

REGISTERED COMPANY NUMBER: SC059329 (Scotland)
REGISTERED CHARITY NUMBER: SC005604

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021
FOR**

**THE BENEVOLENT SOCIETY OF THE LICENSED
TRADE OF SCOTLAND**



MISSION STATEMENT

The BEN's aim is to make a real difference to the lives of former colleagues, young and old, from the licensed trade in Scotland who are suffering severe hardship and have nowhere else to turn for the support we provide.

Whether it's providing financial assistance, a roof over someone's head or the hand of friendship, we give our time and your money to provide a vital lifeline to people in serious need.

Help us help them.

Milne Craig
Chartered accountants
Statutory auditor
Abercorn House
79 Renfrew Road
Paisley
Renfrewshire
PA3 4DA

**THE BENEVOLENT SOCIETY OF THE LICENSED
TRADE OF SCOTLAND**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

	Page
Notice of Meeting	1
Report of the Trustees	2 to 8
Report of the Independent Auditors	9 to 11
Statement of Financial Activities	12
Balance Sheet	13
Notes to the Financial Statements	14 to 25

**THE BENEVOLENT SOCIETY OF THE LICENSED
TRADE OF SCOTLAND**

NOTICE OF MEETING FOR THE YEAR ENDED 28 FEBRUARY 2021

NOTICE is hereby given that the FORTY THIRD ANNUAL GENERAL MEETING of the Benevolent Society of the Licensed Trade of Scotland will be held by conference call on Thursday 22 April 2021 at 11.00 a.m. to transact the following business:-

Ordinary Business

1. To receive and adopt the Directors' Report and the Statement of Accounts for the year ended 28 February 2021.
2. To elect the President.
3. To elect Directors.
4. To appoint auditors.
5. To transact any other ordinary business.

By order of the Board
Chris Gardner, Chief Executive

Notes

A member entitled to vote at the meeting may appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Society. A form of proxy is attached overleaf and should be lodged at the Registered Office at least 48 hours before the commencement of the meeting.

**THE BENEVOLENT SOCIETY OF THE LICENSED
TRADE OF SCOTLAND**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 28 FEBRUARY 2021**

The trustees present their annual trustees' report together with the financial statements of the charity for the year ending 28 February 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charity's objectives are set out in its Memorandum and Articles of Association. The Charity achieves its objectives by providing donations and grants. These payments are in the form of holiday gifts, Christmas gifts and twice yearly pension payments together with one off ad hoc amounts. Individuals apply by application and subsequently receive a visit to establish the level of need. This level of need determines the type of grant received e.g. one off grants are given in emergency situations whereas pensions are given to aid with day to day living.

The charity worked in partnership with the Drinks Trust and Hospitality Health amongst others to ensure the most relevant use of resources.

ACHIEVEMENT AND PERFORMANCE

Achievements, Performance and Financial Review

Overview

The year to 28 February 2021 has been an unprecedented period with the health care crisis and global restrictions due to the COVID-19 pandemic. It is no exaggeration to say that this has been an existential threat to our industry, and therefore to The BEN. When the first lockdown struck in March 2020 we got on the front foot with a series of communications through trade press to remind our beneficiaries, and the wider trade, that we were here to help those in financial peril.

It did not become apparent until later in the year and the return to lockdowns in Autumn and Winter that our own ability to ensure a smooth flow of revenue was to be hampered severely with all fundraising events cancelled - including the traditional Ben Barrel Ball in October 2020, and the signature Ben Dinner in February 2021.

Impact on Income

Corporate and non-corporate supporters generously donated to assist The BEN in helping Hospitality sector employees past and present, affected by the closure of the Hospitality industry, and in lieu of our more traditional fundraising endeavours being cancelled.

Our sole sources of income for the year were from donations, in some cases one-off donations from generous corporate members, online fundraising (e.g. through JustGiving), and with other activities such as:

- A successful online Whisky Auction held in December 2020 raised £33,651.
- The BEN marked the occasion of the annual BEN dinner with an online auction which generated £12,947. This falls short of the normal fundraising from the events but continued to support the good work of the charity.

