

Charity registration number SC033880 (Scotland)

Company registration number SC239808 (Scotland)

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023



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VETERANS SCOTLAND

A COMPANY LIMITED BY GUARANTEE

LEGAL AND ADMINISTRATIVE INFORMATION

Executive Committee	Maj Gen Colin Boag CB CBE Dr Claire Armstrong Mr Adrian Bell Mr Jon Bryant OBE Mr Austin Hardie Wg Cdr Ian Cumming MBE Wg Cdr Gavin Davey OBE Mr Kevin Gray MM Lt Gen Sir Andrew Gregory KBE CB Col Kevin Haugh CBE Brig Martin Nadin OBE Mrs Melanie Waters OBE Mr Jeffrey Harrison Lt Col (Retd) Kevin Wood	Executive Chairman (Appointed 2 May 2022) Royal British Legion Scotland RNRMC BLESMA Poppyscotland (Appointed 6 July 2022) Erskine Royal Air Force Benevolent Fund Veterans Housing Scotland SSAFA ABF The Soldiers Charity Scottish Veterans Residences Help for Heroes Combat Stress Royal Regiment of Scotland
Secretary	Col James Wilson	
Charity number (Scotland)	SC033880	
Company number	SC239808	
Registered office	New Haig House Logie Green Road Edinburgh EH7 4HR	
Independent examiner	Douglas Gould LLB CA Greaves West & Ayre 8 St. Ann's Place Haddington East Lothian EH41 4BS	
Bankers	Royal Bank of Scotland 36 St Andrew Square Edinburgh EH2 2YB	

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**VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
CHAIRMAN'S STATEMENT**

FOR THE YEAR ENDED 31 MARCH 2023

The worst of the COVID-19 pandemic may well be behind us, but the ramifications are very much still present. Veterans Scotland has had to adapt to highly challenging and evolving circumstances while still delivering support, and in some areas to increased levels given shrinking government funding.

Add in straitened economic times and the picture becomes much more challenging; a 'perfect storm' of depleted reserves, decreasing income levels, and rising operating costs.

What has not changed is the commitment and dedication of Veterans Scotland member organisations to improving the wellbeing of Scottish Veterans. It is, however, widely accepted that we need to change our approach in order to be more efficient and effective: to do more with less.

The provisional long-term goal is "*A healthy and resilient Scottish Veterans Community, playing an active role in a wider civil society.*" This goal is deliberately phrased to echo many of the aspects of Service life that should continue through into life as a Veteran and as an active member of civil society.

In working out how to achieve this goal, the key questions that need to be addressed are:

- a. *What are the problems we're trying to fix now?*
- b. *Who do we need to work with and what resources do we need in order to fix these problems?*
- c. *How can we spot emerging problems or identify future areas of need, and be ready to deal with them?*
- d. *How can we harness the considerable energy and skills of the whole Veterans population, both for the benefit of Veterans and for wider Civil Society?*

These 4 key questions need to be answered so all those involved in providing support to Veterans and their families can more effectively focus actions and resources on today's problems and be better organised and prepared to deal with future needs. There is much to do, and Veterans Scotland is at the heart of this work.

Maj Gen Colin Boag CB CBE

Executive Chair

VETERANS SCOTLAND

A COMPANY LIMITED BY GUARANTEE

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's governing document, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

Veterans Scotland is a membership organisation of some 89 Service and ex-Service charities and other organisations that support the Armed Forces and Veterans Community (AFVC). The AFVC includes serving members of the armed forces and their families, including those in transition to civilian life, and members of the ex-Service community, including veterans and their immediate families.

Veterans Scotland will represent and support the interests of its member organisations, and promote mutually beneficial collaboration, in order to enhance the well-being of the AFVC across Scotland. Veterans Scotland works with statutory and non-statutory organisations, promoting an improved understanding of their obligations to the Armed Forces Covenant. This role is increasingly important now that the Covenant has become a legal requirement (in the latter stages of 2021) for many statutory organisations including local authorities and the NHS.

