.

SCOTTY'S LITTLE SOLDIERS

TRUSTEE REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Organisation

The Charity is administered by a committee containing no less than 3 Trustees of the CIO. This committee meets 4 times per year.

To facilitate effective operations the senior official and the management team has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance and employment. The Management team report frequently to the Trustees, usually on a monthly basis via written reports and conference calls.

Related parties

As a charity originally founded by family members and close friends the Trustees of Scotty's Little Soldiers have, in association with the Charity Commission, created a 'Conflicts of Interest Policy' which ensures any potential conflicts of interest are highlighted and transparent.

- Mrs Nikki Scott, Mr John Robinson and Mr Stuart Robinson are listed as Directors of the Limited Trading Company Scotty's Little Soldiers Trading Ltd. This company was created to sell merchandise on behalf of the Charity, the profits from which are all donated to the Charity. No dividends or salaries are taken from the Limited Company. The CIO was confirmed by Companies House as the relevant legal entity with significant control of Scotty's Little Soldiers Trading Ltd on 11/01/2019.
- No Trustees were reimbursed for their personal expenses during 2018.

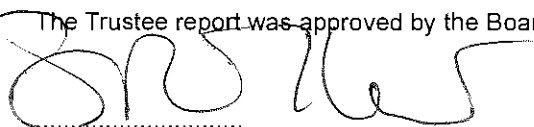
Auditor

In accordance with the company's articles, a resolution proposing that Mapus-Smith & Lemmon LLP be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustee report was approved by the Board of Trustees.



Scotty's Little Soldiers

Chairman

Dated: 15-9-19.

SCOTTY'S LITTLE SOLDIERS

STATEMENT OF TRUSTEE RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2018

The Trustees are responsible for preparing the Trustee Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that year.

In preparing these financial statements, the 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SCOTTY'S LITTLE SOLDIERS

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF SCOTTY'S LITTLE SOLDIERS

Opinion

We have audited the financial statements of Scotty's Little Soldiers (the 'Charity') for the year ended 31 December 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2018 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustee use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

SCOTTY'S LITTLE SOLDIERS

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF SCOTTY'S LITTLE SOLDIERS

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustee report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustee responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matter

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2016.

SCOTTY'S LITTLE SOLDIERS

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF SCOTTY'S LITTLE SOLDIERS

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Sharon Edwards (Senior Statutory Auditor)
for and on behalf of Mapus-Smith & Lemmon LLP

19/09/2019

Chartered Accountants
Statutory Auditor

48 King Street
King's Lynn
Norfolk
PE30 1HE

Mapus-Smith & Lemmon LLP is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

SCOTTY'S LITTLE SOLDIERS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £	Total 2017 £
<u>Income from:</u>					
Restricted donation income	2	636,777	48,521	685,298	555,930
		<hr/>	<hr/>	<hr/>	<hr/>
<u>Expenditure on:</u>					
Raising funds	3	149,091	-	149,091	139,783
		<hr/>	<hr/>	<hr/>	<hr/>
Charitable activities	4	490,087	28,058	518,145	552,244
		<hr/>	<hr/>	<hr/>	<hr/>
Total resources expended		639,178	28,058	667,236	692,027
		<hr/>	<hr/>	<hr/>	<hr/>
Net (expenditure)/income for the year/ Net movement in funds		(2,401)	20,463	18,062	(136,097)
		<hr/>	<hr/>	<hr/>	<hr/>
Fund balances at 1 January 2018		858,719	3,900	862,619	998,716
		<hr/>	<hr/>	<hr/>	<hr/>
Fund balances at 31 December 2018		856,318	24,363	880,681	862,619
		<hr/>	<hr/>	<hr/>	<hr/>

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

All income and expenditure derive from continuing activities.