**THE BENEVOLENT SOCIETY OF THE LICENSED
TRADE OF SCOTLAND**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 28 FEBRUARY 2021**

Investment Update

It is the policy of the charity to maintain free reserves at a level which equates to approximately six months unrestricted expenditure. There are adequate reserves to cover this situation. In accordance with the Memorandum and Articles of Association, the trustees have the power to invest in such stocks, share and investments and property in the United Kingdom as they see fit, and we currently use Tilney Investment Management to advise us in this area.

During this period we continued to liaise with our stockbrokers to ensure our investments were safe. Following volatility in the stock market The BEN benefitted from a net gain on investment of £42,915. Thus the total funds carried forward has increased by £47,500.

The market value of the investment portfolio at 28 February 2021 is £1,620,861, providing The BEN with a continued safety net for, it is hoped, generations to come. Following a worldwide downward trend in stock market in the early part of the year, the closing value of our investment is slightly greater than the previous year. These investments generated an income of £44,217, and although this was £8,799 lower than the previous year, these generated funds have been crucial in actively supporting the beneficiaries of The BEN in this difficult year.

Who we helped

In relation to grants and monies paid out to those in need, it is fair to say that the COVID-19 pandemic saw unprecedented demand for assistance from The BEN, largely from employees in the hospitality and drinks sector.

- The BEN gifted £82,058 of grants to beneficiaries, affected by the COVID pandemic - some of whom faced the most difficult of circumstances.
- A further £136,063 of funds was distributed to the existing and new beneficiaries who required ongoing assistance.
- The BEN performed the administration in Scotland for the Drinks Trust Covid fund and 500 people benefitted from this. Once the fund was closed, the remainder, amounting to £22,982 was transferred to enable the BEN to distribute this to future applicants, from the drinks industry, who were in need.

After our various grants and gifts, The BEN generated a small surplus (before investment gains) of £4,585.

Pitlochry Estate Update

We continue to maintain The Pitlochry Estate to a high standard, using external expertise and the site is monitored for ongoing maintenance and improvements. During the year The BEN utilised £15,594 of their committed funds. The properties have been electrician certified in the year, and a number of the properties have had major work performed. As properties fall temporarily vacant, necessary work is being performed prior to the new tenant taking occupancy. Ongoing research is being undertaken to assess suitable replacement of the heating systems in the properties. This has been hampered by restrictions brought in by the government to control the pandemic. However site surveys, potential grants applications, and the weighing up of costs and benefits of the various heating systems available should ensure that affordable heating system will be fitted as soon as is practicable and affordable.

The Pitlochry Estate was revalued in 2018, and it continues to maintain its value in the financial statements.

**THE BENEVOLENT SOCIETY OF THE LICENSED
TRADE OF SCOTLAND**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 28 FEBRUARY 2021**

Partnerships

The BEN are committed to extend the methods of their assistance to the current and past employees of the licensed trade, including through working in partnership with other organisations.

- The Respitality project at Pitlochry has been postponed due to the ongoing travel restrictions, and in order for the long term residents to feel safe. This initiative focused on giving Carers of the elderly and infirm the opportunity for a short break. One of the cottages is usually utilised to support this initiative and it offers carers the opportunity of a short break four to five day respitality break. We hope to see this service offered again as lockdown restrictions ease.
- This year saw The BEN work with Breathing Space to assist their Mental Health campaign. We used Facebook, Twitter and LinkedIn to issue a permanent stream of flyers and adverts for the free mental health helpline for those in the trade who are struggling mentally with life whether as a result of lockdown or otherwise. We will continue to monitor the progress of who we have been able to help.
- As in the past year The BEN continue to work with the Scottish Licensed Trade Association (SLTA) and the Hospitality Industry Trust of Scotland (HIT) to sponsor 5 students scholarships, which allows individuals starting out in the licensed trade to benefit from bespoke training programmes.
- We also continue to support Best Bar None as a sponsor and although the 2020 Awards were cancelled, we have remained committed to support BBN and look forward to seeing them get up and running again.

