

Charity registration number: SC041823

The Friends of The Black Watch Castle and Museum

Annual Report and Financial Statements
for the Year Ended 31 March 2011

Morris & Young
Chartered Accountants
6 Atholl Crescent
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The Friends of The Black Watch Castle and Museum

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The Friends of The Black Watch Castle and Museum
Reference and Administrative Details

Charity name	The Friends of The Black Watch Castle and Museum
Charity registration number	SC041823
Trustees	Sarah Riddell-Webster, Chairwoman James Watt, Treasurer Alfred Iannetta ex-officio Lieutenant Colonel Philip Halford-MacLeod
Accountant	Morris & Young Chartered Accountants 6 Atholl Crescent PERTH PH1 5JN

The Friends of The Black Watch Castle and Museum

Trustees' Report

The Management Committee of the Friends of The Black Watch Castle and Museum ("the Friends") present their Accounts for the seven month period ending on 31 March 2011.

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 documents, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in March 2005.

Structure, Governance and Management

The Friends were established on 9 September 2010 and are governed by their constitution which was adopted at a General Meeting held on that date. The charity was registered under charity number SC041823 with effect from 13 October 2010. Also from 13 October 2010 the Friends has been accepted as a charity for tax purposes by HM Revenue & Customs.

The Friends purpose is to support the activities and property of The Black Watch Museum Trust (Scottish Charity SC005848).

In furtherance of this purpose, the Friends support the following activities:

1. The advancement of education by supporting the educational activities of The Black Watch Museum Trust and its outreach programmes.
2. The advancement of the arts, heritage, and culture by:
 - supporting the conservation of the artefacts and archive of The Black Watch Museum Trust;
 - supporting the maintenance and development of heritable property owned by The Black Watch Museum Trust;
 - supporting the acquisition of artefacts and archive material by The Black Watch Museum Trust.
3. The advancement of citizenship and community development by promoting opportunities for volunteers to support The Black Watch Museum Trust and by supporting their workforce initiatives for young people.
4. Generally providing any support to The Black Watch Museum Trust necessary for the furtherance of its charitable objectives.

The Friends of The Black Watch Castle and Museum

Trustees' Report

In furtherance of these objectives the Management Committee of the Friends:

1. Promote wide membership and organise events and other fund-raising activities so that it may support The Black Watch Museum Trust, and
2. Transfer surplus funds to The Black Watch Museum Trust from time to time to fund or partly fund expenditures which meet the objectives of the Friends.

The Structure of the Organisation

Under the constitution the structure of the Friends consists of:

The **Members** - who have the right to attend the annual general meeting (and any special general meeting) and have important powers under the constitution; in particular, the Members elect people to serve on the Management Committee and take decisions in relation to changes to the constitution itself.

The **Management Committee** - which holds regular meetings during the period between annual general meetings, and generally controls and supervises the activities of the Friends. The Management Committee is responsible for monitoring the financial position of the association.

The Management Committee

The maximum number of members of the Management Committee is seven.

The Chief Executive of The Black Watch Museum Trust is an ex-officio member of the Management Committee.

A person is not eligible for election/appointment to the Management Committee unless he/she is a Member of the Friends.

At each annual general meeting, the Members may elect any Member to be a member of the Management Committee.

The Management Committee may at any time appoint any Member of the Friends as a member of the Management Committee.

At each annual general meeting, all of the members of the Management Committee shall retire from office, but shall be eligible for re-election.

The Management Committee members elect from their number a Chair, Treasurer, Secretary, and any other office bearer they consider appropriate. All Office Bearers cease to hold office at the conclusion of each annual general meeting, but are then eligible for re-election.

The Friends of The Black Watch Castle and Museum

Trustees' Report

When the Friends were set up the following agreed to act as Trustees. They then became the first members of the Management Committee of the Friends:

Sarah Riddell-Webster
James Watt
Lieutenant Colonel Philip Halford-MacLeod
Alfie Iannetta, Chief Executive of The Black Watch Museum Trust

The following then joined the Management Committee by invitation:

Leonor Blackhall
Emma Halford-Forbes
Major Ronnie Proctor

The following officers were elected by the Management Committee:

Sarah Riddell-Webster, Chairwoman
James Watt, Treasurer
Leonor Blackhall, Secretary

The Management Committee met on seven occasions during the seven months covered by this report. It is anticipated that this frequency of meetings will be reduced once the Friends becomes fully established.

Management Committee Induction and Training

During the process of setting up the charity the original Trustees received guidance from their professional advisors. All members of the Management Committee were provided with a copy of the Charity's Constitution and OSCR's publication "Guidance for Charity Trustees".

