

Charity registration number SC042084 (Scotland)

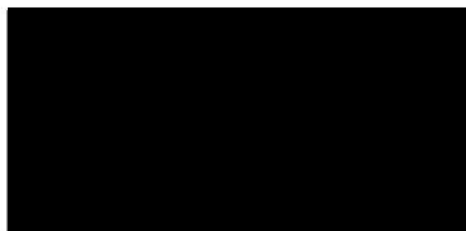
**THE ARGYLL AND SUTHERLAND HIGHLANDERS MUSEUM TRUST**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

# THE ARGYLL AND SUTHERLAND HIGHLANDERS MUSEUM TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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**Trustees**



**Regimental Chief Executive**

**Charity number (Scotland)**

SC042084

**Principal address**



**Independent examiner**

Azets Audit Services  
5 Whitefriars Crescent  
Perth  
United Kingdom  
PH2 0PA

**Bankers**

The Royal Bank of Scotland  
Units 22/23 Thistles Shopping Centre  
Goosecroft Road  
Stirling  
Stirlingshire  
United Kingdom  
FK8 2EA

**Solicitors**

Murray Beith Murray  
1 Glenfinlas Street  
Edinburgh  
United Kingdom  
EH3 6AQ

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# THE ARGYLL AND SUTHERLAND HIGHLANDERS MUSEUM TRUST

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# THE ARGYLL AND SUTHERLAND HIGHLANDERS MUSEUM TRUST

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2023**

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The Trustees present their annual report and financial statements for the year ended 31 August 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

### Objectives and activities

#### Charitable object

The Museum exists in order to:

- Perpetuate the memory and deeds of the men who served in the Regiment.
- Advance the education of and inform serving soldiers and the public about the Army in general and the Regiment in particular.

#### Aims of charity

The Museum aims to:

Advance Heritage and Culture:

- By promoting the Regiment's local and national contribution to history and traditions.
- By supporting conservation projects to maintain the Regimental Collection.
- By supporting research into the Regiment's history.
- By participating in and supporting events that promote the history of the Regiment.

Advance Education:

- By promoting access to the Regimental Museum and its Collection.
- By encouraging interest in the Regiment's heritage amongst serving members of the Regular Army, the Army Reserve and Cadet Battalions.
- By encouraging interest in the Regiment's heritage amongst members of the general public, notably amongst communities within the Regimental area (Argyll & Bute, Dunbartonshire, Stirlingshire, Clackmannanshire and the Northern parts of Lanarkshire).
- By provision of, or contribution towards, the production of literature and other forms of media.

# THE ARGYLL AND SUTHERLAND HIGHLANDERS MUSEUM TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2023**

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### **Museum reopening and COVID-19**

The museum's redevelopment was initiated in August 2018 and was concluded, following significant delays due to COVID-19 pandemic restrictions, in June 2021. The collection was returned to the King's Old Building in time for its reopening on 29 June 2021 by HM The Queen. A month later, Scotland moved to COVID-19 protection level 0 and social distancing measures were removed on 9 August 2021. Whilst COVID-19 restrictions were then lifted, tourist activity, decimated during the height of the pandemic, continues to be impacted.

The A and SH Museum Trust is a resilient organisation, and although 2020-21 was a highly challenging and difficult year, 2021-22 was one of recovery and optimism. 2022 – 23 has shown growth in Scottish tourism to that of pre pandemic levels. 2023 – 24 is expected to be well above pre pandemic levels which is extremely encouraging indeed.

### **Visitor numbers**

Stirling Castle visitor numbers recovered somewhat during 2022-23, returning to pre-COVID-19 levels. Due to improved footfall in the redeveloped museum, visitor numbers for the museum have been much better, and in August 2023, exceeded any month in the previous seven years. A heartening note is that as a percentage of Castle visitors, over 52% now visit the Museum as opposed to 37% prior to redevelopment. With the steady return of international tourists, we had welcomed 250,000 guests to the museum during 2022-23. With a steady increase in tourism expected through 2023-24, this should see this coming year's numbers exceeded well above pre pandemic visitor levels.