Our Ambassadors

Our Ambassadors are the lifeblood of The BEN. They visit our many beneficiaries acting as a link and a friendly face, as well as helping with fundraising and relationships with our many supporters and sponsors. The Ambassadors for The BEN are committed to visit each beneficiary at least twice a year to assess needs and also to provide social support as required. This year was, of course, somewhat different. Our Ambassadors rose to the occasion utilising remote support with telephone calls to beneficiaries to ensure their continued welfare and provided invaluable support to the Trustees in fund raising and sourcing of auction prizes.

Our Board

The board of trustees continues to evolve as new members join and others step down. We welcomed new trustees, and said farewell to those whose time it was to step down, or who had to leave for work or other reasons. We thank John Hutchison for his efforts whilst President and who has now stepped away due to work commitments.

We continue to strive to have the appropriate skill and headcount to meet our current and projected requirements and continue to ensure we discuss succession planning.

**THE BENEVOLENT SOCIETY OF THE LICENSED
TRADE OF SCOTLAND**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 28 FEBRUARY 2021**

FUTURE DEVELOPMENTS

We are continuing our review of our long term income and expenditure.

It is expected that fund raising events will recommence as the current restrictions are eased but we are taking a prudent view as to how quickly this will occur and it is clear we will need to reach out to our corporate and non-corporate supporters to assist The BEN in these difficult times.

The Respitality Project will continue to be supported during the coming year as the government restrictions permit. In previous years it has been a huge success with the house being full for most of the year.

We envisage the Mental Health campaign will continue to strengthen in the coming year. We would intend, at some point, to re-start the Roadshows in all corners of Scotland which are targeted to educate management of licensed trade premises to support their staff and promote the work of The BEN.

The use of social media to push this campaign to a wider community will be under taken by the continued support of our PR and marketing consultants Inbound Hound whose services have been engaged for a further year.

During these difficult financial times, we have decided to remain with our current investment advisors, to provide stability to our investment and assist in generating a suitable level of income based on our risk assessment. The board assess the need as to the best investment path available to utilise The BEN's funds in the most efficient way.

**THE BENEVOLENT SOCIETY OF THE LICENSED
TRADE OF SCOTLAND**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 28 FEBRUARY 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure, Governance and Management

The principal activity of the Society, as set out in its Memorandum and Articles of Association, is "the provision of relief or assistance for persons in necessitous or distressed circumstances who are, or have been, connected with the Licensed Trade in Scotland and the dependants of such persons". The number of Trustees on the Board has an upper limit of eleven or such other number as may be deemed from time to time by ordinary resolution of The BEN. The number shall not be fewer than three.

New Trustees are approached by recommendation from members of the trade and proposed for election at board meetings and formally elected at the A.G.M. The Trustees receive an induction pack and receive regular briefing on their responsibilities taken from the Charities Commission and OSCR websites.

Day to day running is performed by the Chief Executive. The Board have full quarterly board meetings. The Trustees plus co-opted members assist the Chief Executive in organisation of events. The board retires by rotation having served a three year term, but may serve a maximum of six years if required.

The President retires from office annually unless the Trustees agree to extend the appointment of President for a maximum of a further year.

The Trustees have been actively addressing the points stemming from the company's Risk Register, compiled under the OSCR best practice guidelines. Trustees receive an induction pack and receive regular briefing on their responsibilities taken from the Charities Commission and OSCR websites. The office assistant has left for a job closer to home and The BEN Ambassadors assist the Chief Executive and the Trustees with various projects throughout the year.

