THE GURKHA WELFARE TRUST

England & Wales · Charity number 1103669

Details

Status	Registered
Legal form	Charitable company
Company number	05098581
Registered	2004-05-10
Register	View on the Charity Commission register

Contact

Address	The Gurkha Welfare Trust Po Box 2170 22 Queen Street Salisbury SP2 2EX
Phone	01722323955
Email	info@gwt.org.uk
Website	www.gwt.org.uk

Activities

Objects: Objects 4. The Objects are specifically restricted to the following: (1) to relieve either generally or individually Gurkhas and/or their Dependants wherever resident and/or any other persons from time to time residing in Gurkha Community Areas who are, in either case, in conditions of need, hardship or distress; (2) to advance the education of Gurkhas and/or their Dependants wherever resident and/or any other persons from time to time residing in Gurkha Community Areas; (3) to make provision for the medical diagnosis and treatment of Gurkhas and/or their Dependants wherever resident and/or any other persons from time to time residing in Gurkha Community Areas who, in either case, are in need of such diagnosis or treatment and for the prevention of any disease or adverse conditions which may affect any such person; and (4) such other charitable purposes which are in the opinion of the Trustee-Directors connected directly or indirectly with the foregoing purposes as the Trustee-Directors from time to time think fit. Nothing in the Articles shall authorise an application of the property of the Charity for purposes which are not charitable in accordance with section 7 of the Charities and Trustee Investment (Scotland) Act 2005 and/or section 2 of the Charities Act (Northern Ireland) 2008.

Activities: The Gurkha Welfare Trust is the leading Gurkha charity. We provide financial, medical and development aid to Gurkha veterans, their families and communities.

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Classification

- **How:** Makes Grants To Individuals, Provides Buildings/facilities/open Space
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, The Prevention Or Relief Of Poverty, Overseas Aid/famine Relief, Accommodation/housing
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin

Geography

- **Area of benefit:** NATIONAL AND OVERSEAS
- India
- Nepal
- Scotland

Finances

Period end	Income	Expenditure	Assets	Employees
2025-06-30	£26,571,000	£24,788,000	£70,542,000	524
2024-06-30	£27,954,000	£24,466,000	£64,611,000	533
2023-06-30	£24,599,000	£24,444,000	£58,332,000	537
2022-06-30	£25,512,000	£22,705,000	£53,899,000	521
2021-06-30	£22,046,000	£20,554,000	£56,967,000	515

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Trustees

Name	Role	Appointed
Major General Gerald Mark Strickland DSO MBE	Chair	2024-09-13
Ann Levin		2019-12-12
Brigadier Jody Davies MBE		2023-12-14
Colonel David John Robinson		2021-11-12
Dr Alison Jane Everest		2024-12-10
Hemchandra Rai MBE BEM		2020-12-10
John Geoffrey Rupert David		2020-12-10
Patrick Mark Allan Grant		2020-12-10
Ranjani Kearsley		2023-04-13
Stephen Cooper		2019-09-11

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THE GURKHA WELFARE TRUST

England & Wales - Charity number 1103669

Accounts

THE GURKHA WELFARE TRUST

The Gurkha Welfare Trust

Annual Report & Accounts

1 July 24 - 30 June 25

TRUSTEES, OFFICIALS AND ADVISORS TO THE TRUST

PATRON

King Charles III

VICE-PATRON

Dame Joanna Lumley DBE

TRUSTEE DIRECTORS

Lieutenant General R Wardlaw CB OBE (Chair)* (to 13 September 2024)

Major General G M Strickland DSO MBE (Chair)* (from 13 September 2024)

S J Cooper Esq

J G R David Esq

Brigadier J P Davies MBE ***

Colonel (Retd) Dr A J Everest BSc, MB ChB, FRCGP (from 10 December 2024)

P M A Grant Esq

Mrs R Kearsley

Dr J D Keeling MBA, MB BS, FRCGP, DRCOG (to 10 December 2024)

Mrs A E Levin

Major (Retd) Hemchandra Rai MBE BEM

Colonel D J Robinson **

AUDIT AND FINANCE COMMITTEES

S J Cooper Esq (Chair)

Colonel (Retd) Dr A J Everest BSc, MB ChB, FRCGP (from 10 December 2024)

Mrs R Kearsley

Dr J D Keeling MBA, MB BS, FRCGP, DRCOG (to 10 December 2024)

INVESTMENT COMMITTEE

P M A Grant (Chair)

J G R David Esq

Brigadier M J Fayers****

P M Rigg Esq

A Brown Esq

GOVERNANCE COMMITTEE

Mrs A E Levin (Chair)

Brigadier J P Davies MBE ***

Colonel D J Robinson **

MEMBERS

Major General J L Clark CBE ****

Brigadier M J Fayers ****

Brigadier P S Reehal MBE **** (to 28 June 2025)

Major General G M Strickland DSO MBE **** (to 13 September 2024)

Colonel G R Sugdon**** (from 28 June 2025)

Brigadier D T Pack MBE **** (from 13 September 2024)

** Ex officio Trustee - Colonel Commandant Brigade of Gurkhas*

*** Ex officio Trustee - Colonel Brigade of Gurkhas*

**** Nominated - Gurkha Brigade Association*

***** Nominated - The Royal Gurkha Rifles, The Queen's Gurkha Engineers, The Queen's Gurkha Signals and The Queen's Own Gurkha Logistic Regiment*

SENIOR MANAGEMENT TEAM – GURKHA WELFARE TRUST AT 30 JUNE 2025

Al Howard Esq - CEO

Francine Coles - Head of Finance

Vikki Furse - Head of Fundraising and Communications

Colonel (Retd) Richard Goodman MBE - COS and Company Secretary

Captain (Retd) Nirmal Gurung - Head of Gurkha Welfare (UK)

SENIOR MANAGEMENT TEAM – GURKHA WELFARE TRUST (NEPAL) AT 30 JUNE 2025

Lieutenant Colonel Johnny Fenn QOGLR - Field Director

Captain (Retd) Phatta Bahadur Gurung - Deputy Field Director

Dr Gerda Pohl - Medical Director

Aahat Regmi Esq - Finance Director

Deepak Shrestha Esq - Programme Director

DIRECTOR GURKHA WELFARE TRUST (NEPAL)

Colonel Dan Rex MVO*

** Defence Attaché - providing advice on political and military affairs, focal point for veterans groups and in-country assurance.*

INVESTMENT MANAGERS

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Juxon House
100 St Paul's Churchyard
London
EC4M 8BU

CCLA Investment Management Ltd
One Angel Lane
London
EC4R 3AB

BANKERS

The Royal Bank of Scotland
Lawrie House
Victoria Road
Farnborough
GU14 7NR

HSBC Bank plc
90 Baker Street
London
W1U 6AX

SOLICITOR

Wilsons Solicitors
Alexandra House
St Johns Street
Salisbury
SP1 2SB

AUDITORS

Crowe U.K. LLP
4th Floor, St James House
St James' Square
Cheltenham
GL50 3PR

REGISTERED ADDRESS

The Gurkha Welfare Trust
PO Box 2170
22 Queen Street
Salisbury
SP2 2EX

Company Limited by Guarantee
Number: 05098581
Registered Charity Number: 1103669

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WELCOME
FROM THE CHAIR

It gives me great pride to introduce this year's report for The Gurkha Welfare Trust (GWT), an organisation that continues to stand steadfast in its mission to provide for the essential needs of our veterans and their families. For over half a century, the GWT has been a pillar of support, ensuring that those who served with such loyalty and courage for the British Crown receive the dignity, care, and assistance they so richly deserve.

This year has once again demonstrated both the importance of our work and the challenges under which it is often delivered. The monsoon season of September 2024 brought unprecedented rainfall to many regions of Nepal. Several of our welfare teams were temporarily cut off by landslides and flooding, leaving them isolated in remote and hazardous conditions. Among those affected were a number of serving Gurkhas, home on leave with their families. Thanks to the close cooperation between our in-country staff, the British Embassy, and other local partners, all those trapped were successfully evacuated by helicopter - the only viable means of rescue.

This incident perfectly encapsulates the spirit of partnership and resilience that defines the Gurkha community and all those who support them. It highlighted the professionalism of our teams in Nepal, who continue to deliver life-changing support in the most challenging of environments, and the strength of collaboration between the various British and Nepali agencies working towards a shared purpose.

In May, the Board endorsed the budget for the forthcoming financial year. As part of this process, careful consideration was given to the continuing economic pressures and fluctuating exchange rates. While a persistently strong exchange rate has offered value for money in delivering our operations in Nepal, it has also given us headroom to increase funding to our core charitable beneficiaries, allowing us to increase the rate of our welfare pension above inflation, and to make more generous provision for care givers who do so much to support our elderly veterans. This reflects our continued focus on those who need our support the most.

The achievements of the past year are a testament to the dedication and professionalism of our teams, both in Nepal and here in the United Kingdom. Their tireless efforts in raising the funds required to sustain our vital programmes, and in delivering the full spectrum of welfare support - from financial aid and medical care to community development and disaster response - have been truly outstanding. And of course none of this would be possible without the generosity of our donors who through their contributions reflect enduring respect and affection for Britain's Gurkhas.