### **Finances**

The museums revenue income streams are still very much being developed to ensure steady state business cashflow can be achieved. Our reserves policy is to hold three months expenditure as cash, currently £70k. We sustained museum operations, and held adequate reserves throughout 2022-23. This was achieved with the support from our generous donors, and our annual annuity from our Historic Environment Partners. We expect to achieve higher revenue yields through planned formal fund raising events here in the castle. And with our corporate event; the museum's core business revenue stream coming on line FY2024 - 25 this will ensure a sustainable business model that will fulfil its mission, vision and keeping the Regimental legacy for generations to come.

### **Partnerships and audiences**

The success of our tenure in Stirling Castle, our spiritual home, is greatly enhanced by our ongoing partnership with Historic Environment Scotland. There are also opportunities of mutual benefit and support in our relationship with Stirling Council, VisitScotland (*The museum receiving its 5 Star Visit Scotland Attraction in July 2023*) and local cultural and historic organisations. Our location in the central belt makes us accessible to many trade (*We champion the Forth Valley Chambers of Commerce*), tourism and education audiences, however we also need to develop further into our Regimental historical recruiting area (Argyll & Bute, Dunbartonshire, Stirlingshire, Clackmannanshire and the Northern parts of Lanarkshire).

### **Strategies for achieving charitable aims**

The Argyll and Sutherland Highlanders Regimental Museum is accredited to the Museums Galleries Scotland (MGS) and its strategy 2023 – 2030 Workforce, Resilience and Connection, this has bringing significant overhead cost due to real living wage alignment, but at the same time providing access to grants for museum development such as resilience in the form of archive collection digitalisation program.

The museum virtual tour was designed and launched during this financial year with a supporting grant provided by MGS; this ensures our Global footprint has been increased tenfold. But more importantly for those who are disabled and unable to make the physical tour experience into to our ancient Kings old Building, due to the stairs access to our main galleries. This has certainly enhanced our all-inclusive objectives.

### **Accessibility**

The museum virtual tour enables those who cannot visit the museum, through geographic distance from Stirling, or accessibility concerns, to experience the permanent collection and our presentation of The Argylls' story. On 31 August 2022, the museum was granted funds by Museums Galleries Scotland and together with our own resources created a virtual tour of the museum. With guidance from accessibility groups such as Euan's guide, the tour was completed in early 2023 and is now hosted on The Argylls' website.

# THE ARGYLL AND SUTHERLAND HIGHLANDERS MUSEUM TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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### Education

The museum has two part-time educational staff, who are dedicated to provision of education workshops both in the museum, and on outreach visits. The redevelopment created an opportunity to review our education resources: many pre-existing education workshops were based on the 'old' museum, and lacked digital materials. To enable revision of the museum education, offering a fundraising campaign The Argylls 'Keep the Legacy Alive' Schools Project was launched in July 2022. As a result of hugely generous donations by our many supporters, by December 2022, £25,000 was raised to create and deliver a new learning programme. The Argylls are in a favourable position by having a rich history that can enliven vital education materials, paired with a 'Nationally Significant' collection of archives and objects that tell our story.

Our learning materials were launched in 2023 as both physical and digital resources focussed on WW1, WW2 and Victorian era. The material continues to be developed aligned to the National curriculum level 5.

The impact of our "*Learning and Never Forgetting*" program at the National curriculum level 5; has received outstanding support and feedback from both Teaching Staff and Students alike.

### Conservation

The new permanent collection display cases, and storage spaces for the reserve collection ensure that our precious objects and archives are correctly stored. Activity to catalogue and conserve the collection are the daily work of our curator and a team of tertiary education students and volunteers.

Our main project, is to digitalise our archive collection this as a potential online revenue stream but more importantly as a contingency backup for the collection; if in the event a catastrophic event and the collection was lost or partially lost.

We are planning to enhance our Regimental service records of those who served in the Regiment through our new interactive map that we hope to launch in 2024 – 25. This platform was designed and prepared by the Scottish Tech Army a volunteer group who provide technical support to Charitable Organisations free from cost.

### Sustainability

The Museum Trust aims to be financially self-sustaining. Our revenue is dependent on our Partnership Agreement with HES, and we are indebted to the generosity of our supporters, in particular connections of The Argylls' regimental family. We encourage supporters of the museum to become a Guardian, Legacy Partner via the CSR HMRC scheme, to donate, and to leave a legacy where possible.

### Use of volunteers

The Museum makes extensive use of volunteers in all its activities. Volunteers provided 3,339 hours of support to the Museum during the year and number around 44.