Key management remuneration

Key management is the Chief executive whose remuneration is agreed by the board of directors.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC059329 (Scotland)

Registered Charity number

SC005604

Registered office

79 West Regent Street
Glasgow
G2 2AW

**THE BENEVOLENT SOCIETY OF THE LICENSED
TRADE OF SCOTLAND**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 28 FEBRUARY 2021**

REFERENCE AND ADMINISTRATIVE DETAILS

Board of Directors

President	J Hutchison	Heineken UK Ltd. (resigned 11.2.21)
Interim President	S McGowan	TLT LLP (resigned 22.4.21, reappointed as director 22.4.21)
Vice President	W Paul	Paramount Creative (resigned 22.4.21, appointed President 22.4.21)
Directors	D McGowan C Conaghan G Cooper S Annand G Kyle A Johnstone M Phillips	Broughton Ales (resigned 22.4.21) Edrington Beam Suntory Diageo G.B. (appointed 23.4.20) Inverarity Morton (appointed 23.4.20) Tennent Caledonian Breweries (appointed 23.4.20) Molson Coors Breweries (appointed 23.4.20) Pernod Ricard (appointed 23.4.20)

The Chief Executive is Chris Gardner who is responsible for the day to day running of the charity. The Patron is Paul Waterson.

Auditors

Milne Craig Chartered Accountants
Statutory Auditor
Abercorn House
79 Renfrew Road
Paisley
PA3 4DA

Bankers

Bank of Scotland
54/62 Sauchiehall Street
Glasgow
G2 3AH

Solicitors

Maclay Murray & Spens
151 St. Vincent Street
Glasgow
G2 5NJ

Portfolio investment managers

Tilney Investment Management
130 St. Vincent Street
Glasgow
G2 5SE

**THE BENEVOLENT SOCIETY OF THE LICENSED
TRADE OF SCOTLAND**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 28 FEBRUARY 2021**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Benevolent Society of The Licensed Trade of Scotland for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Milne Craig, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 29th March 2021 and signed on its behalf by:



S J MCGOWAN - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF
THE BENEVOLENT SOCIETY OF THE LICENSED
TRADE OF SCOTLAND**

Opinion

We have audited the financial statements of The Benevolent Society of The Licensed Trade of Scotland (the 'charitable company') for the year ended 28 February 2021 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 28 February 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF
THE BENEVOLENT SOCIETY OF THE LICENSED
TRADE OF SCOTLAND**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

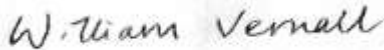
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF
THE BENEVOLENT SOCIETY OF THE LICENSED
TRADE OF SCOTLAND**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



William Vernall BA CA (Senior Statutory Auditor)
for and on behalf of Milne Craig
Chartered accountants
Statutory auditor
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Abercorn House
79 Renfrew Road
Paisley
Renfrewshire
PA3 4DA

29th March 2021

**THE BENEVOLENT SOCIETY OF THE LICENSED
TRADE OF SCOTLAND**

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 28 FEBRUARY 2021**

	Notes	Unrestricted funds £	Restricted fund £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	338,412	22,982	361,394	115,940
Other trading activities	3	-	-	-	271,877
Investment income	4	<u>87,865</u>	<u>-</u>	<u>87,865</u>	<u>100,381</u>
Total		426,277	22,982	449,259	488,198
 EXPENDITURE ON					
Raising funds	5	10,348	-	10,348	128,492
Charitable activities					
Grant making	6	218,121	22,800	240,921	220,432
Beneficiaries support and assistance		35,514	-	35,514	41,673
Running of Pitlochry estate		37,299	-	37,299	47,206
Mental health awareness campaign		-	-	-	7,549
Central office and charity costs		120,592	-	120,592	120,283
Total		<u>421,874</u>	<u>22,800</u>	<u>444,674</u>	<u>565,635</u>
Net gains on investments		<u>42,915</u>	<u>-</u>	<u>42,915</u>	<u>3,231</u>
NET INCOME/(EXPENDITURE)		47,318	182	47,500	(74,206)
 RECONCILIATION OF FUNDS					
Total funds brought forward		<u>2,458,365</u>	<u>-</u>	<u>2,458,365</u>	<u>2,532,571</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>2,505,683</u></u>	<u><u>182</u></u>	<u><u>2,505,865</u></u>	<u><u>2,458,365</u></u>