We continue, however, to operate in a world marked by uncertainty. Ongoing global conflicts, shifting economic conditions, and the lingering after-effects of recent crises all pose challenges to the security and stability upon which our veterans depend. Added to this are the increasing demands placed on our resources as we respond to the evolving needs of our ageing beneficiary population and the communities in which they live, wherever that may be.

Yet, despite these challenges, the GWT remains unwavering in its purpose. We are guided by the enduring values of service, loyalty, and compassion that are synonymous with the Gurkha name. With the continued generosity of our supporters, the dedication of our staff, and the wisdom of our partners, I am confident that we will continue to uphold our mission: to ensure that every Gurkha veteran can live with dignity.

Gerald Strickland

Major General Gerald Strickland DSO, MBE
Chair, The Gurkha Welfare Trust

WELCOME
FROM THE CEO

This past year has once again been one of remarkable activity and achievement for The Gurkha Welfare Trust. Among many highlights, our delivery of medical care to international standards stands out as a defining feature of our work both for the number of people reached (see Our Year in Numbers) and because it now represents our most significant area of expenditure. This shift reflects not only the growing scale of our responsibilities on behalf of the UK Ministry of Defence, supporting around 24,000 registered Service Pensioners but also our continuing dedication to our core charitable mission: caring for our Welfare Pensioners with dignity and compassion.

March 2025 marked the completion of our final water projects delivered in partnership with the Foreign, Commonwealth & Development Office, bringing to a close a decades-long collaboration that has transformed lives across Nepal. While this long and fruitful chapter has ended, our commitment to providing clean and accessible water continues. Through our new, consolidated Project Cell, we are now bringing even greater focus to our community work - building and improving schools, providing water and sanitation, and running medical camps in some of the most remote areas of the country.

Our Area Welfare Centre retrofit programme also continued apace, with four centres upgraded this year to ensure the safety and well-being of our staff and the protection of the infrastructure that underpins our nationwide support network. We look forward to beginning work on AWC Bagmati in Kathmandu during FY25/26.

Another important milestone was the formal endorsement by our Board in May of our new Safeguarding Cell - a dedicated team providing a vital lifeline to our most vulnerable beneficiaries. As the needs of our pensioners evolve and become more complex with age, this work is increasingly essential to ensuring that no one is left without the help and protection they need.

The Board also took decisive and considered action to reduce our free reserves, ensuring that more of our resources are directed where they matter most — to our core beneficiaries. This strategic step has allowed us to deliver meaningful and immediate support to those who rely the most on us. As a result, the Welfare Pension has been raised by a level significantly above inflation, providing much-needed relief at a time of continued economic uncertainty. We have also aligned the Disability Support Grant and the Home Carer's Allowance with the enhanced Welfare Pension, reflecting our deep commitment to fairness and to supporting the wellbeing of all our beneficiaries. These changes embody the purpose and compassion that lie at the heart of GWT - ensuring that our funds are not simply safeguarded, but actively used to improve lives today.

As our Chair notes in his foreword, the global context in which we operate remains uncertain, shaped by conflict, economic pressures, and political challenges. Yet the Trust remains resilient. Our strength lies in our people: the dedication of our teams in Nepal and the UK, our enduring partnership with the MOD, and above all, the generosity and loyalty of our supporters.

To all of you who continue to stand with us - thank you. Your compassion and trust enable us to deliver the care and respect that every veteran deserves.

Al Howard
Chief Executive Officer, The Gurkha Welfare Trust

THE GURKHA WELFARE TRUST

The Gurkha Welfare Trust provides vital support to Gurkha veterans, their families and communities in Nepal. We have been working in Nepal for over 50 years, delivering essential financial and medical aid to Gurkha veterans and widows, and working with local communities to provide access to clean water and improved education facilities.

WHO ARE THE GURKHAS?

The Gurkhas are soldiers from Nepal who are recruited into the British Army (or the Indian Army pre-1947), and for over 200 years have committed themselves to the service of the British Crown. To this day, the Gurkhas remain renowned for their loyalty, professionalism and bravery, in both WW1 and WW2 and in all subsequent major conflicts, and in military service have been awarded a total of 13 Victoria Crosses.

OBJECTS

The Trust's Objects are specifically restricted to the following:

(1) to relieve either generally or individually Gurkhas and/or their Dependants wherever resident and/or any other persons from time to time residing in Gurkha Community Areas who are, in either case, in conditions of need, hardship or distress;

(2) to advance the education of Gurkhas and/or their Dependants wherever resident and/or any other persons from time to time residing in Gurkha Community Areas;

(3) to make provision for the medical diagnosis and treatment of Gurkhas and/or their Dependants wherever resident and/or any other persons from time to time residing in Gurkha Community Areas who, in either case, are in need of such diagnosis or treatment and for the prevention of any disease or adverse conditions which may affect any such person; and

(4) such other charitable purposes which are in the opinion of the Trustee-Directors connected directly or indirectly with the foregoing purposes as the Trustee-Directors from time to time think fit.

The Trust's Vision is: "Gurkhas living with dignity".

The Trust's Mission was revised in September 2025 to better reflect the Trust's Objects: "The GWT provides welfare, medical and community support to Gurkha veterans, their families, and their communities, enabling them to live with dignity."

Welfare support is delivered against the following priorities:

- The provision of a Welfare Pension.
- The provision of welfare/emergency grants to alleviate hardship.
- The provision of medical support: a free primary healthcare scheme for beneficiaries and subsidised hospital care.

- The running of two Residential Homes (RH).
- A programme of building Earthquake-Resilient homes for beneficiaries.
- The provision of an advisory service and support to partners to ensure Gurkha veterans in the UK have access to the full range of support.
- The provision of water and sanitation projects.
- The building and refurbishment of schools.

OUR HISTORY

In the late 1960s, following the end of various Eastern conflicts, there was a significant reduction in the number of serving Gurkhas in the British Army. It was realised that many Gurkha soldiers and their dependants or widows in Nepal faced destitution in old age. Many of these soldiers had served in the World Wars; however, they had not served the 15 years needed to qualify for a Service pension. Unlike their British counterparts who could rely on the welfare state in old age, the Nepal based Gurkhas had no such safety net.

DEBT OF HONOUR

In recognition of the country's debt of honour to these soldiers, a public appeal, led by eight of our greatest wartime Field Marshals raised £1m to establish The Gurkha Welfare Trust.

The Trust then began to create a network of bases in Nepal to distribute financial aid to retired soldiers who had met with disasters such as landslides and floods. We also bought land for ex-Gurkhas to become subsistence farmers and provide enough food to support their families.

From that arrangement we later began paying our regular Welfare Pension payment, expanded our remit to include community initiatives like schools and water projects as well as developing a comprehensive medical scheme across our network throughout Nepal and in Darjeeling, India.

Pictured below: the first advert for The Gurkha Welfare Appeal featured Cpl Rambahadur Limbu VC, one of 13 Gurkha recipients of the Victoria Cross.

Left: in 1970 the appeal was published in the Times newspaper, signed by eight Field Marshals.

THE TIMES THURSDAY JUNE 25 1970

Letters to the Editor

GURKHA WELFARE APPEAL: FINE SERVICE FOR BRITAIN

From Field Marshal Lord Montgomery of Alamein and other Field Marshals

Sir,—May we claim the courtesy of your columns to draw the attention of your readers to the National Appeal for the Gurkha Welfare Trust, and to ask for their support?

The Gurkhas are our oldest and staunchest allies and have served with us for over 150 years. Nearly half a million Gurkhas fought side by side with British troops in the two World Wars winning 26 Victoria Crosses and suffering 43,000 casualties. By their courage and endurance they have made a magnificent contribution to the success of British arms. Their good comradeship has always been a source of strength to our own soldiers. We believe that everyone in this country owes them a great debt for their loyal and devoted service in numerous campaigns over many years.

When a Gurkha leaves the British service, he faces a difficult future in Nepal, a country with limited resources and a basic industry of subsistence level agriculture, subject to frequent natural disasters—floods and landslides. They and those who depend on them are frequently in need of financial support to restart their life as civilians, to tide over a period of illness or other misfortune, to relieve poverty, suffering or distress.

H.M. Government provide an annual grant to meet the overheads of the Welfare Scheme, but a capital sum of £1,000,000 is needed to provide in perpetuity an income sufficient to meet the many deserving cases that will increasingly arise as the rundown of the Brigade of Gurkhas proceeds.

By their own remarkable efforts the Gurkhas have raised £250,000. We have to look to the general public to provide the rest, and we trust your readers will respond generously to our appeal. We submit that in this case not only is our charity involved but our honour too.

The Gurkha Welfare Trust Offices are at 25/31 Moorgate, London, E.C.2.

Yours faithfully,

MONTGOMERY OF ALAMEIN, F.M.
SLIM, F.M.
CLAUDE AUCHINLECK, F.M.
HARDING OF PETHERTON, F.M.
GERALD TEMPLER, F.M.
F. W. FESTING, F.M.
R. A. HULL, F.M.
A. J. H. CASSELS, F.M.

June 24.