The Museum has formed a selection panel with no less than 3 members of staff who select and induct Museum Volunteers, they are provided with a catalogue with stories of the various gallery collection items that are on display.

### Financial review

The Museum's income totalled £254,355 (2023: £302,974) for the year. Expenditure totalled £211,481 (2023: £289,165) providing a surplus for the year of £42,874 (2023: £13,809). Entry to the Museum is free and the Trust receives no direct income from the Stirling Castle visitors' entrance fee. However, the Partnership Agreement between the Museum and Historic Environment Scotland, agreed in 2018, has operated since the museum reopened in June 2021. Under the terms of the Partnership Agreement, inter alia, HES pay the Museum an annuity, meet the part of the costs of utilities, provide staffing for the visitor-facing operation, and operate the Museum Shop. In return the Museum provides HES with access to the museum and its collections as a key part of the visitor experience, and is able to exploit the spaces for hospitality (Focus high net worth clients). During this period, the Partnership Agreement came under review, and a separate License to Occupy has been drafted this business items is ongoing and should be completed 2024 – 25.

# THE ARGYLL AND SUTHERLAND HIGHLANDERS MUSEUM TRUST

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2023*

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### **Reserves policy**

The Museum Trustees have agreed that £70,000 should be held as an unrestricted reserve. The Museum will continue to maintain its reserves target but keep under review if expenditure increases significantly. The Argyll and Sutherland and Highlanders Regimental Trust have given assurance that they will underwrite the Museum if necessary.

### **Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, which includes assurance from The Argyll and Sutherland Highlanders Regimental Trust that they will continue to underwrite the Museum if necessary. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

### **Investment policy**

During the year, investment income was £Nil (2022: £nil).

### **Risk management**

The Museum Trust has a risk management process which identifies and addresses the major financial, operational, governance, reputational and regulatory risks which might impede the Museum's ability to achieve its objectives. These are recorded in the Museum's risk register, which is updated periodically by the Museum Chief Executive and reviewed annually by the Museum Trustees. Systems and procedures have been established to mitigate identified risks.

### **Plans for future periods**

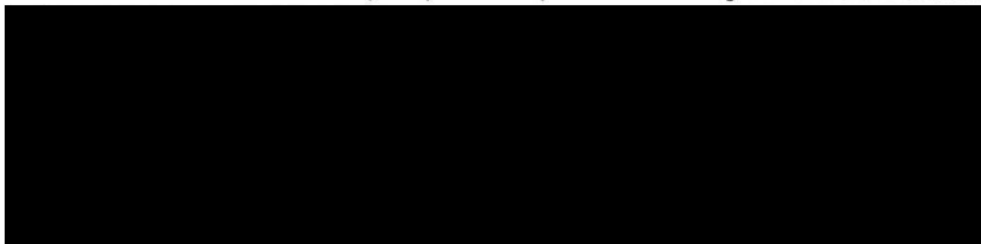
The aims for 2023-24 are to increase engagement with both military connections of The Argylls, and other stakeholders. To capitalise on the transformation of the museum, we plan to make the Museum a premier destination by attracting both new tourist trade operators, and Castle visitors to the museum. We will create an online presence that provides optimal pre-visit information, and accessibility to the museum for those unable to visit in person. A revised Activity Plan will incorporate the successful elements of the 2022-23 plan and add further digital, in museum and outreach projects.

### **Structure, governance and management**

The charity is controlled by its governing document, a deed of trust, and constitutes an unincorporated charity.

The Argyll and Sutherland Highlanders Museum Trust is a charity registered in Scotland. It operates under the terms of a Trust Deed dated 20 January 2011 and constitutes an unincorporated entity. The Museum is working under the governance and compliance of museum galleries Scotland (MGS) and its Strategy 2023 – 2030.

The Trustees who served during the year and up to the date of signature of the financial statements were:





# THE ARGYLL AND SUTHERLAND HIGHLANDERS MUSEUM TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2023**

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### **Recruitment and appointment of trustees**

The present Trustees are former officers of the Regiment and Trustees drawn from business and the culture sector who have volunteered their services.

Training has been undertaken to ensure that all Trustees are aware of their responsibilities as Trustees and the objectives of the Trust.

There is a recommended length of service of 5 years as a Trustee. Newly appointed members of the Museum Trust receive information and documents relevant to their responsibilities as Trustees.