The notes form part of these financial statements

**THE BENEVOLENT SOCIETY OF THE LICENSED
TRADE OF SCOTLAND**

**BALANCE SHEET
28 FEBRUARY 2021**

	Notes	Unrestricted funds £	Restricted fund £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	11	534,000	-	534,000	539,500
Investments	12	<u>1,620,861</u>	<u>-</u>	<u>1,620,861</u>	<u>1,566,925</u>
		2,154,861	-	2,154,861	2,106,425
CURRENT ASSETS					
Debtors	13	-	-	-	4,893
Prepayments and accrued income		52,071	-	52,071	(6,550)
Cash in hand		<u>298,751</u>	<u>182</u>	<u>298,933</u>	<u>353,597</u>
		350,822	182	351,004	351,940
NET CURRENT ASSETS		<u>350,822</u>	<u>182</u>	<u>351,004</u>	<u>351,940</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>2,505,683</u>	<u>182</u>	<u>2,505,865</u>	<u>2,458,365</u>
NET ASSETS		<u><u>2,505,683</u></u>	<u><u>182</u></u>	<u><u>2,505,865</u></u>	<u><u>2,458,365</u></u>
FUNDS					
Unrestricted funds	14			2,505,683	2,458,365
Restricted funds				<u>182</u>	<u>-</u>
TOTAL FUNDS				<u><u>2,505,865</u></u>	<u><u>2,458,365</u></u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 29th March 2021 and were signed on its behalf by:



S J MCGOWAN - Trustee



W R PAUL - Trustee

The notes form part of these financial statements

**THE BENEVOLENT SOCIETY OF THE LICENSED
TRADE OF SCOTLAND**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Benevolent Society of The Licensed Trade of Scotland meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Preparation of accounts on a going concern basis

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. There were no significant areas of adjustment and with respect to the next reporting period, no significant areas of uncertainty.

Critical accounting judgements & key sources of estimation uncertainty

Assets are considered for indications of impairment. If required an impairment review will be carried out and a decision made on possible impairment. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Bad debts are provided for where objective evidence of the need for a provision exists.

Financial reporting standard 102 - reduced disclosure exemptions

The charitable company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donations, are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

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

Expenditure

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

**THE BENEVOLENT SOCIETY OF THE LICENSED
TRADE OF SCOTLAND**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2021**

1. ACCOUNTING POLICIES - continued

Expenditure

Expenditure is classified under the following activity headings:

- Costs of raising funds comprise of the costs of holding fundraising events and portfolio managers' fee.
- Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Grants payable are included in the period to which they relate. All grants made are to individuals who needs are assessed by Ambassadors who report to the board of trustees. Honoraria and costs of the Ambassadors are shown within charitable activities.

Allocation and apportionment of costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's programmes and activities. These costs have been allocated to expenditure on charitable activities.

Tangible fixed assets

The Charity's policy is not to capitalise fixtures and fittings, these are expended through the SoFA. The gold chains of office are carried at replacement cost. The market value of these is greater than the book value, however the difference is not material and they have been insured for their replacement cost. The Pitlochry Estate is carried at a deemed cost on transition to FRS102 less depreciation. It is regarded as a trading property as rental income is received from the estate. The Pitlochry Estate is maintained to a high standard with ongoing maintenance and improvements.

Depreciation is provided at the following annual rate in order to write off each asset over its estimated useful life.

Land	Not depreciated
Property	2% of cost

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities shows the combined net gains and losses arising on revaluation and disposals throughout the year.

The charity does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Taxation

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

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

**THE BENEVOLENT SOCIETY OF THE LICENSED
TRADE OF SCOTLAND**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2021**

1. ACCOUNTING POLICIES - continued

Fund accounting

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Debtors

Trade and other debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

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 transactions 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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, 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.

