

SCOTTY'S LITTLE SOLDIERS

The Charity for bereaved British Forces children



ANNUAL REPORT 2019

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Trustees Report, Independent Auditors Report & Financial Statements



SCOTTY'S LITTLE SOLDIERS

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0800 0928571

CHIEF EXECUTIVE'S REPORT

As I write this review of 2019, we find ourselves currently in unprecedented times, in the midst of a global pandemic, and a health and economic crisis the like of which have been unseen by generations. Because of the intense focus on our reaction to the COVID-19 outbreak, this report has been published later than originally planned and without some of the innovations we had begun to work on. We can look back on 2019 as a hugely positive one for the charity though, and a year when a number of our long-term plans came to fruition.

Most notable was the recruitment of our first team member within the Support Programme, a dedicated professional support role and a position we had identified several years earlier as a key gap in the help available to bereaved Forces families. The Support Programme was kindly funded by Annington Homes and the Veterans' Foundation during 2019 and this new position offers our members specialist emotional well-being guidance, whether that support is delivered internally or through one of many referral partnerships we are developing.

Having identified during our 2018 family survey that support for bereaved Service families dropped off considerably a year after the death of a member of the Armed Forces, we further strengthened the team during 2019 to help us ensure the continued development of Scotty's as a sustainable resource for these families. With so little help focused on bereaved families, Scotty's has become a hub for this incredibly brave community, and it's vital that we can build a charity which will be around to provide this much needed support for the long-term.

This development will continue into 2020 as we look to launch our Springboard Programme for 19-25 year olds and further develop the education and life skills programme, Strides. We're committed to creating an environment which will help our team to thrive and despite the pandemic putting original plans on hold, the charity will be looking for a new long-term home within the next 12-24 months.

We've also worked hard on nailing down exactly what it is to be a part of the 'Scotty's Way' of working and 2019 saw us better articulate the informal and organic characteristics of the charity. This included formalising our flat organisational structure, introducing unlimited holidays, and scrapping the need for line manager approval for tasks the team can take responsibility for themselves, such as booking time off or attending personal appointments. We also vocalised our core values for the first time – something which had grown naturally but we'd never put to paper. Our mission and these values help guide the team and keep us on track without the need for extremely detailed strategies and plans to be reviewed and updated frequently.

I'm incredibly proud to be a part of a team which accomplished so much during 2019 and with such limited resources, and I have the luxury whilst writing this during 2020 to realise how much of that hard work helped to establish foundations which have been unshakable during the global crisis of the current year.