### **Organisational structure**

The Trustees are responsible for the strategic direction of the Museum and associated decisions. Throughout the redevelopment they have met at least four times each year and have been frequently consulted over issues that have arisen.

The daily administration of the Museum is delegated to the Chief Executive [REDACTED]. The remaining members of the Museum's staff and volunteers, under the direction of the Chief Executive, undertake the operation of the Museum.

One Trustee serves as a Director of The Argyll and Sutherland Highlanders Shop Limited, a Company limited by guarantee, which is currently dormant.

Formal agendas are prepared and minutes written for Museum Trust meetings. The Museum Trustees approve the budget. At every meeting a report of expenditure against budget is provided.

### **Tenure within Stirling Castle Historic Environment Scotland**

Historic Environment Scotland on behalf of Scottish Ministers is responsible for Stirling Castle. The Museum Trustees are responsible for the Museum's tenancy within the Castle in conjunction with HES. The partnership agreement with HES, signed in March 2018, provides the Museum the right to occupy the Kings Old Building in perpetuity or a lesser term mutually agreeable between parties.

### **Affiliated or connected charities**

- The Argyll and Sutherland Highlanders' Regimental Trust
- The Argyll and Sutherland Highlanders' Regimental Association

The Trustees' report was approved by the Board of Trustees.

[REDACTED]  
30 May 2024



# THE ARGYLL AND SUTHERLAND HIGHLANDERS MUSEUM TRUST

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF THE ARGYLL AND SUTHERLAND HIGHLANDERS MUSEUM TRUST

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I report on the financial statements of the Charity for the year ended 31 August 2023, which are set out on pages 7 to 22.

#### **Respective responsibilities of Trustees and examiner**

The Charity's Trustees 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 charity's Trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the 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 charity 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**

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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.

I understand that this has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In connection with my examination, no other matter except that referred to in the previous paragraph 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.



Azets Audit Services

5 Whitefriars Crescent  
Perth  
PH2 0PA  
United Kingdom

Dated: 30 May 2024

# THE ARGYLL AND SUTHERLAND HIGHLANDERS MUSEUM TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
<b>Income from:</b>							
Donations and legacies	2	45,035	113,482	158,517	34,797	241,315	276,112
Other trading activities	3	463	-	463	1,816	-	1,816
Other income	4	3,588	91,787	95,375	25,046	-	25,046
<b>Total income</b>		<b>49,086</b>	<b>205,269</b>	<b>254,355</b>	<b>61,659</b>	<b>241,315</b>	<b>302,974</b>
<b>Expenditure on:</b>							
Raising funds	5	-	-	-	3,982	-	3,982
Charitable activities	6	78,649	132,832	211,481	59,580	225,603	285,183
<b>Total expenditure</b>		<b>78,649</b>	<b>132,832</b>	<b>211,481</b>	<b>63,562</b>	<b>225,603</b>	<b>289,165</b>
Gross transfers between funds		-	-	-	(730)	730	-
<b>Net (expenditure)/income for the year/</b>							
<b>Net movement in funds</b>		<b>(29,563)</b>	<b>72,437</b>	<b>42,874</b>	<b>(2,633)</b>	<b>16,442</b>	<b>13,809</b>
Fund balances at 1 September 2022		1,998	1,022,175	1,024,173	4,631	1,005,733	1,010,364
<b>Fund balances at 31 August 2023</b>		<b>(27,565)</b>	<b>1,094,612</b>	<b>1,067,047</b>	<b>1,998</b>	<b>1,022,175</b>	<b>1,024,173</b>

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

All income and expenditure derive from continuing activities.

# THE ARGYLL AND SUTHERLAND HIGHLANDERS MUSEUM TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets	12		16,932		11,266
Heritage assets	13		943,085		943,085
			<u>960,017</u>		<u>954,351</u>
<b>Current assets</b>					
Stocks	14	3,645		3,494	
Debtors	15	13,746		22,249	
Cash at bank and in hand		92,639		73,492	
		<u>110,030</u>		<u>99,235</u>	
<b>Creditors: amounts falling due within one year</b>	16	(3,000)		(29,413)	
Net current assets			107,030		69,822
<b>Total assets less current liabilities</b>			<u>1,067,047</u>		<u>1,024,173</u>
<b>Income funds</b>					
Restricted funds	18	1,094,612		1,022,175	
Unrestricted funds		(27,565)		1,998	
		<u>1,067,047</u>		<u>1,024,173</u>	