**THE BENEVOLENT SOCIETY OF THE LICENSED
TRADE OF SCOTLAND**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2021**

2. DONATIONS AND LEGACIES

	General Fund £	Drinks Trust £	Total Year 2021 £	Total Year 2020 £
Association and events	234,814	22,982	257,796	62,830
Presidents appeal - company donations	100,050	-	100,050	47,750
Individual donations	2,450	-	2,450	2,310
200 Club donations	468	-	468	520
Presidents appeal - membership	<u>630</u>	<u>-</u>	<u>630</u>	<u>2,530</u>
	<u>338,412</u>	<u>22,982</u>	<u>361,394</u>	<u>115,940</u>

The BEN performed the administration in Scotland for the Drinks Trust Covid fund. Once the fund was closed, the remainder, amounting to £22,982 was transferred to enable the BEN to distribute this to future applicants, from the drinks industry, who were in need. The monies can only be used for the drinks sector as opposed to the drinks and hospitality sector, therefore, this income is restricted.

3. OTHER TRADING ACTIVITIES

	General Fund £	Drinks Trust £	Total Year 2021 £	Total Year 2020 £
Fundraising Events				
Annual dinner 2020	-	-	-	146,413
Annual dinner prize draw for car	-	-	-	18,325
Barrel ball	-	-	-	60,134
Ladies event	-	-	-	8,550
Pro-Am golf tournament Edinburgh	-	-	-	23,630
Pro-Am golf Dunbar	-	-	-	3,380
Mar Hall Golf	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,445</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>271,877</u>

4. INVESTMENT INCOME

	General Fund £	Drinks Trust £	Total Year 2021 £	Total Year 2020 £
Income from investments	44,217	-	44,217	53,016
Income from tax credits	1,517	-	1,517	5,187
Bank interest received	119	-	119	447
Rents & insurance proceeds	<u>42,012</u>	<u>-</u>	<u>42,012</u>	<u>41,731</u>
	<u>87,865</u>	<u>-</u>	<u>87,865</u>	<u>100,381</u>

**THE BENEVOLENT SOCIETY OF THE LICENSED
TRADE OF SCOTLAND**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2021**

5. EXPENDITURE ON RAISING FUNDS

	General Fund £	Drinks Trust £	Total Year 2021 £	Total Year 2020 £
Fundraising Events				
Annual dinner 2020	-	-	-	56,481
Quiz night	-	-	-	100
Barrel ball	-	-	-	35,279
Ladies event	-	-	-	4,718
Pro-Am golf tournament Edinburgh	-	-	-	15,059
Mar Hall Golf	-	-	-	6,007
	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,644</u>
Investment managers' fees	<u>10,348</u>	<u>-</u>	<u>10,348</u>	<u>10,848</u>
	<u><u>10,348</u></u>	<u><u>-</u></u>	<u><u>10,348</u></u>	<u><u>128,492</u></u>