Strategic Objectives

- **Communication:** Influence and inform Scottish and Local Government, and linked organisations, to promote the Covenant, improving its delivery across Scotland. Such communication also makes available information relating to services available to the AFVC through websites and other means.
- **Collaboration:** Enhance the efficiency and effectiveness of member organisations by encouraging the sharing of good practices, reducing duplication of effort and sharing resources where appropriate.
- **Co-ordination:** Encourage and promote services available to support members of the AFVC from statutory, third sector and Service charities widely.
- **Co-operation:** Identify mutual objectives across member organisations and other third sector and statutory organisations and encourage cooperation between them.

Veterans Scotland seeks to achieve its objectives by:

- enabling forums for collaboration between member organisation and the wider third sector and statutory organisations;
- providing support to Local and National Government in the delivery of their obligations to the Covenant;
- reviewing reports on subjects relating to the AFVC, disseminating them to member organisations and providing comment on the reports;
- provide a voice for the veterans' community in Scotland;
- reviewing and providing feedback on progress made by statutory organisations on the way they are meeting their obligations to the Covenant;
- representing the interests of its member organisations at Cobseo;
- enhancing and increasing membership of Veterans Scotland by demonstrating value in membership; and
- develop an annual business plan;

In achieving these aims we will deliver our Vision of being the acknowledged "voice" of the Scottish Veterans in matters of policy and in respect of issues of general concern. Veterans Scotland will work closely with member charities to achieve maximum benefit to the Veterans community by bringing to bear the collective and unified views of all those who work on behalf of Scottish veterans.

**VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
DIRECTORS' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2023

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

Achievements and performance

Veterans Scotland's activities have been affected by the COVID-19 pandemic, and by the cost of living crisis. The primary impact of the former has seen an increase in social isolation, in particular amongst older members of the AFVC, a reduction in volunteer participants, and an increased numbers of staff working from home, resulting in in-person meetings reducing and more taken place on-line.

Member organisations have reported increased demand on their services as a result of the cost of living crisis. Liaison with member organisations, statutory organisations and others has continued to be effective. Information on the Veterans Assist website continues to be well received.

Our weekly newsletter has continued to share examples of the way organisations are adapting to the pandemic and has promoted many of the services that may be available to the whole community and from which the AFVC may also benefit.

Advice and ideas on how to maintain and adapt services were shared across our membership. We were able to distribute information on UK and Scottish Governments initiatives covering topics that included grants, funding and advice on staying safe. Veterans Scotland ensured that Scottish Government and Local Authorities were kept informed of the impact the pandemic was having on member organisations.

We continue to work with the Scottish Government's Veterans and with other Departments within Scottish Government. We also work with many organisations, such as Skills Development Scotland, the Department for Work and Pensions, NHS Scotland and Universities & Colleges; this assists them as they develop their policies in relation to the Armed Forces and Veterans Community.

Following the Census, which took place in Scotland in March 2022, we await the results which included a question enabling those with previous Service to be identified. Data from the Census is expected in late 2023 and we look forward to interrogating it to see how many members of the AFVC compare to the remainder of the population. In particular, Health, Housing, Education, Employment and general Well-being.

VETERANS SCOTLAND A COMPANY LIMITED BY GUARANTEE DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Informing Scotland briefings

The pandemic has curtailed the delivery of our Informing Scotland briefings. These are conference style meetings at which staff and policy makers from local authorities and other organisations with obligations to the Armed Forces Covenant are briefed on the covenant and have the opportunity to consider how it may be delivered in their areas. This has provided an opportunity to review how best to deliver such information. A National Gathering was held in Edinburgh in March 2023, attended by Champions and other members of the AFVC. Veterans Scotland has maintained contact with local authorities 'virtually' through local Covenant Groups and is seeing a steady increase in 'live' meetings.

Cross Party Group

Veterans Scotland continues to coordinate the activities of the CPG on the Armed Forces and Veterans Community which has continued to meet in a virtual format. The CPG continues to thrive and has seen an increase in attendance, in part due to the greater convenience of on-line attendance. Ten MSPs are members of the Group, some 7.7% of all MSPs, and typically meetings are attended by three, with occasional attendance by MSP's who are not members but have an interest in the topics for discussion.