The financial statements were approved by the Trustees on 30 May 2024

Trustee

# THE ARGYLL AND SUTHERLAND HIGHLANDERS MUSEUM TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	22		30,472		19,641
<b>Investing activities</b>					
Purchase of tangible fixed assets		(11,325)		(12,049)	
<b>Net cash used in investing activities</b>			(11,325)		(12,049)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			19,147		7,592
Cash and cash equivalents at beginning of year			73,492		65,900
<b>Cash and cash equivalents at end of year</b>			92,639		73,492

# THE ARGYLL AND SUTHERLAND HIGHLANDERS MUSEUM TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

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### 1 Accounting policies

#### Charity information

The Argyll and Sutherland Highlanders Museum Trust is a charity registered in Scotland. It operates under the terms of a Trust Deed dated 20 January 2011 and constitutes an unincorporated entity.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's deed of trust, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The Charity is a Public Benefit Entity as defined by FRS 102.

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, modified to include the revaluation of freehold properties and 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 Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees 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.

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

#### 1.4 Income

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

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

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

Income from government and other grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

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

# THE ARGYLL AND SUTHERLAND HIGHLANDERS MUSEUM TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

The charity is registered for VAT. Where applicable, costs and expenditure incurred are inclusive of VAT.

#### 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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% on reducing balance
Computers	33% on cost

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 the statement of financial activities.

#### 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).

#### 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 at 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.

# THE ARGYLL AND SUTHERLAND HIGHLANDERS MUSEUM TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 1 Accounting policies

(Continued)

#### 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.

#### 1.11 Taxation

The Trust is exempt from corporation tax on its charitable activities.

#### 1.12 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.

#### 1.13 Retirement benefits

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



# THE ARGYLL AND SUTHERLAND HIGHLANDERS MUSEUM TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2023

#### 2 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023 £	2023 £	2023 £	2022 £	2022 £	2022 £
Donations and gifts	45,035	24,222	69,257	34,797	20,364	55,161
Grants receivable for core activities	-	89,260	89,260	-	220,951	220,951
	45,035	113,482	158,517	34,797	241,315	276,112
<b>Grants receivable for core activities</b>						
National Lottery Heritage Fund	-	35,193	35,193	-	72,510	72,510
Historic Environment Scotland	-	-	-	-	65,500	65,500
Army Museum	-	17,292	17,292	-	22,305	22,305
Museum Galleries Scotland	-	11,122	11,122	-	26,082	26,082
Stafford Trust	-	-	-	-	1,000	1,000
Girdlers' Company Charitable Trust	-	-	-	-	1,050	1,050
Digital Boost	-	-	-	-	5,315	5,315
Other	-	25,653	25,653	-	27,189	27,189
	-	89,260	89,260	-	220,951	220,951

# THE ARGYLL AND SUTHERLAND HIGHLANDERS MUSEUM TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 3 Other trading activities

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Other trading activity income	463	1,816

### 4 Other income

	Unrestricted funds	Restricted funds	Total Unrestricted funds	
	2023	2023	2023	2022
	£	£	£	£
Other income	3,588	-	3,588	25,046
Historic Environment Scotland - partnership agreement	-	90,625	90,625	-
Talks income	-	1,162	1,162	-
	3,588	91,787	95,375	25,046

### 5 Raising funds

	Total Unrestricted funds	
	2023	2022
	£	£
<u>Trading costs</u>		
Other trading activities	-	3,982
	-	3,982

# THE ARGYLL AND SUTHERLAND HIGHLANDERS MUSEUM TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 6 Charitable activities

	Museum	Redevelopment	Total	Museum	Redevelopment	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Staff costs	143,557	-	143,557	117,864	-	117,864
Base build contract	-	1,664	1,664	-	80,678	80,678
Exhibition fit out contract	-	-	-	-	15,370	15,370
Conservation costs	-	1,132	1,132	-	2,674	2,674
Project management costs	-	11,543	11,543	-	17,279	17,279
	<u>143,557</u>	<u>14,339</u>	<u>157,896</u>	<u>117,864</u>	<u>116,001</u>	<u>233,865</u>
Share of support costs (see note 7)	5,010	45,088	50,098	10,651	31,953	42,604
Share of governance costs (see note 7)	1,744	1,743	3,487	4,357	4,357	8,714
	<u>150,311</u>	<u>61,170</u>	<u>211,481</u>	<u>132,872</u>	<u>152,311</u>	<u>285,183</u>
<b>Analysis by fund</b>						
Unrestricted funds	78,649	-	78,649	59,580	-	59,580
Restricted funds	71,662	61,170	132,832	73,292	152,311	225,603
	<u>150,311</u>	<u>61,170</u>	<u>211,481</u>	<u>132,872</u>	<u>152,311</u>	<u>285,183</u>