Stuart

Chief Executive







2019
IMPACT

5 CUSTOM BIKES
BUILT FOR MEMBERS

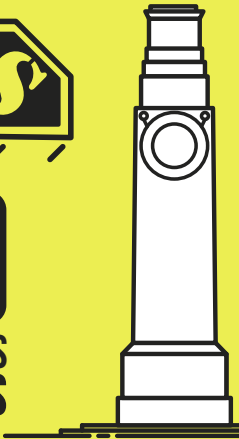
5 MEMBERS
COMPETED IN
A SPARTAN RACE

3 MEMBERS ATTENDED
INTERNATIONAL BEREAVEMENT
WEEKEND IN LONDON

5 SUPER
GRANTS
ISSUED



157 GRANTS ISSUED TO SCOTTY'S
MEMBERS



HEAD
OF SUPPORT
APPOINTED

9 HIGHER
EDUCATION
GRANTS ISSUED



18 MEMBERS
TOOK PART IN THE
REMEMBRANCE DAY
PARADE

378 REMEMBRANCE
VOUCHERS SENT



132 SCOTTY
ALLOWANCES ISSUED

143 CASES OPENED
SUPPORT



171 MEMBERS
ATTENDED OUR

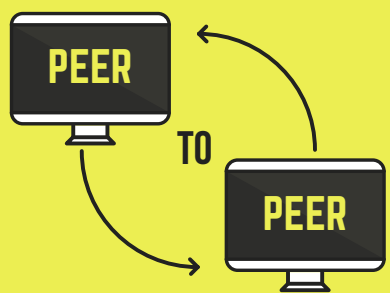


CHRISTMAS
EVENT

15 MEMBERS WENT ON
OUTWARD BOUND
ADVENTURE WEEKS



216 MEMBERS
ON OUR



SUPPORT FORUM



11 DRIVING
LESSON
GRANTS



1894



SENT

373



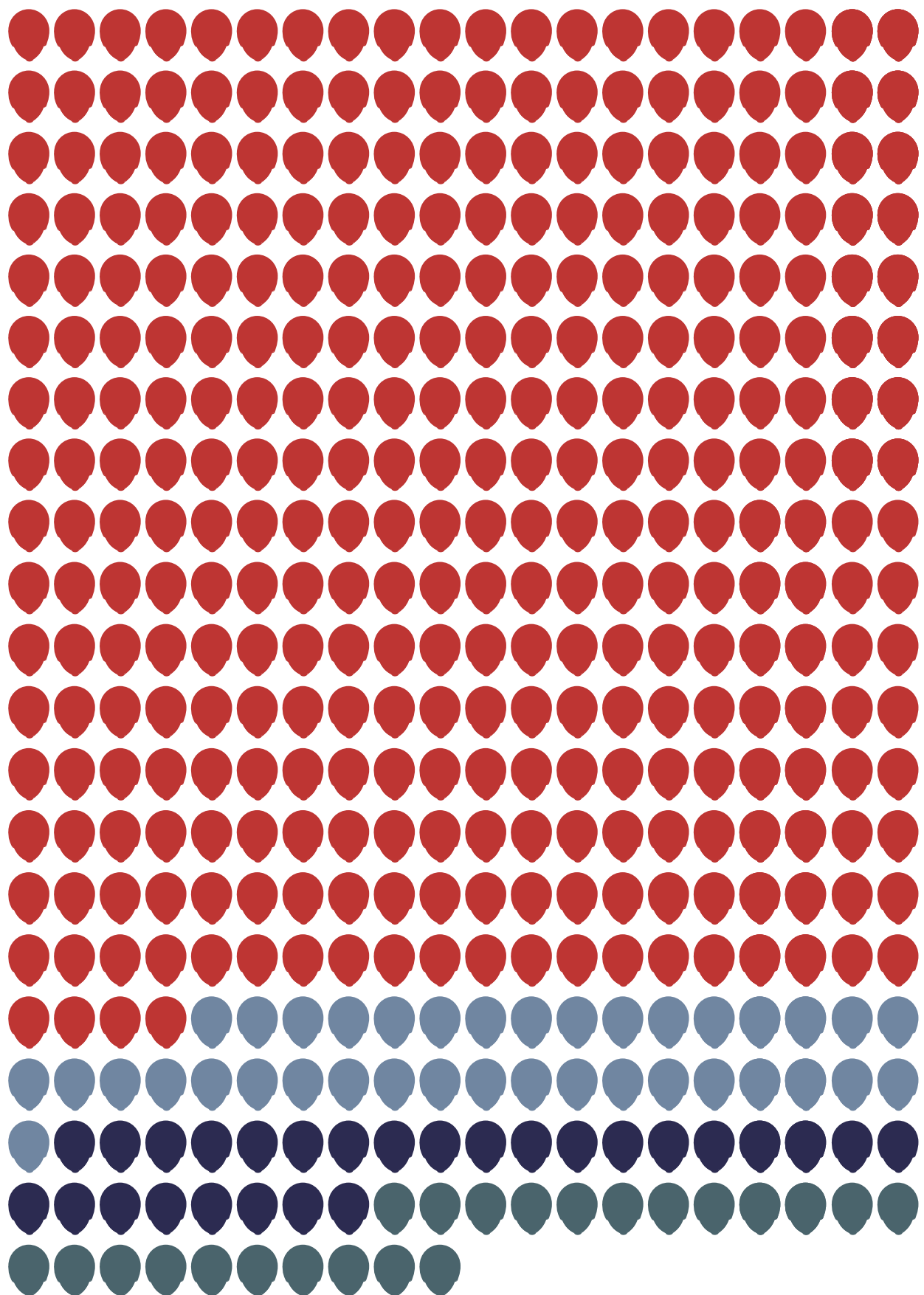
ANNIVERSARY
VOUCHERS SENT

313



MEMBERS WENT ON
RESPIRE
BREAKS

410 BEREAVED BRITISH FORCES CHILDREN & YOUNG PEOPLE SUPPORTED IN 2019 BY SCOTTY'S LITTLE SOLDIERS



 = ARMY

 = RAF

 = NAVY

 = ROYAL MARINES

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 2019?