During the reporting period, they have been briefed on and considered matters relating to the following topics:

- 'Trends in Scottish Veterans Health', a report comparing the health of veterans compared to the civilian population;
- Female Veterans Health;
- Military Sexual Trauma;
- the impact of the cost of living crisis, how veterans and Service Charities have been affected and how they are reacting to it;
- Housing, including the Veterans Homeless Pathway Report;
- The Scottish Men's Sheds Association;
- The role of Veterans Advisory and Pensions Committees (VAPC); and
- The work of various Service charities, including Glasgow's Helping Heroes, Fares for Free and the Housing Options Scotland Military Matters project.

The group concluded that the ability to be updated on, and discuss pertinent topics, to network with other organisations and to hear at first hand about current issues was of great value.

Veterans Scotland Groups

Veterans Scotland Groups continue to be the main focus for interaction between our member organisations. Groups consider: Comradeship & Remembrance; Employment & Support; Grants; Health & Well-Being; Housing; and Public Policy & Public Affairs. Groups are open to any member organisation with an interest in the topic; membership may also include statutory organisations, such as staff from the Scottish Government's Health Department, in order that they are engaged at first hand with matters relating to veterans.

Groups have continued to meet regularly via virtual meetings.

VETERANS SCOTLAND

A COMPANY LIMITED BY GUARANTEE

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Communication

Veterans Assist continues to provide a wide range of information for veterans and those supporting veterans. We estimate that there are 1,200 separate individuals accessing the website monthly; information being sought tends to focus on General Information, contact details for Champions, Housing, Finance, Employment and General Support services. Our monthly Newsletter, distributed electronically, is also being very positively received, providing an excellent format to inform a wide audience including all Champions, member organisations and others. We believe that the Newsletter is shared to around 3,000 people.

A Strategy for Our Veterans

Veterans Scotland has been fully involved with the Scottish Government during its consultation on the Strategy for Our Veterans, promoting and encouraging response from across the membership and enabling local focus groups. Our emphasis has now switched to reviewing the delivery of the commitments in that strategy.

Financial review

Total income and expenditure amounted to £165,874 (2022: £438,025) and £196,199 (2022: £374,369) respectively resulting in a net deficit of £30,325 (2022: £63,656 surplus) for the year under review (figures exclude accommodation grant and offsetting expenses from Poppyscotland).

Unrestricted funds

Voluntary income from grants, legacies and subscriptions amounted to £60,075 (2022: £57,350), Investment income was £799 (2022: £18) reflecting a gross income of £60,874 (2022: £57,368), this is largely in line with the previous year reflecting the annual support from member organisations. Expenditure from unrestricted funds amounted to £79,171 (2022: £68,545) which was spent on our core activities, administering, representing and promoting the aims and objectives of the charitable company.

Restricted funds

Incoming resources amounted to £105,000 (2022: £380,657) with £117,028 (2022: £305,824) being expended in furtherance of the funding aims agreed with the grant-giving organisations. A balance of £120,202 (2022: £132,230) will be carried forward to fund the agreed outstanding activities.

Funds

Total funds at 31 March 2023 amount to £302,378 (2022: £332,703) representing £182,176 (2022: £200,473) and £120,202 (2022: £132,230) of unrestricted and restricted funds respectively as per Note 14 of the Financial Statements and are held as current assets, including cash balances of £311,437 (2022: £374,188) at the year-end date of 31 March 2023.

During the previous year, Veterans Scotland agreed to act as an agent and to distribute grants on behalf of the Scottish Government from the Armed Forces Resilience Fund, totalling some £215,000. This was not required during this reporting year.

Therefore, Veterans Scotland ceased to be a conduit for the Scottish Veterans Fund from the start of financial year 2022 - 2023.

VETERANS SCOTLAND

A COMPANY LIMITED BY GUARANTEE

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Reserves policy

The directors have reviewed the reserves of the charitable company. The review examined the nature of income and expenditure streams and the need to ensure the availability of sufficient reserves to meet future demands. The directors concluded that the level of reserves is appropriate to support the current level of work undertaken by the organisation and that it should retain sufficient unrestricted reserve for a twelve-month period, in the event of a catastrophic reduction in funding. This would enable existing projects to be completed or passed to other organisations for completion in an appropriate manner, alternative funding sources to be found or a managed reduction of activity to take place. The current unrestricted reserve of £182,176 represents 12 months expenditure according to current projections, excluding grants provided in respect of the Scottish Veterans Fund for which the Scottish Government and Standard Life Aberdeen have responsibility. Continuing support from membership organisations or other sources of revenue may become necessary to support any increased levels of activity considered by the directors as necessary to advance the interests of the ex-Service community in Scotland on an ongoing basis.