Corporal Rambahadur Limbu, V.C., the most recent of 26 holders of the V.C. in Gurkha Regiments.

LIVING WITH DIGNITY: TULAJIT'S STORY

78-year-old Gurkha veteran Tulajit Sunwar lives with his wife, youngest son, and grandson in the Jiri region of Nepal. He is not fit enough to travel far so a team from the Area Welfare Centre in Bagmati visits Tulajit regularly to deliver his pension, carry out medical check-ups, supply essential medication and check on his well-being.

The family live in an Earthquake-Resilient home built by GWT after the earthquake of 2015 damaged the previous house. *"I am very pleased to live in this house where it is secure, and there is no water leakage in the rainy season."* They also benefit from a clean water supply provided by a GWT water project in the village.

Tulajit recalls his Army service

Tulajit joined the British Army as a rifleman of the 7th Gurkha Rifles in 1965. "After being recruited in Dharan in 1965, I travelled to Calcutta from Jogmani by train, where we stayed for around a month before travelling on to Malaysia for training. In Calcutta, we stayed in tents, and despite having mosquito nets, I got sick from malaria due to the abundance of mosquitoes.

"Once I had recovered, I returned to my brigade and travelled to a place called Kuntang where we participated in a month-long exercise focusing on battle tactics. During the exercise, while moving through the jungle, they fired a grenade-like device called demo thunder blast, a blank fire, which exploded right where I was. I couldn't hear or see properly. I was taken to a hospital in Singapore where I stayed for 15 days. Once I had recovered fully, I was deployed to Hong Kong.

"Once, we went to a place called Sha Tau Lok on China's border. Chinese people used to wave their flags over hills, and we had to go and remove them. A British officer died while attempting to remove a flag, as they had set up an ambush where a bomb exploded and killed him. Thus, we had to guard and fulfil our duties responsibly. We were an infantry battalion and always had to stay on guard.

"I served in the Army for 4 years and 241 days. After the war and its effects subsided, the British Army downsized, and I, along with many others, was made redundant during that process."

Life back in Nepal: Turning to teaching

"Upon returning to Nepal, I had to work as a farmer. Later, with a friend, Dhan Bahadur Sunwar, and with the help of a few other servicemen, we opened a school. In such a remote area, there was a shortage of teachers and schools. We taught various subjects like Nepali, English, and maths at the primary school level. I am genuinely proud of the educational opportunities we provided to the villagers and their children."

Medical aid provides relief to Tulajit

"My left knee is slightly weak, and I experience numbness. Climbing hills or carrying heavy loads has become difficult for me."

GWT covers Tulajit's hospital expenses and provides him with medication for high blood pressure and knee pain. *"Without the help and medical services from the welfare, it would have been very challenging. I would have had to rely on local herbal medicine."*

"I express my gratitude to all the donors who, as fellow citizens, engage in humanitarian work. A citizen helping a citizen from a different country. Your support and assistance have brought relief to the lives of people like us, and for that, I am truly thankful."

HOW WE WORK

The Trustees fully consider the Charity Commission's guidance on reporting public benefit when planning the charity's activities and are satisfied that the Trust is fully compliant with the Charities Act 2011.

Benefit to our beneficiaries can be assessed in two distinct areas:

1. INDIVIDUAL AID

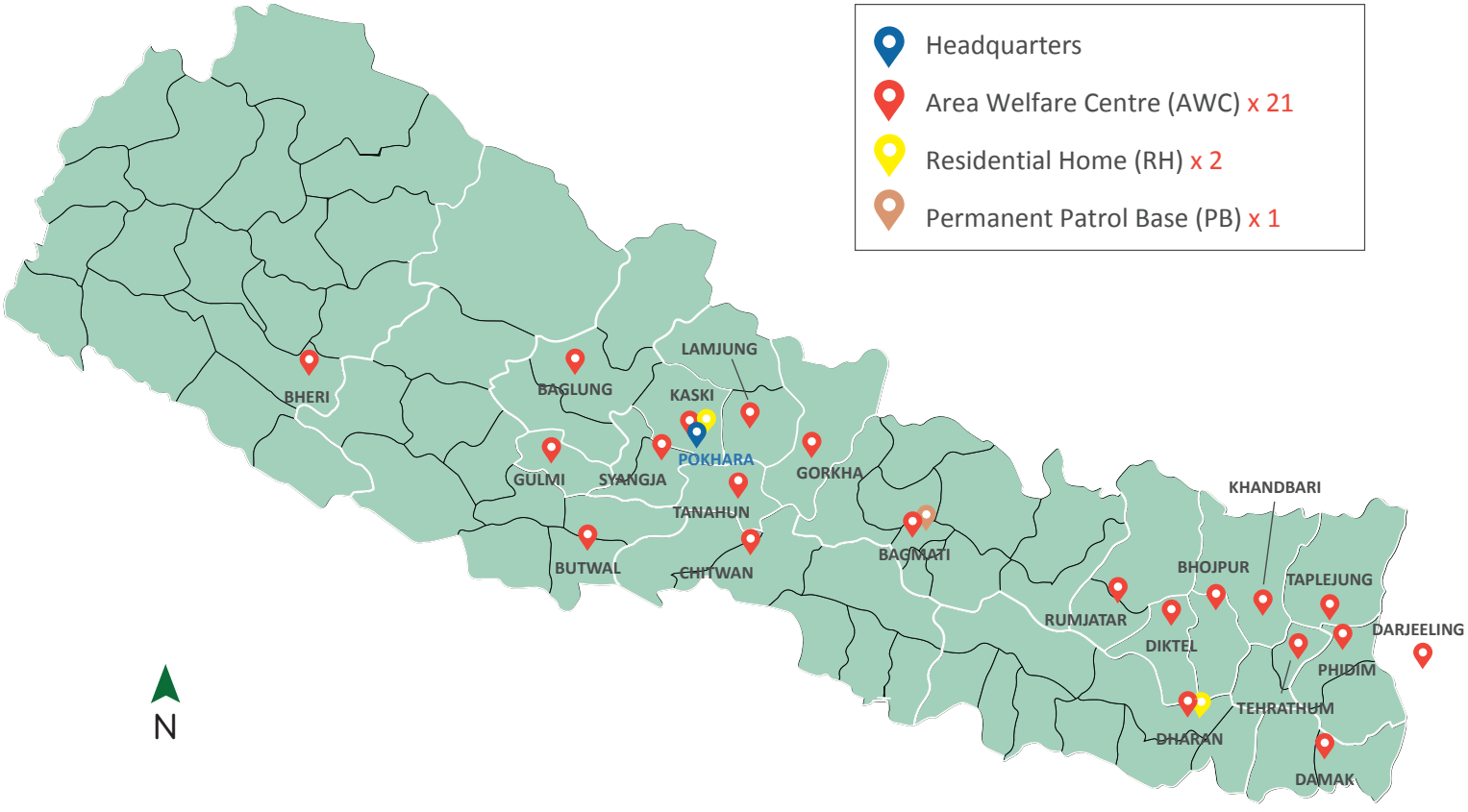
In the form of the Welfare Pension, Disability Support Grants, Festival Allowance, Welfare Grants, Home Carer's Allowance, Funeral Grants and our Earthquake-Resilient Homes. These are provided to ensure that our core beneficiaries, Gurkha veterans and their families, are able to live with dignity.

Enhanced support is provided to veterans and widows living in our two Residential Homes, marked on the map below. Additionally, residential rehabilitation services are provided through the Residential Homes as well as mobile outreach services. Free primary medical care is provided to all eligible individuals as well as subsidised secondary healthcare treatment.

2. COMMUNITY AID

Provided in the form of schools, accessible drinking water and medical camps, the primary beneficiaries of these activities are the general public. These activities support the Trust's licence to operate in Nepal through provision of support to the wider community from where the British Army continues to recruit.

In Nepal, all of this is coordinated via our network of Area Welfare Centres (AWCs) marked on the map below. Previously the Trust had a Patrol Base in Baglung but this was upgraded to a fully manned AWC to reflect the number of beneficiaries who also live in very remote areas necessitating considerable journey times to provide outreach support. In the UK we run two advisory centres.



OUR YEAR IN NUMBERS

We provided a pension of **NPR17,500** per month to **over 2,900** Gurkha veterans and widows.

We distributed **1,515** Hardship Grants and **219** Funeral Grants.

We provided **NPR17,500** per month of Disability Support Grants to **249 recipients.**

Over **21,000** patients have accessed our medical services, with over **155,000** individual consultations with a range of GWT health professionals.

Home Carer's Allowance of **NPR8,750** was received by over **294** carers.

We built **68** Earthquake-Resilient homes, and refitted **41** older style homes providing additional aids and safety features.

1 July 2024 - 30 June 2025

We built **2** major schools projects, completed **15** minor extensions, and carried out **110** school refurbishments.

We completed **28** water projects and installed over **2,336** tap stands, getting clean water to over **2,257** households.

We had **40** permanent residents across 2 residential homes.

We supported pensioners with over **9,580** rehabilitation consultations.

We provided Disaster Risk Reduction awareness training to over **10,500** people.