Our income for 2019 was £758,311. That was up from the £685,298 we raised in 2018. The majority of our fundraising comes from the amazing great British public as well as a small number selection of committed corporate partners and grant funders.

How much did the charity spend and on what?

Our total spend for the year was £751,460 leaving us a small surplus of £6,851. We spent £106,972 on raising funds and £644,488 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 2020 and 2021 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 2019 were £274,528. 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 2019 was 9. Having identified so many gaps in the support available to bereaved young people from military families, we expect the number of team members at the charity to double over the next 4-5 years in line with increased need.

SCOTTY'S LITTLE SOLDIERS
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

SCOTTY'S LITTLE SOLDIERS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Scotty's Little Soldiers CIO
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 SPI 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 2019

The 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 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.

Our Promises:

We want every bereaved Forces child to have:

1. Access to the very best emotional well-being support.
2. Outstanding development opportunities.
3. The chance to smile again.

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 2019

Achievements and performance

Main achievements of charity during the year

- Provide direct support to 410 bereaved British Forces children and young people and their families.
- Appointed our first professional Support Worker.
- Opened 143 'Family Support' cases.
- Provided 313 bereaved young people, and their families, with respite breaks.
- Hosted a magical Christmas event for 171 beneficiaries in London.
- Issued 157 individual grants to our Scotty Members, including;
 - 132 Scotty Allowances
 - 11 Driving Lesson Grants
 - 9 Higher Education Grants
 - 5 Super Grants for once in a lifetime opportunities.
- 1894 gifts and vouchers were sent out, marking significant anniversaries.
- Launched our Abeona pilot scheme with Norfolk County Council.

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 £887,533 (2018 £880,681) which includes £491,264 (2018 £515,766) of tangible assets and £274,528 (2018 £226,300) in cash reserves available to use. £827,127 (2018 £856,318) of the reserves held are categorised as unrestricted funds, £60,406 (2018 £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.

The charity has also seen early success from its strategy to engage more grant funding opportunities.

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 2019

Plans for the future

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

- Further developing the charity's new SUPPORT Programme as the emotional well-being of bereaved Service families has been highlighted as a high priority.
- Introducing a new SPRINGBOARD Programme for young adults aged 19-25 year olds.
- The charity will continue to seek to diversify its fundraising activities having achieved early success with 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:

Charity number 1170528

Scotty's Little Soldiers CIO

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

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.

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 2019

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 2019.

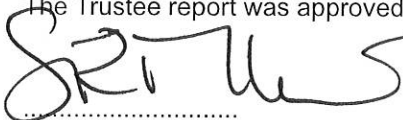
Auditor

In accordance with the charity's governing document, 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 CIO

Chair

Dated: 14th April 2021

SCOTTY'S LITTLE SOLDIERS

STATEMENT OF TRUSTEE RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019 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 2019 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 current Generally Accepted Accounting Practice.

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

22-04-2021

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 2019

		Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £
	Notes						
<u>Income from:</u>							
Donation and fundraising income	2	576,051	182,260	758,311	636,777	48,521	685,298
<u>Expenditure on:</u>							
Raising funds	3	139,241	-	139,241	149,091	-	149,091
Charitable activities	4	466,001	146,217	612,218	490,087	28,058	518,145
Total resources expended		605,242	146,217	751,459	639,178	28,058	667,236
Net (expenditure)/income for the year/ Net movement in funds		(29,191)	36,043	6,852	(2,401)	20,463	18,062
Fund balances at 1 January 2019		856,318	24,363	880,681	858,719	3,900	862,619
Fund balances at 31 December 2019		827,127	60,406	887,533	856,318	24,363	880,681

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

All income and expenditure derive from continuing activities.

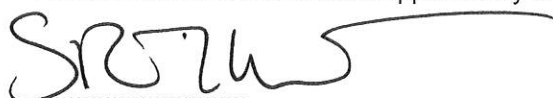
SCOTTY'S LITTLE SOLDIERS

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	9		491,264		515,766
Current assets					
Stocks	10	57,447		58,942	
Debtors	11	100,319		89,392	
Cash at bank and in hand		274,528		226,300	
		<u>432,294</u>		<u>374,634</u>	
Creditors: amounts falling due within one year	12	<u>(36,025)</u>		<u>(9,719)</u>	
Net current assets			396,269		364,915
Total assets less current liabilities			<u>887,533</u>		<u>880,681</u>
Income funds					
Restricted funds	13	60,406		24,363	
Unrestricted funds		827,127		856,318	
		<u>887,533</u>		<u>880,681</u>	