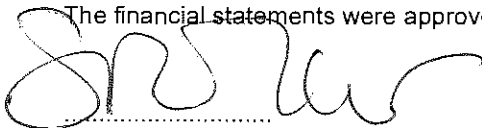
SCOTTY'S LITTLE SOLDIERS

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	9		515,766		544,596
Current assets					
Stocks	11	58,942		63,595	
Debtors	12	89,392		84,485	
Cash at bank and in hand		226,300		201,760	
		<u>374,634</u>		<u>349,840</u>	
Creditors: amounts falling due within one year	13	(9,719)		(31,817)	
Net current assets			364,915		318,023
Total assets less current liabilities			<u>880,681</u>		<u>862,619</u>
Income funds					
Restricted funds	15	24,363		3,900	
Unrestricted funds		856,318		858,719	
		<u>880,681</u>		<u>862,619</u>	

The financial statements were approved by the Trustees on 15-9-19



Scotty's Little Soldiers
Trustee

SCOTTY'S LITTLE SOLDIERS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	20		24,870		(96,431)
Investing activities					
Purchase of tangible fixed assets		(330)		(10,502)	
Net cash used in investing activities			(330)		(10,502)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			24,540		(106,933)
Cash and cash equivalents at beginning of year			201,760		308,693
Cash and cash equivalents at end of year			226,300		201,760

SCOTTY'S LITTLE SOLDIERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Charity information

Scotty's Little Soldiers is a unincorporated charity.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's [governing document], the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

The Charity has a restricted income fund to account for situations where a donor or grant provider requires that a donation or grant must be spent on a particular purpose or where funds have been raised for a particular purpose. All other funds are unrestricted income funds.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity.

1.4 Incoming resources

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

SCOTTY'S LITTLE SOLDIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Assets for distribution are recognised only when distributed. Assets given for use by the Charity are recognised when receivable. Stocks of undistributed donated goods are not valued for balance sheet purposes.

Grant income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that results in the payment being unavoidable.

- Costs of generating funds are those costs incurred in trading activities that raise funds.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with the constitutional and statutory requirements.

Costs for charitable activities are recognised when the liability is incurred.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Capitalisation of fixed assets

Tangible fixed assets are capitalised at original cost of acquisition. Donated tangible fixed assets which do not have a cost to the Charity are capitalised at their current value at the date of donation.

Lodges	4% straight line basis.
Lodge and office equipment	25% straight line basis basis
Computers	25% reducing balance basis
Motor vehicles	25% reducing balance basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

SCOTTY'S LITTLE SOLDIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.8 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.

1.9 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.

1.10 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

SCOTTY'S LITTLE SOLDIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Restricted donation income

	Unrestricted funds	Restricted funds	Total	Total
	2018 £	2018 £	2018 £	2017 £
Donations and gifts	636,537	-	636,537	550,030
Other general grants	240	48,521	48,761	5,900
	<u>636,777</u>	<u>48,521</u>	<u>685,298</u>	<u>555,930</u>
For the year ended 31 December 2017	<u>550,030</u>	<u>5,900</u>		<u>555,930</u>
Donations and gifts				
Nalco	25,000	-	25,000	-
General donations received	523,989	-	523,989	445,915
FAI Auto Motive PLC	25,000	-	25,000	-
Monopoly network charity ball	25,000	-	25,000	25,000
Incentive FM	15,433	-	15,433	9,500
Donated money from charity's merchandise company	22,115	-	22,115	6,978
A Soldiers journey	-	-	-	8,400
Valero Benefit for Children Golf Day	-	-	-	31,200
Run the ring fundraiser	-	-	-	23,037
	<u>636,537</u>	<u>-</u>	<u>636,537</u>	<u>550,030</u>

SCOTTY'S LITTLE SOLDIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

2 Restricted donation income

(Continued)

Grants receivable for core activities

Veterans Foundation Families Fund	-	10,000	10,000	2,000
Royal British Legion Grant	-	-	-	3,900
Lest We Forget Association - Breaks, Xmas Party, Meal vouchers	-	10,000	10,000	-
British Sugar - Xmas Party	-	350	350	-
The Oakland Raiders	-	5,742	5,742	-
Groundwork/Tesco	-	17,520	17,520	-
Thomas Cook	-	2,888	2,888	-
TAPS	-	1,921	1,921	-
Other	240	100	340	-
	<u>240</u>	<u>48,521</u>	<u>48,761</u>	<u>5,900</u>