We saw over **15,080** Welfare Advice Centre cases in the UK.

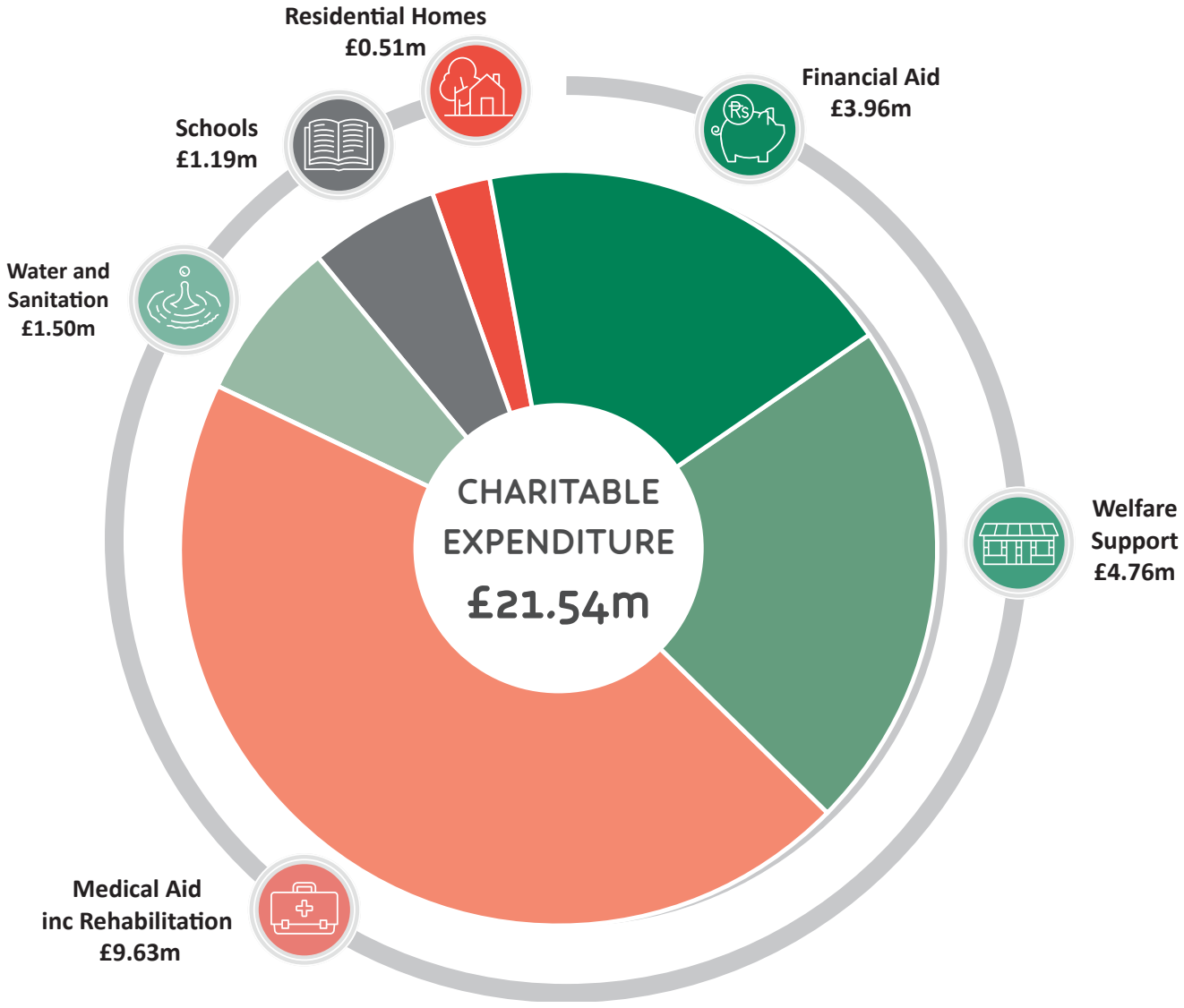
OUR IMPACT

For an organisation with relatively few resources in the UK, the Trust continues to deliver an impact far above its weight in Nepal, thanks to the incredible support from donors. Though at its core, the support of elderly and vulnerable Gurkha pensioners remains a priority, our wider services across Nepal continue to deliver an exponential impact.

The medical service available to all Gurkha veterans and their dependants is now our most expensive service to deliver but also the one which generates the biggest impact across Nepal. In a country with a poor public health service and often little or no access to regular medical care, the professional service the Trust delivers grants veterans and their families the basic human right to effective healthcare. The chart below indicates our charitable expenditure across the year.

The Trust provides subsidised dental support and given the comparative lack of medical infrastructure at our remote AWCs compared to those in urban areas, we also now provide a dental outreach programme to ensure equitable access to services for all those that we support.

CHARITABLE EXPENDITURE



CHARITABLE EXPENDITURE

Financial Aid (£3.96m)

We paid a pension worth 17,500 Nepalese Rupees per month to over 2,900 vulnerable Gurkha veterans and widows.

We provided a Disability Support Grant to 249 people. We also paid an increased rate/enhanced Welfare Pension to welfare pensioners living with multiple disabled children. In addition, we paid a Home Carer's Allowance to 294 carers for providing 24/7 care and support to our most vulnerable pensioners.

The Welfare Pension, Disability Support Grant and Home Carer's Allowance were increased at a rate above inflation to support our most vulnerable beneficiaries.

Welfare support (£4.76m)

During the year, we provided 1,515 hardship grants, 219 funeral grants and built 68 new Earthquake-Resilient homes for Gurkha veterans and widows.

We retrofitted and upgraded 41 Earthquake-Resilient homes that were built immediately after the devastating earthquake in Nepal in 2015.

We also constructed 49 toilets for our welfare pensioners and provided immediate support to 9 welfare pensioners through the designated Disaster Response fund.

Medical Aid including Rehabilitation (£9.63m)

Over 21,000 patients accessed GWT medical services and our medical teams undertook over 7,500 home visits. Over 9,580 rehabilitation treatment sessions were provided either in the home or through our medical centres.

We provided over 155,000 consultations with a GWT health service professional and over 1,500 patients were screened and tested for cancer. 22 pensioners were admitted to the residential homes on a temporary basis for rehabilitation, palliative care or respite care.

We treated over 1,749 patients at our medical camps in Darchula, Dadeldhura, Bhojpur, Rukum East, and Falebas (Parbat).

Water and Sanitation (£1.50m)

Last year we completed 28 water projects, installed 2,336 tap stands benefitting over 11,500 people in 2,257 households. A further four repair projects were completed.

Schools (£1.19m)

We constructed two major two-storey schools including libraries and library training, 15 school extensions and 107 minor and three major school refurbishments.

Residential Homes (£0.51m)

Last year there were 40 permanent residents across our two Residential Homes. They were also used as hubs to rehabilitate 22 patients.

OUR PLANS FOR THE YEAR 2024-25

Supporting our most vulnerable beneficiaries.

- Continued emphasis on our most vulnerable beneficiaries through the above inflationary increases in the Welfare Pension (WP) and Disability Support Grant (DSG). The Trust has also increased the DSG to the same level as the WP and the Home Carer's Allowance equivalent to 50% of the WP. This increased the long term constructive obligation by a net £3.83m.

Continued implementation of disaster resilience enhancements to the Area Welfare Centre (AWC) network.

- Complete the third phase of the AWC Disaster Resilience retrofits (November 2024 – June 2025): Gulmi, Syangja, Kaski and Dharan. These were all completed during this financial year. Only AWC Bagmati remains which will have its retrofit completed during 2025/26.
- Surveys have been completed for future AWC plans including extensions and improvements. An initial roll out of air-conditioning units in our hottest AWCs has been completed in Butwal, Bheri, Tanahun, Chitwan and Damak. This is a duty of care to ensure our staff have a conducive operating environment.

Final selection of a new Electronic Medical Record System (EMRS) provider with implementation and "go-live" of a new system achieved with effect from January 2025.

Following the proof of concept phase, the Board approved the formal establishment of a new safeguarding cell to ensure effective oversight and mitigation of further safeguarding and protection cases among our beneficiary population.

The continued implementation of our Earthquake-Resilient homes project for our most vulnerable beneficiaries.

The final withdrawal from the RWEPP accountable grant agreement with FCDO for the provision of clean accessible water projects. This was achieved successfully in March 2025.

The following recommendations from the Strategic Review 2024 were implemented:

i. The provision at no less than existing levels of the full range of welfare and medical support, including residential home access, to welfare pensioners and disability support grant recipients as our continuing highest priority.

ii. The provision at no less than the current level of medical support to service pensioners within the parameters of MOD funding.

iii. Consent to proposed changes in order to provide greater clarity on the scope of our Charitable Objects was sought and received from the Charity Commission and the relevant changes implemented in accordance with our constitution.