The financial statements were approved by the Trustees on 14th April 2021



Scotty's Little Soldiers CIO
Trustee

SCOTTY'S LITTLE SOLDIERS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	17		53,749		24,870
Investing activities					
Purchase of tangible fixed assets		(5,521)		(330)	
Net cash used in investing activities			(5,521)		(330)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			48,228		24,540
Cash and cash equivalents at beginning of year			226,300		201,760
Cash and cash equivalents at end of year			274,528		226,300

SCOTTY'S LITTLE SOLDIERS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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) (effective 1 January 2019)". 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 trustee considers that there are no material uncertainties about the Charity's ability to continue as a going concern.

At the time of approving the financial statements, the trustee has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustee continues to adopt the going concern basis of accounting in preparing the financial statements. The COVID-19 pandemic does not appear to have affected the finances of the charity to such a degree that going concern is an issue.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

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.

SCOTTY'S LITTLE SOLDIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

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.

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.

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).

SCOTTY'S LITTLE SOLDIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019

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 Donation and fundraising income

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2019 £	2019 £	2019 £	2018 £	2018 £	2018 £
Donations and gifts	576,051	-	576,051	636,537	-	636,537
Other general grants	-	182,260	182,260	240	48,521	48,761
	<u>576,051</u>	<u>182,260</u>	<u>758,311</u>	<u>636,777</u>	<u>48,521</u>	<u>685,298</u>
Donations and gifts						
Nalco	25,000	-	25,000	25,000	-	25,000
General donations	507,779	-	507,779	523,989	-	523,989
FAI Auto Motive PLC	-	-	-	25,000	-	25,000
Monopoly network charity ball	-	-	-	25,000	-	25,000
Incentive FM	-	-	-	15,433	-	15,433
Scottys Trading donation	15,871	-	15,871	22,115	-	22,115
Joe Davies	12,163	-	12,163	-	-	-
Other	15,238	-	15,238	-	-	-
	<u>576,051</u>	<u>-</u>	<u>576,051</u>	<u>636,537</u>	<u>-</u>	<u>636,537</u>

SCOTTY'S LITTLE SOLDIERS

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

2 Donation and fundraising income

(Continued)

Grants receivable for core activities

ABF - Armys National Charity	-	10,000	10,000	-	-	-
Annington Trust	-	50,000	50,000	-	-	-
Veterans Foundation/ Springboard Programme	-	30,000	30,000	-	10,000	10,000
The MacRobert Trust	-	10,000	10,000	-	-	-
Lest We Forget Association	-	14,960	14,960	-	10,000	10,000
British Sugar - Xmas Party	-	-	-	-	350	350
The Oakland Raiders	-	-	-	-	5,742	5,742
Groundwork/Tesco	-	49,000	49,000	-	17,520	17,520
Thomas Cook	-	-	-	-	2,888	2,888
TAPS	-	-	-	-	1,921	1,921
Other	-	18,300	18,300	240	100	340
	-	182,260	182,260	240	48,521	48,761

3 Raising funds

	Unrestricted funds	Unrestricted funds
	2019	2018
	£	£
<u>Fundraising</u>		
Advertising	62,470	61,880
Staff costs	35,701	45,307
Support costs	41,070	41,904
	139,241	149,091
Fundraising	139,241	149,091

SCOTTY'S LITTLE SOLDIERS

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

4 Charitable activities

	Members & Lodge expenses 2019 £	Members & Lodge expenses 2018 £
Members gifts and welcome packs	56,557	68,987
Scotty Members Christmas Party	55,250	76,018
CentreParcs & Other Holidays	42,636	69,921
Members travel and subsistence costs	7,959	2,712
Scottys lodge running costs	66,264	61,010
Members costs - computer, stationary and advertising	22,817	15,518
Member support costs	4,771	3,382
Member other costs	283	438
Family Programmes	49,000	-
	<u>305,537</u>	<u>297,986</u>
Grant funding of activities (see note 5)	29,938	20,389
Share of support costs (see note 6)	266,027	191,088
Share of governance costs (see note 6)	10,716	8,682
	<u>612,218</u>	<u>518,145</u>
Analysis by fund		
Unrestricted funds	466,001	490,087
Restricted funds	146,217	28,058
	<u>612,218</u>	<u>518,145</u>
For the year ended 31 December 2018		
Unrestricted funds	490,087	
Restricted funds	28,058	
	<u>518,145</u>	