Risk Management

The Management Committee have assessed the major risks to which the charity is exposed. They have identified two principal risks:

- incurring losses by failing to attract and retain sufficient members to justify the expenditure incurred on promotion and the running of events. The committee sees this as a particular risk in the early months and years of the charity. The committee mitigates this risk by frequent review of plans and expenses.
- dependence on services provided by employees of The Black Watch Museum Trust. The committee seeks to mitigate this risk by maximising the use of volunteers.

The Friends of The Black Watch Castle and Museum

Trustees' Report

Appointment of President and Honorary Members

After the inaugural General Meeting Lieutenant General Sir Alistair Irwin Chairman of The Black Watch Museum Trust accepted the invitation of the Members to serve as President of the Friends.

On the invitation of the Management Committee the following individuals were presented with Honorary Friends membership in the year 2010-2011

- Jim Turpie, Volunteer, gatekeeper
- Fraser Brown, Volunteer, educational outreach
- Frances Melville, Lord Provost of Fife
- Margaret Dean, Lord Lieutenant of Fife
- John Letford, Lord Provost of Dundee and Lord Lieutenant of Dundee

The following individual was presented with Honorary Friends membership in 2011-2012

- Dr John Hulbert, Provost of Perth and Kinross

There are future plans to present the following individuals with Honorary Friends memberships in 2011-2012

- Ruth Leslie Melville, Provost of Angus
- Georgina Osborne, Lord Lieutenant of Angus
- Brigadier Melville Jameson, Lord Lieutenant of Perth and Kinross

Related Organisations

The Friends are connected with The Black Watch Museum Trust as they operate from the same address and have objectives in common. Three members of the Management Committee are employees of The Black Watch Museum Trust. The other four Management Committee members act in various capacities as volunteers for The Black Watch Castle and Museum. However none of the Friends Management Committee members are Trustees of The Black Watch Museum Trust.

Achievements and Performance

The Friends were launched to the public at Balhousie Castle on 29 October 2010. There were further launches in Fife and Dundee in the following months. These events were well reported in the local press. Friends' leaflets were prepared and given wide circulation.

At the end of the period the Friends held their first two events. The first event was a valuation day by Shapes auctioneers at Balhousie Castle on 10th March 2011. For the second event Major Colin Innes gave a lecture on General Thomas Graham, Lord Lynedoch, at Perth museum on 17th March 2011. Both events were well attended and were successful in increasing Friends' membership.

The Friends of The Black Watch Castle and Museum

Trustees' Report

By 31 March 2011 the Friends already had 131 members. The Management Committee considers this to have been an encouraging start.

Financial Review

In the seven months under review the Friends generated funds of £2,608 and expended funds of £4,334.

Voluntary Income funds comprised donations of £257, subscriptions of £1,529 and income from events of £715.

Income from sale of merchandise was £106 and there was bank interest of £1.

Within expenditure of £4,334 the three largest items were legal set up costs of £2,044, printing, postage and stationery of £1,210 and advertising and promotion of £1,080.

In many ways this was not a typical period with significant one-off start-up costs and membership developing from a zero base.

During the year The Regimental Trust Fund of The Black Watch paid £722 for leaflets on behalf of the Friends of The Black Watch Castle and Museum. The Friends also accepted a loan of £5,000 to cover formation expenses and the purchase of initial supplies of stationery. There is no fixed timescale for the repayment of this loan. £5,722 is sitting on the balance sheet as a loan at the year end.

Plans for the Future

Going forward the Management Committee intends to generate a growing surplus from membership subscriptions and events while maintaining low overheads. This surplus will then be used to support The Black Watch Museum Trust in the ways set out on the Friends' objectives. It is not the intention of the Management Committee to generate permanent reserves beyond the amount required as a prudent allowance for working capital.

As well as support provided by volunteers the Friends organisation is currently dependant on work carried out without charge by employees of The Black Watch Museum Trust. As the Friends grow this situation will be kept under review and in due course it is hoped that this support can be reduced as the Friends develops its own people resources. The Friends Management Committee is not unduly concerned about early dependency on such support because the purpose of the Friends is to support The Black Watch Museum Trust and in turn it is in the interests of that Trust to assist the Friends to become established and successful.

The Friends of The Black Watch Castle and Museum
Trustees' Report

Disclosure of Information to Independent Examiner

Each of the members of the Management Committee has confirmed to the Independent Examiner that there is no information of which they are aware which is relevant to the Financial Statements, but of which the Independent Examiner is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the Independent Examiner is aware of such information.

Approved by the Trustees on 31 August 2011 and signed on their behalf by:

.....
James Watt
Trustee

Independent Examiner's Report to the Trustees of The Friends of The Black Watch Castle and Museum

I report on the accounts of the Trust for the year ended 31 March 2011, which are set out on pages 9 to 13.

Respective responsibilities of trustees and examiner

The trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The trustees consider that an audit requirement of Regulation 10(1) (a) to (c) of the 2006 Accounts Regulations does not apply.