FUTURE PLANS 2025-26

- To conclude the retrofit work on AWC Bagmati.
- Build a total of 100 Earthquake-Resilient homes, an increase of 25 in-year as continuing for the second year our Earthquake-Resilient home retrofit programme to provide "elderly friendly" living adjustments to the original design.
- Introduction of a new utility allowance. To support our most vulnerable pensioners in paying for essential utilities such as electricity and water that are not included in the welfare pension.
- To deliver 2 new major schools, 15 minor school projects 72 minor school refurbishments and 4 major school refurbishments.
- The completion of 17 water and sanitation projects.
- The delivery of 4 medical camps.
- To increase the proportion of restricted income for community aid in line with the recommendation from the strategic review 2024.
- Managing the withdrawal of medical services to GCSPF veterans as they transition to a Singapore provided provision.
- Increase our understanding of hardship among Gurkha veterans in the UK so as to inform future planning.

OUR FUNDRAISING PERFORMANCE

The Trust remains committed to transparency and ensuring that donors have complete clarity over the way their money is spent and the impact it achieves.

For every £1 we spent on fundraising last year, we raised £4.54 which is still above sector average (which is currently £4).

Last year the Trust raised £13.16m through its fundraising, which came in from generous individuals, our Trusts and Foundations partners, corporates, fundraising events and legacies from our kind supporters leaving a gift in their will.

WHERE DOES MY DONATION GO?

Last year, for every £1 of income, The Gurkha Welfare Trust spent just 13p on fundraising (including management of our investments) and 87p on supporting Gurkha veterans, widows and their wider communities.

FUNDRAISING STRATEGY

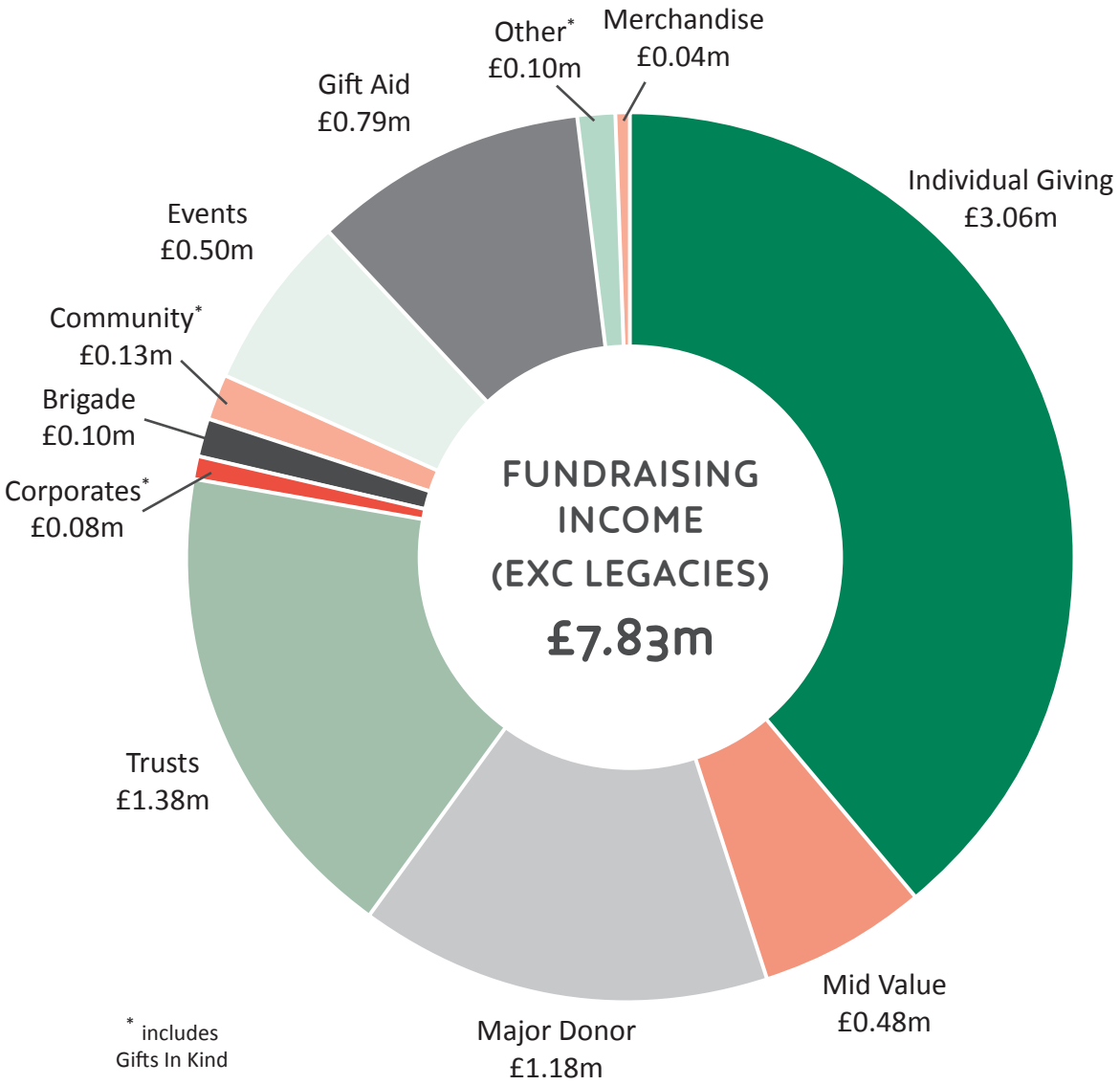
This year (2024/25) represented the second year of the Trust's five-year fundraising strategy.

The strategy focusses on developing support amongst the Trust's existing donor-base, developing the organisation's legacy strategy and increasing the proportion of restricted income for community aid initiatives such as school builds and water projects.

There also continues to be a need to further communicate the enormous span of activity that is now delivered in Nepal beyond the traditional Welfare Pension that is paid to the most vulnerable Gurkha veterans and widows. This is addressed through a concerted communications strategy.

There will be a strategic shift to recruit new email and regular givers in financial year 2025/26 to provide broader and future proof fundraising, showing the Trusts ability to adapt.

FUNDRAISING INCOME



2024/25 LEGACY INCOME:

£5.33m

73% of which came from previous GWT supporters.

Over the course of the year the total fundraising income was **£13.16m**.

Total fundraising expenditure was **£2.91m.**

FUNDING PARTNERS

The Ministry of Defence (MOD) continues to provide an annual Grant in Aid (£3.50m) towards staff and administration costs of the GWT(N) in support of welfare delivery. This enhances value for money for donors as it allows, in conjunction with investment income, donations to be spent directly on welfare support.

The MOD also provides a Grant in Aid in support of the Trust's healthcare provision for veterans in Nepal, which increased to £5.80m in line with increased beneficiary registrations for medical services.

A five-year accountable grant agreement (£19.00m) with the UK's Foreign, Commonwealth and Development Office (FCDO) commenced on 1 July 2021, for the provision of Water, Sanitation and Hygiene and Emergency Preparedness. Unfortunately, due to UK Central Government funding cuts, FCDO advised of their withdrawal from the RWEPP accountable grant agreement with effect from March 2025. £0.61m was funded for the completion of 11 projects by this date.

FUNDRAISING POLICY

- We communicate with our supporters based on their preferences and only telephone or email people who have given us explicit consent to do so. For our Direct Mail programme, we use the Information Commissioner's Office (ICO) guidelines around 'legitimate interest' when contacting supporters. We provide clear information on how to opt out of receiving any communications from us via every channel we use.
- For any phone or email acquisition campaigns we use the guidelines around 'legitimate interest' when contacting potential supporters.
- We have paid the levy to register with The Fundraising Regulator and promote our association and aim to comply with their guidance on our website.
- We are registered with the Fundraising Preference Service and ensure nobody is contacted who logs their requests with them.
- We comply with the Fundraising Regulator's Fundraising Code of Practice.
- We ensure that our staff understand and adhere to, and our partner agencies are contracted to work within, the policies which safeguard our donors at every step of their supporter journey.

  This includes monitoring work internally and with partner agencies to the Fundraising Regulation standards:

  - How they communicate (ie. tone/language/volume) with them and all the options available.
  - What they communicate to them and how it might impact the donor.
  - When to offer additional support.
- Our Safeguarding Guidelines for Vulnerable Supporters can be found at www.gwt.org.uk/resources.
- We do not share supporter details with any other organisation for marketing or fundraising purposes.
- We update donor details on our database according to their wishes and ensure our database is fully GDPR compliant.
- We have a procedure for logging complaints: www.gwt.org.uk/complaints. In total 22 minor complaints were received over the year; these minor complaints were managed in house and were around communications received.
- All staff have regular training on Data Protection.
- We update our Privacy Policy on a regular basis to comply with ICO guidance.
- We only share donor data with third parties assisting us with our fundraising and we take every measure to ensure data is transferred securely via encryption and passwords and to secure servers.
- Our supporters are at the heart of everything we do and you can find "Our Vow to You" on the Resources page of our website at www.gwt.org.uk/resources.
- The Trust has reviewed the updates planned for November 2025 by the Fundraising Regulator to ensure ongoing compliance.

The Charity Commission issued guidance "Charity Fundraising – a guide to Trustee duties" and the Fundraising checklist (CC20) in 2016 which is reviewed by the Trust on an annual basis.

FUNDRAISING HIGHLIGHTS

Supporters generously raised funds for our work in a variety of ways over the year. Notable activities included:

TRAILWALKER 2024

This was the second year GWT has delivered the event as sole charity, and it was a truly incredible Trailwalker weekend.