# THE ARGYLL AND SUTHERLAND HIGHLANDERS MUSEUM TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 7 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Staff costs	16,828	-	16,828	15,958	-	15,958
Depreciation	5,659	-	5,659	2,756	-	2,756
Insurance	4,178	-	4,178	3,684	-	3,684
Telephone	818	-	818	1,009	-	1,009
Printing and stationery	1,587	-	1,587	1,034	-	1,034
Sundries	12,691	-	12,691	3,506	-	3,506
Computer expenses	4,035	-	4,035	4,807	-	4,807
Repairs and maintenance	3,974	-	3,974	7,748	-	7,748
Legal and professional fees	328	-	328	2,102	-	2,102
Audit fees	-	(77)	(77)	-	7,259	7,259
Accountancy fees	-	3,564	3,564	-	1,455	1,455
	<u>50,098</u>	<u>3,487</u>	<u>53,585</u>	<u>42,604</u>	<u>8,714</u>	<u>51,318</u>
Analysed between						
Charitable activities	<u>50,098</u>	<u>3,487</u>	<u>53,585</u>	<u>42,604</u>	<u>8,714</u>	<u>51,318</u>

### 8 Net movement in funds

2023  
£

2022  
£

Net movement in funds is stated after charging/(crediting)

Fees payable to the company's auditor for the audit of the company's financial statements

(77)

7,259

Depreciation of owned tangible fixed assets

5,659

2,756

### 9 Trustees

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

### 10 Employees

The average monthly number of employees during the year was:

2023 Number	2022 Number
7	7

# THE ARGYLL AND SUTHERLAND HIGHLANDERS MUSEUM TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

10 Employees	(Continued)	
Employment costs	2023 £	2022 £
Wages and salaries	147,706	120,729
Social security costs	11,313	12,155
Other pension costs	1,366	938
	<u>160,385</u>	<u>133,822</u>

The Trust considers its key management personnel to comprise of the Trustees and Chief Executive Officer. The employment benefits of the key management personnel were £52,287 (2022 - £45,413).

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

## 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 Tangible fixed assets

	Fixtures and fittings £	Computers £	Total £
<b>Cost</b>			
At 1 September 2022	13,076	26,801	39,877
Additions	-	11,325	11,325
Disposals	-	(2,467)	(2,467)
At 31 August 2023	<u>13,076</u>	<u>35,659</u>	<u>48,735</u>
<b>Depreciation and impairment</b>			
At 1 September 2022	8,984	19,627	28,611
Depreciation charged in the year	1,023	4,636	5,659
Eliminated in respect of disposals	-	(2,467)	(2,467)
At 31 August 2023	<u>10,007</u>	<u>21,796</u>	<u>31,803</u>
<b>Carrying amount</b>			
At 31 August 2023	<u>3,069</u>	<u>13,863</u>	<u>16,932</u>
At 31 August 2022	<u>4,092</u>	<u>7,174</u>	<u>11,266</u>

# THE ARGYLL AND SUTHERLAND HIGHLANDERS MUSEUM TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 13 Heritage assets

£

At 1 September 2022 and at 31 August 2023

943,085

Heritage assets are silverware and paintings. These are of historical significance and are on display in the Museum. These were donated to the Museum Trust by the Argyll and Sutherland Highlanders Regimental Trust on 31 August 2011. The assets are included at the 2009 insurance valuation adjusted for purchase and sale at cost.

### 14 Stocks

2023  
£

2022  
£

Finished goods and goods for resale

3,645

3,494

### 15 Debtors

2023  
£

2022  
£

Amounts falling due within one year:

Other debtors

10,263

18,246

Prepayments and accrued income

3,483

4,003

13,746

22,249

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

2023  
£

2022  
£

Other taxation and social security

-

2,321

Trade creditors

-

417

Accruals and deferred income

3,000

26,675

3,000

29,413

### 17 Retirement benefit schemes

#### Defined contribution schemes

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £1,366 (2022 - £938).