5 Grants payable

	2019 £	2018 £
Grants to individuals:		
Members allowance grants	15,388	11,482
Other members grants - driving, super	14,550	8,973
	<u>29,938</u>	<u>20,389</u>

SCOTTY'S LITTLE SOLDIERS

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

6 Support costs

	Support costs £	Governance costs £	2019 £	Support costs £	Governance costs £	2018 £
Staff costs	187,225	-	187,225	126,801	-	126,801
Depreciation	30,020	-	30,020	29,161	-	29,161
Other office costs	34,745	-	34,745	27,206	-	27,206
Premises expenses	5,465	-	5,465	1,376	-	1,376
Marketing	41,070	-	41,070	41,904	-	41,904
Insurance	533	-	533	516	-	516
Legal and professional fees	5,659	-	5,659	4,669	-	4,669
Subscriptions	1,044	-	1,044	249	-	249
Bank charges	440	-	440	736	-	736
Training and other costs	896	-	896	374	-	374
Accountancy	-	10,716	10,716	-	8,682	8,682
	<u>307,097</u>	<u>10,716</u>	<u>317,813</u>	<u>232,992</u>	<u>8,682</u>	<u>241,674</u>
Analysed between						
Fundraising	41,070	-	41,070	41,904	-	41,904
Charitable activities	266,027	10,716	276,743	191,088	8,682	199,770
	<u>307,097</u>	<u>10,716</u>	<u>317,813</u>	<u>232,992</u>	<u>8,682</u>	<u>241,674</u>

Governance costs includes payments to the auditors of £7,500(2018- £6,768) for audit fees, and £3,216 (2018- £1,914) 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 2019

8 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
	9	7

Employment costs

	2019 £	2018 £
Wages and salaries	200,238	153,581
Social security costs	14,940	15,832
Other pension costs	7,748	2,695
	<u>222,926</u>	<u>172,108</u>

9 Tangible fixed assets

	Lodges £	Lodge and office equipment £	Computers £	Motor vehicles £	Total £
Cost					
At 1 January 2019	620,352	11,508	2,345	9,825	644,030
Additions	-	-	5,521	-	5,521
	<u>620,352</u>	<u>11,508</u>	<u>7,866</u>	<u>9,825</u>	<u>649,551</u>
At 31 December 2019	620,352	11,508	7,866	9,825	649,551
Depreciation and impairment					
At 1 January 2019	113,270	9,035	1,663	4,298	128,266
Depreciation charged in the year	24,814	2,274	1,551	1,382	30,021
	<u>138,084</u>	<u>11,309</u>	<u>3,214</u>	<u>5,680</u>	<u>158,287</u>
At 31 December 2019	138,084	11,309	3,214	5,680	158,287
Carrying amount					
At 31 December 2019	<u>482,268</u>	<u>199</u>	<u>4,652</u>	<u>4,145</u>	<u>491,264</u>
At 31 December 2018	<u>507,082</u>	<u>2,474</u>	<u>683</u>	<u>5,527</u>	<u>515,766</u>

10 Stocks

	2019 £	2018 £
Finished goods and goods for resale	<u>57,447</u>	<u>58,942</u>

SCOTTY'S LITTLE SOLDIERS

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

11 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	17,651	10,649
Other debtors	37,173	25,197
Prepayments and accrued income	45,495	53,546
	<u>100,319</u>	<u>89,392</u>

12 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	18,923	3,518
Other creditors	7,340	286
Accruals	9,762	5,915
	<u>36,025</u>	<u>9,719</u>

13 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			Movement in funds			
	Balance at 1 January 2018	Incoming resources	Resources expended	Balance at 1 January 2019	Incoming resources	Resources expended	Balance at 31 December 2019
	£	£	£	£	£	£	£
Royal British Legion	3,900	-	-	3,900	-	(3,900)	-
Veterans Foundation	-	10,000	-	10,000	20,000	(20,000)	10,000
The Oakland Raiders	-	5,742	-	5,742	-	(5,742)	-
Lest we forget Association	-	10,000	(7,200)	2,800	14,960	(17,760)	-
Donation - pledged restricted	-	1,921	-	1,921	-	(1,921)	-
Annington Homes	-	-	-	-	50,000	(19,594)	30,406
Tesco Groundworks	-	17,520	(17,520)	-	49,000	(49,000)	-
Thomas Cook	-	2,888	(2,888)	-	-	-	-
British Sugar	-	450	(450)	-	-	-	-