The Queen's Gurkha Signals provided logistical support for the event, and other Gurkha units supported at checkpoints. Historically a military exercise, with military teams competing for the top spot, Trailwalker has grown to be a vital fundraising event for the Trust, and attracts participants from across the world - some of them returning year after year.

This year over 270 teams of four signed up, and the atmosphere at the start line was electric as they prepared for a gruelling 100km trek across the rolling South Downs. It was a triumph for the winners, Gurkha Allied Rapid Reaction Corps, who came through the finish at an incredible time of only 9 hours and 23 minutes. Breaking the 20-year record of 9 hours and 50 minutes.

SOFTCAT WALKERS

In September 2024, eight individuals from company Softcat, in collaboration with their Armed Forces and Veterans Network, walked 100 miles along the South Downs Way in 40 hours.

The team's driving force was Dominic Powell, who had served with Gurkhas both overseas and in the UK, and proudly states that they are some of the bravest, most loyal and friendly people he has ever met.

"Personally, I'm walking for The Gurkha Welfare Trust because I want to give back to the Gurkha community and support their welfare and well-being. The Trust does so much to improve the lives of these wonderful people, providing them with medical care, financial aid, education, and community development."

Incredibly, despite suffering exhaustion, blisters and sore muscles, the team braved another challenge the following June, walking 100 miles around the Isle of Wight. Over the year they have raised over £21,000.

OUR AMAZING CHALLENGERS

Throughout the year our supporters have been getting active and raising funds: at our Doko Challenge, London Marathon, London Landmarks Half Marathon and a range of other races and tough challenges.

Legendary supporter Jim Morton, who you may remember walked the entire coast of Great Britain is ever closer to his goal of raising £50k for the Trust, having walked the length of the D-day beaches and traversed the Pennine way solo in just 16 days!

CHARITABLE ACTIVITIES

OUR MOST VULNERABLE GURKHAS

WELFARE PENSIONER DEMOGRAPHICS

Broadly, those in receipt of the Trust's Welfare Pension are considered to be the most vulnerable of our beneficiaries in Nepal and as a result are furnished with the most support in the form of a pension, home visits, medical care, pharmaceuticals, rehabilitation services and more.

Figures shown below are at 30 June 2025.

PENSIONER SUPPORT TEAMS

As our pensioners grow older, they are increasingly vulnerable, and many are reliant on home visits by our Mobile Support Teams who deliver pensions, carry out health checks and deliver medical equipment, mobility aids and medicines.

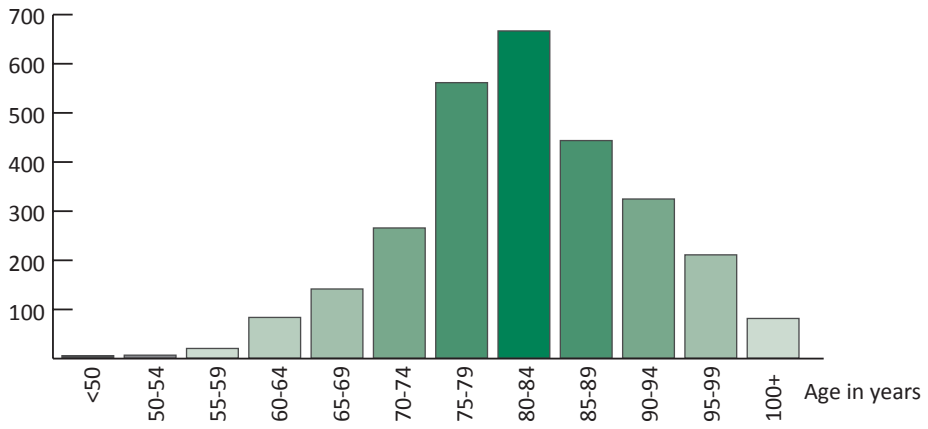
38% of our welfare pensioners are now over 85 years old, and at the 30 June, 78 of them were centenarians. Without our continued intervention, many of them would be totally isolated and unable to look after themselves.

Our medical teams undertook over 7,500 home visits over the course of the year.

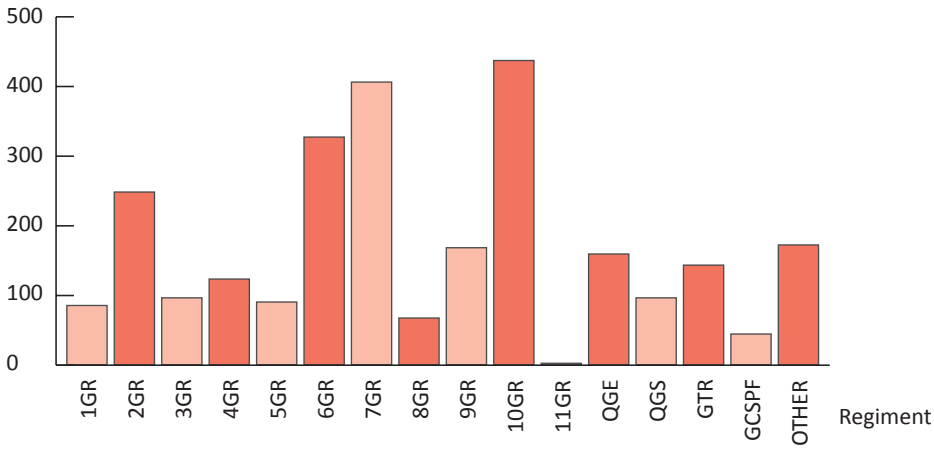
WELFARE PENSIONERS:
24% Male, 76% Female

AWC	PENSIONERS
Bheri	77
Gulmi	98
Baglung	81
Kaski	197
Lamjung	52
Gorkha	62
Syangja	126
Tanahun	116
Chitwan	153
Butwal	300
Bagmati	226
Rumjatar	79
Diktel	80
Bhojpur	70
Khandbari	49
Tehrathum	40
Taplejung	48
Phidim	73
Dharan	317
Darjeeling	195
Damak	240
Total	**2,679**

WELFARE PENSIONERS BY AGE



WELFARE PENSIONERS BY REGIMENT



WELFARE PENSION

We pay a pension to thousands of impoverished Gurkha veterans or widows in Nepal who are not eligible to receive a British Army pension.

The rate is calculated each year using a 'shopping basket' of basic goods such as rice, vegetables and firewood as well as incorporating Government reviews on the cost of living. For many people, this is their only source of income. We also pay a higher rate of welfare pension (Enhanced Welfare Pension) to our welfare pensioners who live with one or more disabled children.

Last year we increased the pension above the rate of inflation to 17,500 Nepalese Rupees per month to over 2,900 vulnerable Gurkha veterans and widows.

We also provide financial aid through other grants.

Disability Support Grants are provided for disabled dependants of Gurkha veterans and widows to help them live in comfort and with dignity. Without this financial support, and in the absence of a developed health system, disabilities can pose an insurmountable obstacle in Nepal.

The Home Carer's Allowance is a grant for family members of Gurkha veterans or widows who care for them full time and consequently are not able to work.

We provided a Disability Support Grant to 249 people, and a Home Carer's Allowance to 294 people.

479 carers of vulnerable pensioners attended their nearest AWC for a 1-day skills development training on how to care for their frail family member. These training events not only contribute to improving our most vulnerable pensioners' lives, they also provide a platform for peer support among carers.

EMERGENCY HARDSHIP GRANT

We are needed the most during moments of tragedy. When disaster strikes in the form of fire, flood, landslide or earthquake, GWT is ready to provide immediate assistance, by offering financial and other support.

We awarded over 1,515 Emergency Hardship Grants providing funeral grants, emergency supplies, essential items and home repairs for those hit by disasters including heavy monsoon rain, floods and landslides across Nepal.

OUTREACH SPECIALIST MEDICAL CAMPS

We delivered targeted healthcare via specialist outreach camps in dental, ear, eye, and rehabilitation services across Nepal's remote hill districts: Darchula, Dadeldhura, Bhojpur, Rukum East, and Falebas (Parbat). These reached 1,749 beneficiaries, reducing out-of-pocket costs and enhancing quality of life through immediate and sustainable support.

Ear services were the most requested with 1,123 examinations, 879 hearing tests, 484 aids distributed, and 130 surgeries. Dental care included 183 consultations, 60 extractions, 40 fillings, and 21 scalings.

Eye services provided 148 consultations and tests, with 38 glasses issued. Rehabilitation assessed 295 patients, supplying 302 devices, measuring 220 for aids, and training 17 in gait. For enduring impact, we referred 60 complex cases for further treatment (32 ear, 7 eye, 21 rehabilitation).

Since 1999, we have run 138 camps, including two in schools, serving over 230,000 patients across more than 50% of Nepal's districts; impacting 1% of the population with vital healthcare.

DISASTER PREPAREDNESS

Nepal faces acute disaster risks from earthquakes, floods, and landslides due to the Himalayan terrain and monsoon climate. Climate change exacerbates these, displacing communities and straining limited resources. Vulnerable rural areas suffer the most, lacking robust infrastructure and response systems.