Public benefit

In considering the operation, achievements and performance and finances of the charitable company, the directors are satisfied that public benefit has been provided in accordance with the Charities and Trustees Investment (Scotland) Act 2005 and guidance provided by the Office of the Scottish Charity Regulator.

Risk management

The directors have assessed the major risks to which the charitable company is exposed, in particular those related to the operations and finances of the organisation, and are satisfied that systems are in place to mitigate exposure to the major risks.

Investment policy and performance

The directors consider that available surplus funds should be held in an interest bearing bank account.

Plans for future periods

Veterans Scotland intends to continue to implement its strategy in order to ensure that Scotland is an environment where veterans are regarded as an asset to society. It will achieve this by continuing to promote the advantages of having served as well as seeking to prevent disadvantages that may come about as a result of service, in line with the Armed Forces Covenant. As the Covenant becomes a legal obligation for statutory organisations, we see increasing need for it to be explained to those organisations, and for them to gain an understanding of the unique obligations and sacrifices Service brings, and the disadvantages that may be faced.

In the short to medium term, a significant focus for our work will be on adjusting to the post-pandemic environment as well as the current cost of living crisis being experienced.

We intend to continue to work closely with the Scottish Government, the Scottish Veterans Commissioner and the UK Government in order to seek an optimal outcome from the Strategy for Our Veterans.

Funding for core activity will continue to be sought from member organisations. However, in order to extend our reach, further funding for particular projects will continue to be sought from Scottish Government, UK Government, Trusts and other funding providers.

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management

Veterans Scotland is governed by Trustees who are Directors in terms of the Companies Act. The Directors of the Company are also under the Company's Articles known as Members of the Executive Committee. Membership of the Executive Committee is for 3 years and at each AGM one third of the Members shall retire but shall be eligible for re-election for a further 3 years.

The directors who served during the year were:

Dr Claire Armstrong	
Mr Adrian Bell	(Resigned 23 May 2023)
Wg Cdr Ian Cumming MBE	
Wg Cdr Gavin Davey OBE	
Lt Gen Sir Andrew Gregory KBE CB	
Col Kevin Haugh CBE	
Maj Gen Chris Hughes CBE	(Resigned 1 May 2022)
Brig Martin Nadin OBE	
Mrs Melanie Waters OBE	(Resigned 1 October 2022)
Mr Mark Collins	(Resigned 6 July 2022)
Mr Jeffrey Harrison	
Mr Jon Bryant OBE	
Mr K Gray MM	
Lt Col (Retd) Kevin Wood	(Resigned 24 April 2023)
Maj Gen Colin Boag CB CBE	(Appointed 2 May 2022)
Mr A Hardie	(Appointed 6 July 2022)
Mr J Needham	(Appointed 1 October 2022)
Mr A Jamieson	(Appointed 23 May 2023)

Organisation

Day to day management and operations are delegated to the General Secretary who is accountable through the line management structure to the Executive Chairman and the Executive Committee. Directors are elected at the Annual General Meeting, or are co-opted. Board members have no beneficial interest in the charitable company. They have only the powers their positions on the Board allow them.

New directors are given a copy of the charitable company's governing documents, the latest report and accounts. Subject to their experience and expertise, they are also given pamphlets issued by the Office of the Scottish Charity Regulator explaining the duties of Trustees of Charities and offered training in any areas of their duties which they think they would like strengthening.

Other staff within Veterans Scotland include a full time Office and Communications Support Co-ordinator, managing the office and providing a full time point of contact, and a part time Housing Officer, part time Support/ Employment Officer and a part time Health and Well-being Officer who support the work of our Groups and promote Veterans Scotland's objectives. Veterans Scotland is seeking to recruit an Informing Scotland Project Officer.

**VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
DIRECTORS' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2023

Statement of directors' responsibilities

The directors, who also act as trustees for the charitable activities of Veterans Scotland, are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the directors 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The directors' report was approved by the Board of Directors.