# THE ARGYLL AND SUTHERLAND HIGHLANDERS MUSEUM TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 18 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:

	Balance at 1 September 2021 £	Movement in funds			Transfers	Movement in funds			Balance at 1 September 2022 £	Movement in funds			Balance at 31 August 2023 £
		Incoming resources £	Resources expended £			Incoming resources £	Resources expended £			Incoming resources £	Resources expended £		
Reserve	6,415	-	-	-	-	-	-	-	6,415	-	-	-	6,415
Heritage assets	23,764	-	-	-	-	-	-	-	23,764	-	-	-	23,764
Guardians	345	-	-	-	-	-	-	-	345	-	-	-	345
Major General Graham	943,085	-	-	-	-	-	-	-	943,085	-	-	-	943,085
Redevelopment fund	5,092	-	-	-	-	-	-	-	5,092	-	-	-	5,092
Small projects fund	1,195	-	-	-	-	-	-	-	1,195	-	-	-	1,195
	(26,444)	155,839	(130,125)	730	730	155,839	(130,125)		-	51,315	(48,496)		2,819
	52,281	85,476	(95,478)	-	-	85,476	(95,478)		42,279	153,954	(84,336)		111,897
	1,005,733	241,315	(225,603)	730	730	241,315	(225,603)		1,022,175	205,269	(132,832)		1,094,612



# THE ARGYLL AND SUTHERLAND HIGHLANDERS MUSEUM TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 18 Restricted funds

(Continued)

#### Purposes of funds

Both the

funds have been set aside for paintings.

Reserve fund is for grants for specific purposes outlined in the condition of the grant.

Heritage assets are silverware and paintings that were donated to the Museum Trust by the Argyll and Sutherland Highlanders Regimental Trust. Any proceeds of sales will be used for new assets.

Guardians - The Perpetuation of the Memory of the Deeds and Men of the Argyll and Sutherland Highlanders for all time.

- Major General Graham - to commemorate the service of Major General Graham in the Regiment as part of the future Museum development.

The redevelopment fund is for the transformation and redevelopment of the Museum.

Small projects - this fund includes various small project grants which are spent in line with the conditions of the grant.

# THE ARGYLL AND SUTHERLAND HIGHLANDERS MUSEUM TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

### 19 Analysis of net assets between funds

	Unrestricted fund 2023 £	Restricted fund 2023 £	Total 2023 £	Unrestricted fund 2022 £	Restricted fund 2022 £	Total 2022 £
Fund balances at 31 August 2023 are represented by:						
Tangible assets	1,836	15,096	16,932	1,998	9,268	11,266
Heritage assets	-	943,085	943,085	-	943,085	943,085
Current assets/(liabilities)	(29,401)	136,431	107,030	-	69,822	69,822
	<u>(27,565)</u>	<u>1,094,612</u>	<u>1,067,047</u>	<u>1,998</u>	<u>1,022,175</u>	<u>1,024,173</u>

### 20 Related party transactions

#### Transactions with related parties

The following organisations are related parties:

- The Argyll and Sutherland Highlanders Shop Limited
- The Argyll and Sutherland Highlanders Regimental Trust

Related party transactions are as follows:

During the year, the Trust received no donation (2022: £Nil) from The Argyll and Sutherland Highlanders Shop Limited.

During the year, the Trust received donations of £7,000 (2022: £25,714) from The Argyll and Sutherland Highlanders Regimental Trust.

### 21 Volunteers

For the year ended 31 August 2023, volunteer time totalled 3,339 hours (2022: 3,001). This was invaluable in allowing the charity to reach its objectives.

### 22 Cash generated from operations

	2023 £	2022 £
Surplus for the year	42,874	13,809
Adjustments for:		
Depreciation and impairment of tangible fixed assets	5,659	2,756
Movements in working capital:		
(Increase)/decrease in stocks	(151)	3,982
Decrease/(increase) in debtors	8,503	(19,009)
(Decrease)/increase in creditors	(26,413)	18,103
<b>Cash generated from operations</b>	<u>30,472</u>	<u>19,641</u>

# THE ARGYLL AND SUTHERLAND HIGHLANDERS MUSEUM TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2023*

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**23 Analysis of changes in net funds**

The Charity had no debt during the year.