We have enhanced previous preparations with five cluster training events, five response exercises, and two HQ resilience drills. Supplies for 300 households (1,500 people) including blankets, tarpaulins and corregated galvanised steel (CGI) sheets, have been pre-positioned in centralised stores in Butwal, Tanahun, and Dharan AWCs.

In terms of infrastructure, we have completed 4 AWC retrofits (Dharan, Kaski, Syangja, Gulmi); with Bagmati ongoing. Plus, 21 refurbishments, 53 enhancements, and 39 air conditioning units.

Over four years, our Project Cell has retrofitted 18 AWCs and built 3 new structures for £1.66m, ensuring secure spaces for both beneficiaries and staff; Bagmati is due for completion by the end of 2025/26.

EARTHQUAKE RESILIENT HOMES

Our EQ Home Rebuild Project constructed 68 resilient homes, while the Enhancement Project strengthened 41 existing ones.

The Individual Toilet Project added 47 new units and upgraded 39, boosting safety, sanitation, and resilience for vulnerable families.

Since 2015, we have built 1,731 resilient homes for £4.30m and enhanced 114 with toilets, ceilings, kitchenettes, and taps - transforming beneficiary lives.

The total estimated remaining requirement for EQ homes is 600 with a further 300 enhancements.

The Gurkha Welfare Trust was very proud to be awarded the 2024 Engineering Outreach Award, by the Worshipful Company of Engineers.

This prestigious recognition celebrates our commitment to using engineering excellence to alleviate poverty and improve lives through clean water infrastructure in Nepal's most remote communities. It is a testament to the dedication of our teams who work tirelessly to deliver sustainable, life-changing infrastructure and support.

Engineering Outreach Grant Winner 2024

A charitable grant of £5,000 to a United Kingdom registered charity for a specific project or programme of work that uses engineering in the relief of poverty, where the timeline and measurable outcomes are clearly defined, the delivery of which can be worldwide.

Presented to

The Gurkha Welfare Trust

For its provision of financial, medical and development aid to Gurkha veterans, their families and communities. Specifically, the provision of doorstep taps for 38 households, one school, two temples and a community building to provide a year-round supply of clean water to 172 people in the neighbouring villages of Jhirbas and Sirandhara in Nepal.

on

3rd June 2025

The Master
The Worshipful Company of Engineers

MEDICAL AID

In Nepal, rugged terrain, poverty, and limited infrastructure make accessible medical care essential for Gurkha veterans and families, averting health crises where we can and improving quality of life.

This year, we have delivered high-standard primary healthcare to Gurkha veterans and their families in Nepal via regional clinics, home visits by outreach teams, and subsidised treatments at selected national hospitals.

We also provide some specialist services (dental care and eye examinations) in our remote AWCs through contracted specialists: in the last FY, 118 pensioners received dental care at 4 rural AWCs, and 98 (in 2 rural AWCs) were screened for eye complications of high blood pressure or diabetes (771 from urban areas were referred to specialists directly). The new outreach programme will be rolled out to all rural clinics in the coming FY.

Last year over 21,000 patients accessed the Trust's medical services in over 155,000 individual consultations with various health professionals, over 6,000 of these took place at pensioners' homes.

Our 15 rehabilitation therapists provided over 9,580 consultations, of which 1,299 at patients' homes.

In addition, 1,106 pensioners with chronic diseases were seen by our skilled nurses for detailed review appointments, 297 women had a cervical cancer screening test, and 1,284 pensioners were screened for Colorectal cancer.

22 pensioners were temporarily admitted to our residential homes for rehabilitation, palliative care or respite, and 6 stayed temporarily at the Griffith Home facility in Chitwan for varying amounts of time, while receiving treatment at the National Cancer Hospital. Key medical equipment (such as hospital beds, oxygen concentrators, BiPaP machines) was loaned to over 151 pensioners.

CLEAN WATER AND SANITATION

Nepal contends with acute water and sanitation issues stemming from its rugged Himalayan landscape and climate vulnerability. Floods, droughts, earthquakes, and erratic rains damage infrastructure, contaminate sources, and spread diseases such as cholera and diarrhoea. Rural poor and marginalised groups face scarcity, pollution, and poor hygiene, exacerbating health and poverty cycles.

We completed 32 projects: 28 new builds, 4 repairs, funded by FCDO (14) and GWT (18). These reached 11,492 people in 2,257 households via 2,336 tap stands. Simple Drip Irrigation schemes supported 20 households; carers trained in vegetable growing to improve dietary nutrition.

Our 36-year UK Aid (FCDO) partnership ended at 31 March 2025; over this period UK Aid contributed £41.00m and GWT £9.00m, totalling £50.00m.

Since 1976, we have delivered 2,454 projects, aiding 84,000 households, installing 66,000 tap stands, and building 442 inclusive school latrines across 51 districts in all 7 provinces - covering 10% of rural systems and 2% of Nepal's population.

SCHOOL PROJECTS

Nepal's education system grapples with inadequate infrastructure, natural disasters, and rural isolation, leaving millions, especially girls and marginalised groups, without access to quality learning. Building schools bridges this gap, fostering literacy, economic empowerment, gender equality, and long-term community resilience against poverty and climate challenges.

We have upgraded school infrastructure with 2 new builds, 3 major refurbishments, 15 minor extensions, 107 minor refurbishments; enhancing classrooms, toilets, water, and creating environments for safer education.

We have also conducted Hygiene Programmes in 4 schools (Nawalparasi, Gulmi, Khotang, Sankhuwasabha): WASH and menstrual hygiene sessions; wall paintings; embedded gender equality, inclusion and disability support. These programmes were followed up with a number of monitoring and assessment visits.

Since 1990, we have built/repaired/enhanced ~3,428 schools, benefiting almost one million students at a cost of £14.36m.

RESIDENTIAL HOMES

Our two Residential Homes provide round-the-clock care to Gurkha veterans and widows who would otherwise struggle to live alone. With no comparable facility in Nepal, they set the standard of care for the elderly.

The Residential Homes also provide in-patient hubs for our Rehab Services with bed spaces dedicated to rehabilitating beneficiaries on a short-term residential basis, and sometimes provide a safe temporary home to pensioners who are at risk for various reasons, or for end of life care.

Last year there were 40 permanent residents across the two homes and 22 pensioners who benefitted from the temporary admission facility.

ENVIRONMENTAL IMPACT

We aim, as far as possible, to minimise our environmental footprint in Nepal, and are making steady progress by shifting as much training as possible online, reducing travel-related emissions; although this can prove challenging in a country like Nepal, which does not lead in environmental practices. Across all projects, we are cognisant of our ecological impact and implement practices that foster sustainability where feasible.

SERVING THE GURKHA COMMUNITY - OUR TEAM AT THE BUTWAL MEDICAL CLINIC

PROVIDING HOLISTIC CARE

"The Clinic is dedicated to providing comprehensive primary healthcare, ensuring Gurkha veterans and their families receive the medical advice, treatment, and support they need. "Our team - which includes three doctors, two physiotherapists, and a phlebotomist - focuses on whole-person, patient-centred care. Using evidence-based guidelines and modern technology, we not only treat illnesses but also work to promote overall health and prevent disease." - Dr Nirmala Rai

Services provided at the clinic include:

- General Check ups
- Chronic Disease Management including Diabetes, Mellitus, Hypertension, Chronic Obstructive Pulmonary Disease
- Cervical screening
- Mental Health Care
- Rehabilitation
- Palliative Care
- Pain Management
- Wound dressing
- Vaccinations
- Phlebotomy
- Health Education
- Medical aids and equipment.

The clinic sees on average 500-600 patients per month, around 25 patients a day.

STORIES FROM OUR TEAM

Snika Rai has been working as a pharmacist at the Medical Centre for two years. Snika and her pharmacy team focus on safe, effective and appropriate use of medications in the clinic and Area Welfare Centres.

"Every day, we deal with different patients and have unique experiences. I would like to share the story of a dependent who was on multiple medications due to her multiple chronic conditions. We noticed that she was not interested in any kind of conversation which made counselling difficult.

"We did not just dispense her prescribed medications, rather we tried our best to strike up a conversation with simple questions. Gradually, she opened up and shared her frustrations with taking multiple pills every day. We took time to explain the need for the medication, the risk of not taking the medicines and the advantages of taking them in a simpler form.

"By the end of the conversation, her expressions had changed - she looked more relaxed and reassured. Since then, she visits the clinic with a warm smile and is much more open about her health. We continue to discuss small steps she can take to feel better and stay healthier."

Medical Centre Nurse, Susmita Dalami has worked at the clinic for three years and shared with us a fond memory from one of her patients.

"One of the most rewarding moments in my job was receiving heartfelt blessings from a pensioner after

their improved health conditions through our active interventions. Even the minor information shared during counselling made them feel cared for and hopeful. Their happiness and gratitude were deeply touching.

"I still remember their words: "At such a young age, you've done such wonderful work. You felt just like my own granddaughter. Keep doing such good work." Moments like these make every day meaningful, motivating, and truly memorable."