Col James Wilson
Charity Secretary
Dated: 9 August 2023

**VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
INDEPENDENT EXAMINER'S REPORT
TO THE DIRECTORS OF VETERANS SCOTLAND**

I report on the financial statements of the charitable company for the year ended 31 March 2023, which are set out on pages 10 to 21.

Respective responsibilities of directors and examiner

The charitable company's directors, who also act as trustees for the charitable activities of Veterans Scotland, are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investments (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The directors consider that the audit requirement of Regulation 10(1)(a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the financial statements as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charitable company and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the financial statements.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - (ii) to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Douglas Gould LLB CA

Greaves West & Ayre
8 St. Ann's Place
Haddington
East Lothian
EH41 4BS

Dated: 9 August 2023

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
<u>Income from:</u>							
Donations and legacies	3	60,075	105,000	165,075	57,350	380,657	438,007
Investments	4	799	-	799	18	-	18
Total income		60,874	105,000	165,874	57,368	380,657	438,025
<u>Expenditure on:</u>							
Charitable activities	6	79,171	117,028	196,199	68,545	305,824	374,369
Gross transfers between funds		-	-	-	10,000	(10,000)	-
Net movement in funds		(18,297)	(12,028)	(30,325)	(1,177)	64,833	63,656
Fund balances at 1 April 2022		200,473	132,230	332,703	201,650	67,397	269,047
Fund balances at 31 March 2023		182,176	120,202	302,378	200,473	132,230	332,703

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

All income and expenditure derive from continuing activities.

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

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
BALANCE SHEET
AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Current assets					
Cash at bank and in hand		311,437		374,188	
Creditors: amounts falling due within one year	12	<u>(9,059)</u>		<u>(41,485)</u>	
Net current assets			302,378		332,703
Income funds					
Restricted funds	13		120,202		132,230
Unrestricted funds			182,176		200,473
			<u>302,378</u>		<u>332,703</u>

The charitable company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2023. No member of the charitable company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The directors' responsibilities for ensuring that the charitable company keeps accounting records which comply with section 386 of the Act and section 44 of the Charities and Trustee Investment (Scotland) Act 2005 and for preparing accounts which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the charitable company.

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

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Directors on 9 August 2023

Brig Martin Nadin OBE
Trustee

Maj Gen Colin Boag CB CBE
Trustee

Company registration number SC239808

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Veterans Scotland is a private charitable company limited by guarantee incorporated in Scotland. The registered office is New Haig House, Logie Green Road, Edinburgh, EH7 4HR.

1.1 Accounting convention

The accounts have been prepared in accordance with the charitable company's governing document, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charitable company is a Public Benefit Entity as defined by FRS 102.

The charitable company has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

The financial statements have been prepared under the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

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

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

1.4 Incoming resources

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

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

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

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.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the bank.

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.5 Resources expended

All expenditure is accounted for on an accruals basis. Costs are allocated to appropriate headings, based on the activities to which they are attributable.

Support costs are those incurred in connection with the administration of the charitable company and compliance with constitutional and statutory requirements.

1.6 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.

1.7 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.8 Employee benefits

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

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

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Donations and gifts	60,075	-	60,075	57,350
Grants receivable	-	105,000	105,000	380,657
	<u>60,075</u>	<u>105,000</u>	<u>165,075</u>	<u>438,007</u>
For the year ended 31 March 2022	<u>57,350</u>	<u>380,657</u>		<u>438,007</u>
Donations and gifts				
Members subscriptions	60,075	-	60,075	57,350
	<u>60,075</u>	<u>-</u>	<u>60,075</u>	<u>57,350</u>
Grants receivable for core activities				
Scottish Veterans Fund	-	-	-	225,165
Scottish Government Funding (Catalyst for Change)	-	80,000	80,000	80,000
FiMT Funding	-	-	-	75,492
NHS Lothian Veterans Wellbeing Alliance	-	25,000	25,000	-
	<u>-</u>	<u>105,000</u>	<u>105,000</u>	<u>380,657</u>

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

4 Investments

	Unrestricted funds	Unrestricted funds
	2023 £	2022 £
Interest receivable	799	18
	<u> </u>	<u> </u>

5 Donated Services

Office facilities were provided by Poppyscotland free of charge.