It is my responsibility to examine the accounts under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was 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 accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

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

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

31 August 2011

.....
Peter Young, B.A., C.A.
Morris & Young
Chartered Accountants
6 Atholl Crescent
PERTH
PH1 5JN

The Friends of The Black Watch Castle and Museum

Statement of Financial Activities for the Year Ended 31 March 2011

	Note	Unrestricted Funds £	Total Funds 2011 £
Incoming resources			
Incoming resources from generated funds			
Voluntary income	2	2,501	2,501
Activities for generating funds	3	106	106
Investment income	4	<u>1</u>	<u>1</u>
Total incoming resources		<u>2,608</u>	<u>2,608</u>
Resources expended			
Costs of generating funds			
Fundraising trading: cost of goods sold and other costs	5	82	82
Charitable activities	5	<u>4,252</u>	<u>4,252</u>
Total resources expended		<u>4,334</u>	<u>4,334</u>
Reconciliation of funds			
Total funds carried forward		<u>(1,726)</u>	<u>(1,726)</u>

All incoming resources and resources expended derive from continuing activities.
The charity has no recognised gains or losses for the year other than the results above.

The Friends of The Black Watch Castle and Museum
Balance Sheet as at 31 March 2011

	Note	£	2011	£
Current assets				
Stocks and work in progress		500		
Cash at bank and in hand		<u>3,496</u>		3,996
Creditors: Amounts falling due within one year	7			<u>(5,722)</u>
Net current liabilities				<u>(1,726)</u>
Net liabilities				<u>(1,726)</u>
The funds of the charity:				
Unrestricted funds				
Unrestricted income funds				<u>(1,726)</u>
Total charity funds				<u>(1,726)</u>

Approved by the Board on 31 August 2011 and signed on its behalf by:

.....
 James Watt
 Trustee

The Friends of The Black Watch Castle and Museum

Notes to the Financial Statements for the Year Ended 31 March 2011

1 Accounting policies

Basis of preparation

These accounts have been prepared on a cash basis and include income and expenditure as cash is received or paid, and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities (SORP 2005)', issued in March 2005, applicable accounting standards and the Charities Act 1993.

Fund accounting policy

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Further details of each fund are disclosed in note 9.

Incoming resources

Donations are recognised in the year which the money is received.

Merchandise income is recognised as earned (that is, as the related goods or services are provided).

Investment income is recognised on a receivable basis.

Resources expended

All expenditure is accounted for on a receipts and payments basis and has been classified under headings that aggregate all costs related to the category.

Costs of generating funds are the costs of trading for fundraising purposes.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

The Friends of The Black Watch Castle and Museum

Notes to the Financial Statements for the Year Ended 31 March 2011

..... continued

2 Voluntary income

	Unrestricted Funds £	Total Funds 2011 £
Donations and legacies		
Appeals and donations	257	257
Subscriptions	1,529	1,529
Events	715	715
	<u>2,501</u>	<u>2,501</u>

3 Activities for generating funds

	Unrestricted Funds £	Total Funds 2011 £
Operating activity 1		
Sale of merchandise	<u>106</u>	<u>106</u>

4 Investment income

	Unrestricted Funds £	Total Funds 2011 £
Interest on cash deposits	<u>1</u>	<u>1</u>

5 Total resources expended

	Operating activity 1 £	Charitable activity 1 £	Total £
Direct costs			
Cost of goods sold	82	-	82
Other direct costs	-	159	159
Office expenses	-	193	193
Printing, posting and stationery	-	776	776
Advertising and promotion	-	1,080	1,080
Legal and professional costs	-	2,044	2,044
	<u>82</u>	<u>4,252</u>	<u>4,334</u>

The Friends of The Black Watch Castle and Museum

Notes to the Financial Statements for the Year Ended 31 March 2011

..... continued

6 Trustees' remuneration and expenses

No trustees received any remuneration during the year.

7 Creditors: Amounts falling due within one year

	2011
	£
Other creditors	5,722

8 Related parties

Controlling entity

The charity is controlled by the trustees.

Related party transactions

The charity is connected with three other charities operating from the same address in that there is a unity of administration between them. These are The Black Watch Wavell Appeal, The Regimental Trust Fund of the Black Watch and The Black Watch Museum Trust.

During the year The Regimental Trust Fund of the Black Watch paid £722 on behalf the Friends of The Black Watch Castle and Museum and gave a loan of £5,000. £5,722 is sitting on the balance sheet as a loan at the year end.

9 Analysis of funds

	Incoming resources	Resources expended	At 31 March 2011
	£	£	£
General Funds			
Unrestricted income fund	2,608	(4,334)	(1,726)

10 Net assets by fund

	Unrestricted Funds	Total Funds 2011
	£	£
Current assets	3,996	3,996
Creditors: Amounts falling due within one year	(5,722)	(5,722)
Net assets	(1,726)	(1,726)