**THE BENEVOLENT SOCIETY OF THE LICENSED
TRADE OF SCOTLAND**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2021**

6. CHARITABLE ACTIVITIES COSTS

	General Fund £	Drinks Trust £	Total Year 2021 £	Total Year 2020 £
Grant making				
Pensions	94,054	-	94,054	125,856
Grants	82,058	-	82,058	32,503
Holiday gifts	21,318	-	21,318	32,186
Christmas gifts	20,691	-	20,691	29,887
Drinks Trust	-	22,800	22,800	-
	<u>218,121</u>	<u>22,800</u>	<u>240,921</u>	<u>220,432</u>
Beneficiaries support and assistance				
Ambassadors honorarium and expenses	<u>35,514</u>	-	<u>35,514</u>	<u>41,673</u>
Running of the Pitlochry estate				
Refurbishment	14,012	-	14,012	15,790
Repairs and maintenance	9,658	-	9,658	14,240
Heat and light	1,582	-	1,582	2,978
Management fees	4,375	-	4,375	8,698
Depreciation	5,500	-	5,500	5,500
Insurance	<u>2,172</u>	-	<u>2,172</u>	-
	<u>37,299</u>	-	<u>37,299</u>	<u>47,206</u>
Mental health awareness campaign	-	-	-	<u>7,549</u>
Central office and charity costs				
<u>Direct costs</u>				
Salaries and social security	64,264	-	64,264	60,431
Pension costs	9,294	-	9,294	7,864
Medical insurance	4,598	-	4,598	4,495
Office rent, heat, light and insurance	8,459	-	8,459	8,611
Office equipment and maintenance	1,967	-	1,967	1,545
Stationery, postage and photocopier	745	-	745	2,030
Printing	2,693	-	2,693	2,028
Telephone and internet	1,627	-	1,627	1,654
Public relations and marketing costs	10,961	-	10,961	10,650
Travel and meeting expenses	102	-	102	1,227
General expenses	3,258	-	3,258	4,573
Bank charges and interest	<u>582</u>	-	<u>582</u>	<u>195</u>
	<u>108,550</u>	-	<u>108,550</u>	<u>105,303</u>
<u>Support costs</u>				
Accountancy	6,522	-	6,522	7,780
Legal fees	-	-	-	1,500
Auditors' remuneration	<u>5,520</u>	-	<u>5,520</u>	<u>5,700</u>
	<u>12,042</u>	-	<u>12,042</u>	<u>14,980</u>
	<u>120,592</u>	-	<u>120,592</u>	<u>120,283</u>

**THE BENEVOLENT SOCIETY OF THE LICENSED
TRADE OF SCOTLAND**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2021**

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Auditors' remuneration	5,520	5,700
Depreciation - owned assets	<u>5,500</u>	<u>5,500</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 28 February 2021 nor for the year ended 29 February 2020.

Trustees' expenses

There were no expenses reimbursed to trustees during the year ended 28 February 2021 (2020: £nil).

9. STAFF COSTS

The average monthly number of employees during the year was as follows:

	2021	2020
Head Office Staff	2	2
Ambassadors	<u>7</u>	<u>8</u>
	<u>9</u>	<u>10</u>

No employees received emoluments in excess of £60,000.

None of the Directors have received any remuneration or compensation during the year. Details of Trustees' expenses can be seen in note 8.

The key management personnel of the group is the chief executive officer whose employee benefits total £55,059 (2020: £50,107).

The £4,952 increase of employee benefits to the chief executive officer reflects holiday days that were paid rather than taken due to the increased workload in 2020. No pay rises were given to any employees.

**THE BENEVOLENT SOCIETY OF THE LICENSED
TRADE OF SCOTLAND**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2021**

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	115,940	-	115,940
Other trading activities	271,877	-	271,877
Investment income	<u>100,381</u>	<u>-</u>	<u>100,381</u>
Total	488,198	-	488,198
EXPENDITURE ON			
Raising funds	128,492	-	128,492
Charitable activities			
Grant making	220,432	-	220,432
Beneficiaries support and assistance	41,673	-	41,673
Running of Pitlochry estate	47,206	-	47,206
Mental health awareness campaign	7,549	-	7,549
Central office and charity costs	<u>120,283</u>	<u>-</u>	<u>120,283</u>
Total	565,635	-	565,635
Net gains on investments	<u>3,231</u>	<u>-</u>	<u>3,231</u>
NET INCOME/(EXPENDITURE)	(74,206)	-	(74,206)
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>2,532,571</u>	<u>-</u>	<u>2,532,571</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>2,458,365</u></u>	<u><u>-</u></u>	<u><u>2,458,365</u></u>