SCOTTY'S LITTLE SOLDIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

13 Restricted funds

(Continued)

ABF - Armys National Charity	-	-	-	-	10,000	(10,000)	-
The MacRobert Trust	-	-	-	-	10,000	(10,000)	-
Lloyds Patriotic Fund	-	-	-	-	10,000	-	10,000
Royal Air Force Benevolent Fund	-	-	-	-	3,300	(3,300)	-
Royal Navy and Marines Charity	-	-	-	-	5,000	(5,000)	-
The Big Salute Springboard Programme	-	-	-	-	10,000	-	10,000
	<u>3,900</u>	<u>48,521</u>	<u>(28,058)</u>	<u>24,363</u>	<u>182,260</u>	<u>(146,217)</u>	<u>60,406</u>

- Royal British Legion: This funding was provided to cover the cost of a third-party governance review conducted by the NCVO. This work took place in early 2019.
- Veterans Foundation: This funding is being used to fund our Support Programme.
- The Oakland Raiders: This funding 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: This funding was used as part of our Smiles Programme.
- Annington Homes: This funding was received for a specific bereavement programme.
- Tesco Groundworks: This funding was to provide for support costs from Tesco's initiatives for various charitable projects. It has been used as part of our Family Programmes.
- ABF The Army's National Charity: This funding was to provide a resource village and associated material for bereaved service children, young people and parents.
- The MacRobert Trust: This funding was provided in relation to Scotty's Christmas events across 2020.
- The Lloyds Patriotic Fund: This is funding for a Therapeutic Retreat Project to be spent by the charity for its members in future years.
- Royal Air Force Benevolent Fund: This funding was provided for the Christmas party and resource village.
- Royal Navy & Royal Marines Charity: This funding was provided to assist Royal Navy and Royal Marine beneficiaries. It helped contribute towards the Christmas party and support resource pack distributed to all families.
- The Big Salute Springboard Programme: This funding is to contribute toward our new SPRINGBOARD Programme launching in 2020.

SCOTTY'S LITTLE SOLDIERS

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

14 Analysis of net assets between funds

	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £	Unrestricted 2018 £	Restricted 2018 £	Total 2018 £
Fund balances at 31 December 2019 are represented by:						
Tangible assets	489,094	2,170	491,264	515,766	-	515,766
Current assets/ (liabilities)	338,033	58,236	396,269	340,552	24,363	364,915
	<u>827,127</u>	<u>60,406</u>	<u>887,533</u>	<u>856,318</u>	<u>24,363</u>	<u>880,681</u>

SCOTTY'S LITTLE SOLDIERS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

15 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:

	2019 £	2018 £
Within one year	23,056	27,924
Between two and five years	7,078	19,185
	<u>30,134</u>	<u>47,109</u>

16 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019 £	2018 £
Aggregate compensation	<u>96,308</u>	<u>88,438</u>

The associated subsidiary company, Scotty Little Soldiers Trading Limited paid for expenses on behalf of Scotty's Little Soldiers totalling £5,871 during the period ended 31 December 2019 (2018 - £2,115). These expenses mainly related to office running costs for the charity's operations and have been treated as a donation to the charity by Scotty's Little Soldiers Trading Limited.

Scotty's Little Soldiers Trading Limited was provided with a £10,000 loan to enable merchandise stock to be maintained at an appropriate level for the growing trading company.

As at 31 December 2019, Scotty's Little Soldiers Trading Limited owed Scotty's Little Soldiers £37,173 (2018- £25,198) in respect of the above transactions.

SCOTTY'S LITTLE SOLDIERS

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

17	Cash generated from operations	2019 £	2018 £
	Surplus for the year	6,852	18,062
	Adjustments for:		
	Depreciation and impairment of tangible fixed assets	30,020	29,160
	Movements in working capital:		
	Decrease in stocks	1,495	4,653
	(Increase) in debtors	(10,924)	(4,907)
	Increase/(decrease) in creditors	26,306	(19,920)
	(Decrease) in deferred income	-	(2,178)
	Cash generated from operations	<u>53,749</u>	<u>24,870</u>