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

6 Charitable activities

	Core activities	Scottish Veterans' Fund	Capacity Building Fund	FIMT Grant	NHS Lothian VPPP	Total 2023	Total 2022
	£	£	£	£	£	£	£
Grant funding of activities (see note 7)	-	-	-	-	-	-	215,165
Share of support costs (see note 8)	77,931	-	84,100	12,156	20,772	194,959	158,094
Share of governance costs (see note 8)	1,240	-	-	-	-	1,240	1,110
	79,171	-	84,100	12,156	20,772	196,199	374,369
Analysis by fund							
Unrestricted funds	79,171	-	-	-	-	79,171	
Restricted funds	-	-	84,100	12,156	20,772	117,028	
	79,171	-	84,100	12,156	20,772	196,199	
For the year ended 31 March 2022							
Unrestricted funds	68,545	-	-	-	-		68,545
Restricted funds	-	215,165	85,352	5,307	-		305,824
	68,545	215,165	85,352	5,307	-		374,369

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

7 Grants payable

	Scottish Veterans' Fund 2023 £	Scottish Veterans' Fund 2022 £
Grants to institutions:		
Fares 4 Free	-	17,444
RMA	-	11,590
RAFBF	-	14,974
Thistle	-	14,774
Erskine	-	27,850
Lothian Veterans Centre	-	13,240
Salute my job	-	15,000
Fighting with Pride	-	15,000
Stand Easy	-	3,078
Walking with the Wounded	-	11,600
Garelochhead Station Trust	-	10,004
Support in Mind Scotland	-	9,123
RCET	-	14,798
SVR	-	15,000
Mindfulness Scotland	-	6,690
RBLI - SMC	-	15,000
	-	215,165

The above grants were awarded on behalf of the Scottish Veterans' Fund during 2022.

8 Support costs

	Support costs £	Governance costs £	2023 £	2022 £	Basis of allocation
Staff costs	60,280	-	60,280	56,591	
Office expenses - other	17,651	-	17,651	10,844	
Independent examiner fees	-	1,240	1,240	1,110	Governance
Catalyst for Change	84,100	-	84,100	85,352	
FiMT costs	12,156	-	12,156	5,307	
NHS Lothian VPPP	20,772	-	20,772	-	
	194,959	1,240	196,199	159,204	
Analysed between					
Charitable activities	194,959	1,240	196,199	159,203	

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

9 Directors

In his capacity as Executive Chairman Maj Gen Chris Hughes CBE (before his retirement in May 2022) was remunerated on behalf of the charitable company:

Maj Gen Chris Hughes CBE - Salary and Social Security £1,268 (2022: £15,061), Transport and Subsistence £Nil (2022: £Nil).

In his capacity as Executive Chairman Maj Gen Colin Boag (after his appointment in May 2022) was remunerated on behalf of the charitable company:

Maj Gen Colin Boag - Salary and Social Security £15,473 (2022: £Nil), Transport and Subsistence £Nil (2022: £Nil).

No other directors (or any persons connected with them) received any remuneration or benefits from the charitable company during the year (2022: None).

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Permanent staff	6	5
Employment costs	2023 £	2022 £
Wages and salaries	144,830	131,480
Social security costs	7,997	7,397
	142,566	145,566

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

11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

12 Creditors: amounts falling due within one year

	2023 £	2022 £
Other creditors	-	35,000
Accruals and deferred income	9,059	6,485
	9,059	41,485

**VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

13 Restricted funds

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

	Balance at 1 April 2021 £	Movement in funds			Balance at 1 April 2022 £	Movement in funds			Transfers £	Balance at 31 March 2023 £
		Incoming resources £	Resources expended £			Incoming resources £	Resources expended £			
Scottish Veterans Fund	-	225,165	(215,165)		-	-	-		-	-
Queen's Jubilee Fund	12,396	-	-		12,396	-	-		(4,100)	8,296
Catalyst for Change	5,352	80,000	(85,352)		-	-	-		-	-
FiMT Funding	49,649	75,492	(5,307)		119,834	-	(12,156)		-	107,678
NHS Lothian VPPP	-	-	-		-	25,000	(20,772)		-	4,228
Capacity Building Fund	-	-	-		-	80,000	(84,100)		4,100	-
	67,397	380,657	(305,824)		132,230	105,000	(117,028)		-	120,202

VETERANS SCOTLAND A COMPANY LIMITED BY GUARANTEE NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

13 Restricted funds

(Continued)

Scottish Veterans Fund: this represents sums received to support initiatives on the basis of funding applications for funding from veterans' organisations.