3 Raising funds

	Unrestricted funds	Total
	2018 £	2017 £
<u>Fundraising and publicity</u>		
Advertising	61,880	74,532
Staff costs	45,307	29,150
Support costs	41,904	36,101
	<u>149,091</u>	<u>139,783</u>
Fundraising and publicity	<u>149,091</u>	<u>139,783</u>

SCOTTY'S LITTLE SOLDIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

4 Charitable activities

	Members & Lodge expenses 2018 £	Members & Lodge expenses 2017 £
Members gifts and welcome packs	68,987	61,501
Scotty Members Christmas Party	76,018	73,127
CentreParcs & Other Holidays	69,921	63,768
Members travel and subsistence costs	2,712	8,381
Scottys lodge running costs	61,010	76,406
Members costs - computer, stationary and advertising	15,518	29,579
Member support costs	3,382	8,280
Member other costs	438	504
	<u>297,986</u>	<u>321,546</u>
Grant funding of activities (see note 5)	20,389	24,394
Share of support costs (see note 6)	191,088	197,520
Share of governance costs (see note 6)	8,682	8,784
	<u>518,145</u>	<u>552,244</u>
Analysis by fund		
Unrestricted funds	490,087	543,402
Restricted funds	28,058	8,842
	<u>518,145</u>	<u>552,244</u>
For the year ended 31 December 2017		
Unrestricted funds	543,402	
Restricted funds	8,842	
	<u>552,244</u>	

5 Grants payable

	2018 £	2017 £
Grants to individuals:		
Members allowances	11,482	13,140
Members grants	8,973	11,254
	<u>20,389</u>	<u>24,394</u>

SCOTTY'S LITTLE SOLDIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

6 Support costs

	Support costs	Governance costs	2018	2017
	£	£	£	£
Staff costs	126,801	-	126,801	134,672
Depreciation	29,161	-	29,161	29,892
Other office costs	27,206	-	27,206	24,802
Premises expenses	1,376	-	1,376	948
Marketing	41,904	-	41,904	36,101
Insurance	516	-	516	397
Legal and professional fees	4,669	-	4,669	5,862
Subscriptions	249	-	249	164
Bank charges	736	-	736	607
Training and other costs	374	-	374	176
Accountancy	-	8,682	8,682	8,784
	<u>232,992</u>	<u>8,682</u>	<u>241,674</u>	<u>242,405</u>
Analysed between				
Fundraising	41,904	-	41,904	36,101
Charitable activities	191,088	8,682	199,770	206,304
	<u>232,992</u>	<u>8,682</u>	<u>241,674</u>	<u>242,405</u>

Governance costs includes payments to the auditors of £6,768(2017- £5,400) for audit fees, and £1,914 (2017- £3,384) for non audit fees.

7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year.

SCOTTY'S LITTLE SOLDIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

8 Employees

Number of employees

The average monthly number of employees during the year was:

	2018 Number	2017 Number
	7	7

Employment costs

	2018 £	2017 £
Wages and salaries	153,581	151,951
Social security costs	15,832	11,425
Other pension costs	2,695	446
	172,108	163,822

9 Tangible fixed assets

	Lodges £	Lodge and office equipment £	Computers £	Motor vehicles £	Total £
Cost					
At 1 January 2018	620,352	11,508	2,015	9,825	643,700
Additions	-	-	330	-	330
At 31 December 2018	620,352	11,508	2,345	9,825	644,030
Depreciation and impairment					
At 1 January 2018	88,456	6,757	1,435	2,456	99,104
Depreciation charged in the year	24,814	2,277	227	1,842	29,160
At 31 December 2018	113,270	9,034	1,662	4,298	128,264
Carrying amount					
At 31 December 2018	507,082	2,474	683	5,527	515,766
At 31 December 2017	531,896	4,751	580	7,369	544,596

10 Financial instruments

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	35,846	43,510
Carrying amount of financial liabilities		
Measured at amortised cost	9,719	29,639

SCOTTY'S LITTLE SOLDIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

11 Stocks

	2018 £	2017 £
Finished goods and goods for resale	58,942	63,595

12 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	10,649	38,244
Other debtors	25,197	5,266
Prepayments and accrued income	53,546	40,975
	89,392	84,485

13 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Deferred income	14	-	2,178
Trade creditors		3,518	19,070
Other creditors		286	4,678
Accruals		5,915	5,891
		9,719	31,817

14 Deferred income

	2018 £	2017 £
Arising from Scotty's Business Heros membership	-	2,178

This is a membership package which is paid up front in advance for a full years membership into the scheme.