**THE BENEVOLENT SOCIETY OF THE LICENSED
TRADE OF SCOTLAND**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2021**

11. TANGIBLE FIXED ASSETS

	Pitlochry Estate £	Gold chains of office £	Totals £
COST			
At 1 March 2020 and 28 February 2021	<u>550,000</u>	<u>17,000</u>	<u>567,000</u>
DEPRECIATION			
At 1 March 2020	27,500	-	27,500
Charge for year	<u>5,500</u>	<u>-</u>	<u>5,500</u>
At 28 February 2021	<u>33,000</u>	<u>-</u>	<u>33,000</u>
NET BOOK VALUE			
At 28 February 2021	<u>517,000</u>	<u>17,000</u>	<u>534,000</u>
At 29 February 2020	<u>522,500</u>	<u>17,000</u>	<u>539,500</u>

Included in cost or valuation of land and buildings is freehold land of £275,000 which is not depreciated.

12. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 March 2020	1,566,925
Additions	233,318
Disposals	(233,979)
Revaluations	<u>54,597</u>
At 28 February 2021	<u>1,620,861</u>
NET BOOK VALUE	
At 28 February 2021	<u>1,620,861</u>
At 29 February 2020	<u>1,566,925</u>

There were no investment assets outside the UK.

The historic cost of the above investments at 28 February 2021 was £1,359,119 (2020: £1,355,970).

At 28 February 2021 the portfolio was invested as follows:

	2021 £	2020 £
UK Equity shares and Unit Trusts	1,316,061	1,317,262
UK Government Bonds	45,870	93,516
Corporate Bonds	148,434	59,068
Other Fixed Interest	<u>110,496</u>	<u>97,079</u>
	<u>1,620,861</u>	<u>1,566,925</u>

**THE BENEVOLENT SOCIETY OF THE LICENSED
TRADE OF SCOTLAND**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2021**

12. FIXED ASSET INVESTMENTS - continued

At 28 February 2021 there were no investments representing more than 5% of the portfolio by market value.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Taxation recoverable	<u>-</u>	<u>4,893</u>

14. MOVEMENT IN FUNDS

	At 1/3/20 £	Net movement in funds £	At 28/2/21 £
Unrestricted funds			
General fund	2,458,365	47,318	2,505,683
Restricted funds			
Drinks Trust	-	182	182
TOTAL FUNDS	<u>2,458,365</u>	<u>47,500</u>	<u>2,505,865</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	426,277	(421,874)	42,915	47,318
Restricted funds				
Drinks Trust	22,982	(22,800)	-	182
TOTAL FUNDS	<u>449,259</u>	<u>(444,674)</u>	<u>42,915</u>	<u>47,500</u>

**THE BENEVOLENT SOCIETY OF THE LICENSED
TRADE OF SCOTLAND**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2021**

14. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/3/19 £	Net movement in funds £	At 29/2/20 £
Unrestricted funds			
General fund	2,532,571	(74,206)	2,458,365
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>2,532,571</u>	<u>(74,206)</u>	<u>2,458,365</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	488,198	(565,635)	3,231	(74,206)
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>488,198</u>	<u>(565,635)</u>	<u>3,231</u>	<u>(74,206)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/3/19 £	Net movement in funds £	At 28/2/21 £
Unrestricted funds			
General fund	2,532,571	(26,888)	2,505,683
Restricted funds			
Drinks Trust	-	182	182
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>2,532,571</u>	<u>(26,706)</u>	<u>2,505,865</u>

**THE BENEVOLENT SOCIETY OF THE LICENSED
TRADE OF SCOTLAND**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2021**

14. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	914,475	(987,509)	46,146	(26,888)
Restricted funds				
Drinks Trust	22,982	(22,800)	-	182
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>937,457</u>	<u>(1,010,309)</u>	<u>46,146</u>	<u>(26,706)</u>

Restricted funds

Drinks Trust

The purpose of this fund is explained in note 2 on page 12.

15. RELATED PARTY DISCLOSURES

During the year the charity incurred costs of £2,363 from a company in which W R Paul (trustee) is a director. All of these transactions were made at cost.