Queen's Jubilee Fund: in 2012 a sum of £50,000 was provided to fund improved communication, promotion and advertising of the Veterans Assist website and the development of Roadshows. Our plan for this fund is to use it to cover the costs of roadshows and similar activity as this was the original purpose of the fund which was not time limited.

Catalyst for Change: to fund support posts within Veterans Scotland to enhance the level of support to housing, health and well-being and general support across the Veterans community.

Capacity Building Fund: this is funded by the Scottish Government and replaces the Catalyst for Change funding. This is to allow Veterans Scotland to:

- Enable forums for collaboration between member organisation and the wider third sector and statutory organisations;

- Provide support to Local and National Government in the delivery of their obligations to the Covenant and the Strategy for Our Veterans;

- Assist the Scottish Government with its commitments to the "The Strategy for Our Veterans" and the wider effective delivery of the Armed Forces Covenant in Scotland;

- Review reports on subjects relating to the AFVC, disseminating them to member organisations and providing comment on the reports;

- Provide a voice for the veterans' community in Scotland;

- Provide feedback on progress made by statutory organisations on the way they are meeting their obligations to the Covenant;

- Enhance and increase membership of Veterans Scotland by demonstrating its value; and

- Develop their annual business plan as priorities for the AFVC are identified.

FIMT Funding: Forces in Mind Trust granted £75,000 for the Informing Scotland project over a three year period, the purpose of which was to provide improved delivery of the Covenant amongst Armed Forces and Veterans Champions at Local Authority level. Due to the COVID-19 pandemic it was not possible to complete the project as originally intended and discussions are ongoing with FIMT regarding amendment to the terms.

NHS Lothian VPPP: a sum of £25,000 was received during 2022 from Lothian Health Board via the Veterans' Places, Pathways and People Programme of the Armed Forces Covenant to fund delivery of Mental Health First Aid courses.

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

14 Analysis of net assets between funds

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total 2023 £	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:						
Current assets/(liabilities)	182,176	120,202	302,378	200,473	132,230	332,703
	<u>182,176</u>	<u>120,202</u>	<u>302,378</u>	<u>200,473</u>	<u>132,230</u>	<u>332,703</u>

15 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Total remuneration	<u>16,741</u>	<u>15,601</u>

16 Volunteers

In common with many charities the members benefit from the contribution made by volunteers who give their time and talents willingly for the benefit of the organisation. The areas of activity which rely on the contribution of volunteers are many and varied and much of the activity would be unable to continue were it not for the commitment shown.

17 Company limited by guarantee

Veterans Scotland is a charitable company limited by guarantee and accordingly does not have a share capital.

Every member of the charitable company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member.

VETERANS SCOTLAND
A COMPANY LIMITED BY GUARANTEE
DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2023

	£	2023 £	£	2022 £
Donations and legacies				
Members subscriptions	60,075		57,350	
Scottish Veterans fund - Restricted	-		225,165	
Scottish Government funding - Restricted	80,000		80,000	
FiMT funding - Restricted	-		75,492	
NHS Lothian Veterans Wellbeing Alliance - Restricted	25,000		-	
		165,075		438,007
Investment income				
Interest received		799		18
Total incoming resources		165,874		438,025
<u>Resources expended</u>				
Charitable activities				
Core activities				
Share of support costs		(77,931)		(67,435)
Scottish Veterans' Fund				
Grants distributed on behalf of the Scottish Veterans fund - Restricted	-		215,165	
		-		(215,165)
Capacity Building Fund				
Share of support costs - Restricted		(84,100)		(85,352)
FiMT Grant				
Share of support costs - Restricted	12,156		5,307	
		(12,156)		(5,307)
NHS Lothian VPPP				
Share of support costs - Restricted	20,772		-	
		(20,772)		-
Governance costs				
Independent examiners fees		(1,240)		(1,110)
Total resources expended		(175,427)		(374,369)
(Deficit)/Surplus for the Year		(30,325)		63,656