SCOTTY'S LITTLE SOLDIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

15 Restricted funds

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

	Movement in funds			
	Balance at 1 January 2018	Incoming resources	Resources expended	Balance at 31 December 2018
	£	£	£	£
Royal British Legion - governance work	3,900	-	-	3,900
British Sugar	-	350	(350)	-
The Oakland Raiders	-	5,742	-	5,742
Lest we forget Association	-	10,000	(7,200)	2,800
Donation - pledged restricted	-	1,921	-	1,921
Members special experience	-	100	(100)	-
Groundworks	-	17,520	(17,520)	-
Thomas Cook	-	2,888	(2,888)	-
Veterans Foundation	-	10,000	-	10,000
	<u>3,900</u>	<u>48,521</u>	<u>(28,058)</u>	<u>24,363</u>

- Royal British Legion: This donation was to cover the cost of a third-party governance review conducted by the NCVO. This work took place in early 2019.
- British Sugar Donation: This was a contribution towards the Christmas party.
- The Oakland Raiders: This donation from the NFL team Oakland Raiders was to cover costs associated with our joint projects with U.S. charity TAPS. The funds were spent in 2019 to cover the cost of UK families attending the TAPS Good Grief Camp in Virginia over Memorial Weekend.
- Lest We Forget donation: The balance remaining is to provide five respite breaks.
- NFL Oakland Raiders: This donation was to cover costs associated with our joint projects with U.S. charity TAPS. The funds were spent in 2019 to cover the cost of UK families attending the TAPS Good Grief Camp in Virginia over Memorial Weekend.
- Veterans Foundation: This donation is to contribute toward our new SPRINGBOARD Programme launching in 2019.
- Thomas Cook - provide holidays for members.
- Groundworks - to provide for support costs for the Charity from Tesco's initiatives.

16 Analysis of net assets between funds

	Unrestricted 2018 £	Restricted 2018 £	Total 2018 £	Total 2017 £
Fund balances at 31 December 2018 are represented by:				
Tangible assets	515,766	-	515,766	544,596
Current assets/(liabilities)	340,552	24,363	364,915	318,023
	<u>856,318</u>	<u>24,363</u>	<u>880,681</u>	<u>862,619</u>

SCOTTY'S LITTLE SOLDIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

17 Operating lease commitments

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	27,924	20,415
Between two and five years	19,185	22,245
	<u>47,109</u>	<u>42,660</u>

18 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2018 £	2017 £
Aggregate compensation	<u>88,438</u>	<u>87,829</u>

The company paid for expenses on behalf of Scotty's Little Soldiers totalling £2,115 during the period ended 31 December 2018 (2017 - £9,923). These expenses mainly related to office running costs and have been treated as a donation to the charity by Scotty's Little Soldiers Trading Limited.

As at 31 December 2018, Scotty's Little Soldiers Trading Limited owed Scotty's Little Soldiers £25,198 (2017- £5,226) in respect of these transactions.

Scotty's Little Soldiers Trading Limited, due to improved merchandise sales, also provided a donation of its profits of £20,000 to the charity during the year. a £20,000 loan was provided to the trading company to enable stock to be maintained at an appropriate level for the growing company. .

19 Parent company

The charity from 27 November 2018 is 100% owned by Scotty's Little Soldiers CIO, a company registered in England and Wales.

SCOTTY'S LITTLE SOLDIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

20	Cash generated from operations	2018 £	2017 £
	Surplus/(deficit) for the year	18,062	(136,097)
	Adjustments for:		
	Depreciation and impairment of tangible fixed assets	29,160	29,893
	Movements in working capital:		
	Decrease in stocks	4,653	4,971
	(Increase) in debtors	(4,907)	(12,649)
	(Decrease)/increase in creditors	(19,920)	15,273
	(Decrease)/increase in deferred income	(2,178)	2,178
	Cash generated from/(absorbed by) operations	<u>24,870</u>	<u>(96,431)</u>