LOOKING AHEAD

To our team at Butwal Medical Clinic, Primary Medical Care means more than just treating illnesses, it is also about helping patients stay healthy, which includes early screening.

There are plans to improve the services offered at the rural clinics in Bheri and Gulmi to provide a more comprehensive service to our pensioners.

Retinopathy screening will soon be available which will provide early detection of potential problems in diabetic and hypertensive patents. This will enable effective treatment to prevent or reduce sight loss.

A Dental Service will soon be introduced, which will help keep our older pensioners teeth in good shape, allowing them to eat more solid foods and may even reduce the risk of malnutrition.

The Butwal clinic will also shortly be able to offer Dexa Scans to our pensioners. These scans test bone density and bone strength, helping to diagnose osteoporosis and assess the risk of fractures in the elderly.

UK ADVICE SERVICES

Since the revised settlement ruling in 2009, many Gurkha veterans and widows choose to live in the UK. GWT, in collaboration with MOD established two Gurkha Welfare Advice Centres in 2010, one in Aldershot and another in Salisbury, to provide advice and signposting to government and charity support for those choosing to settle in the UK. As language and IT knowledge have been major barriers for our Gurkha veterans and widows, the Gurkha Welfare Advice Centres UK is playing a pivotal role not only in advising and signposting relevant services but also education about state benefits.

Currently, the influx from Nepal is relatively low, with the majority of them being adult children. However, the growing number of Gurkha veterans and widows who migrated to the UK in the early part of the settlement process have now reached state benefit age, and they are now seeking help and advice on claiming their eligible benefits.

REGISTRATIONS AND CASELOADS

Last year, we registered a total of 636 Gurkha veterans and widows in our database and dealt with 12,727 cases on various welfare matters, including UK state benefits, replacement of physical visas with e-Visas and kindred roll amendments with BGN Veteran Services.

MEETING AND INTERACTIONS

Over the past year, the Gurkha Welfare Advice Centres have engaged with 31 organisations including Gurkha communities, the Department for Work and Pensions, the NHS, Social Services, the Defence Medical Welfare Service, and SSAFA to strengthen partnerships and better support Gurkha veterans and widows in need.

GWAC WEBSITE

The Gurkha Welfare Advice Centres website is embedded within the Gurkha Welfare Trust website and has recently been updated with relevant information that is most applicable to our Gurkha veterans and widows. Additionally, an online registration request function for the Gurkha Welfare Advice Centres has been added to the website, allowing capable individuals with IT skills to process online registration requests. The response to this new set up has been overwhelmingly positive. Regular online requests are now received which both streamlines the registration process and saves considerable time

A STORY OF STRENGTH AND SURVIVAL

You may well recognise former Gurkha Rifleman Baldhan Ghale and his wife Budhini. The couple have always been firm favourites of our staff in Nepal thanks to their warm welcome and cheerful smiles, and they have featured in our literature many times.

BRAVE SERVICE IN THE ARMY

Baldhan enlisted in the British Army in 1960, trained in Malaya then joined the 2nd Gurkha Rifles where he served for six years.

"I remember fighting in the jungles of Sarawak, Indonesia and Borneo. There were lots of mosquitoes. During jungle patrols, we used to be in a group of 15/16 people. There was a British Officer commanding us but I cannot remember his name, our 2IC was Sandip Thapa. In one of the patrols, we ambushed and killed nine enemies."

After leaving the Army, Baldhan returned to Barpak village, near Gorkha in the Himalayan foothills:

"I returned to the village and lived on subsistence farming. It was not enough. I had to work very hard."

Life became less of a struggle when Baldhan started to receive a pension from the Trust, enough for him to afford essentials and help support his family. But there would come a time when he would need your support more than ever…

THEIR VILLAGE WAS DESTROYED

Barpak was the epicentre of the earthquake which struck on 25th April 2015, and the devastation was terrible, with much of the village reduced to rubble. Baldhan and Budhini were at home and had just finished eating when the earth started to shake. The ground was shaking so immensely that it was hard to stand. As they ran outside, people around them were shouting in a state of panic. Once the rumbling finished, their house had been completely destroyed.

Johnny Fenn, who is once again our Field Director, was in Nepal at the time and visited the area soon after.

"I'll never forget walking into Barpak just days later. The entire village had been flattened. Schools were gone. Homes were nothing but rubble. The ground was still cracking and shifting beneath our feet."

"Gurkha veterans and their families had lost everything in a matter of minutes. And yet, I also saw something incredible."

"I remember one elderly couple, Baldhan and Budhini, sitting on the remains of their home. They had nothing left – but when I arrived, the first thing they did was offer me a cup of tea."

"That spirit – their strength, dignity, and resilience even in the face of disaster – is what has stayed with me ever since."

EMERGENCY AID

The Gurkha Welfare Trust responded quickly to the disaster, travelling to the worst affected locations to distribute food, equipment and money to families who had been left with nothing. Baldhan says:

"We (the ex-Gurkha community) were told to meet at a certain place and they (The Gurkha Welfare Trust) gave us packs with food and some money. It was a welcome relief at the time."

The following months were hard. Our staff built the couple a temporary shelter to live in whilst their home was being rebuilt. The shelter protected them from the harsh weather conditions, although the set-up was far from ideal, as Baldhan was quick to tell us:

"In the shelter, the floor was just tarpaulin. We were worried that snakes would get in. The wind, the rain, the heat – everything was a concern."

LIGHT AT THE END OF THE TUNNEL

While the couple stayed in the shelter our staff worked tirelessly to build them a new Earthquake-Resilient Home. They were among

Their home reduced to rubble - yet they still managed a smile.

The couple in front of their new Earthquake-Resilient Home.

the very first people to move into one of the new homes. The couple expressed their gratitude:

"We could never have built this by ourselves. I'm confident this will hold up against the next earthquake. It's hard to describe the feeling, life is much better now."

"We're very lucky to have this place. Hopefully everyone else will soon be as lucky as us. We would like to thank you from the bottom of our hearts. To build a house like this for people like us, who wouldn't even be able to build a small hut, is no small matter."

TEN YEARS ON

Budhini sadly passed away in 2021 and Baldhan is now looked after by his daughter-in-law and grand-daughter. He has poor vision and is unable to travel to the nearest Area Welfare Centre which is about a 3.5 hour drive. Our mobile team visits him regularly to deliver his pension, carry out medical check-ups and make sure he is living comfortably.

Last year we identified that Baldhan's home needed upgrading, so we replaced the old roof which had started to leak, and installed a false ceiling made of plywood. This helps to insulate in winter and keep the house cool in summer. We also built a retaining wall near the house which is on a steep hillside. With your support Baldhan can continue to live his later years with the dignity he deserves.

"I think we would have died without your help. The British have helped me a lot. They provided me with a house after my previous house was destroyed by the earthquake. Now I am happy."

BUILDING RESILIENCE FOR THE FUTURE

We are not just building homes, we are giving Gurkha veterans and their families resilience for the future. We are giving our staff the skills and resources to act quickly in the event of another natural disaster.

We provide Disaster Response (DR) training for our teams in Nepal so that they can be prepared for disaster and are able to reach our pensioners quickly in a time of need.

We are setting up DR Family Stores at our Area Welfare Centres, stocked with emergency shelter kits, blankets, towels, personal hygiene packs and cooking equipment.

Our team visits Baldhan at home

Measuring up for the new retaining wall

OUR FINANCIAL REVIEW

Whilst the post COVID/supply chain global economic challenges have stabilised, the geo-political situation, particularly in the Middle East, remains volatile and over 40% of the world's population went to the polls during 2024. Investment markets were turbulent in their response to the inauguration of the new US President in January 2025 and future US trade tariffs, with significant falls during March/April 2025. Global equities subsequently rallied resulting in a net investment gain of £619,000 (a significant reduction from the £6,018,000 gain experienced in 2023/24).

UK inflation remains a challenge and the continued impact on the cost of living is particularly felt within the acquisition funding stream. The effects of the significant reductions in global aid funding by both UK AID and USAID, have increased the challenge of attracting funds from institutional funders and major trusts.

Sterling remains robust against the Nepalese Rupee with the NPR/GBP rate of exchange (ROE) for the year at NPR174.17/£ against a budget rate of NPR165/£, and 5.3% increase on the average rate for 2023/24.

INCOME

Trust income from all sources during the financial year 2024/25 was £26,571,000 (2023/24: £27,954,000).

Donations from individuals, companies, trusts and other organisations totalled £7,196,000 (2023/24: £6,674,000). Legacies recognised in the year are lower at £5,328,000 (2023/24: £6,924,000) due in part to a large generous legacy received in 2023/24 at over £1,000,000. Additionally, the receipt of income was impacted by delays in the external legal and tax processes which extended the administration periods for estates. The legacy pipeline remains strong with over £5,300,000 having been notified but not yet recognised within the accounts.

We continue to be supported by the MOD who provided a grant of £3,500,000 (2023/24: £3,595,000) towards the cost of the means of delivery of our aid and a grant towards the provision of medical services of £5,800,000 (2023/24: £4,900,000).

Under the final period of the RWEPP agreement with the FCDO we received £607,000 (2023/24: £1,639,000).

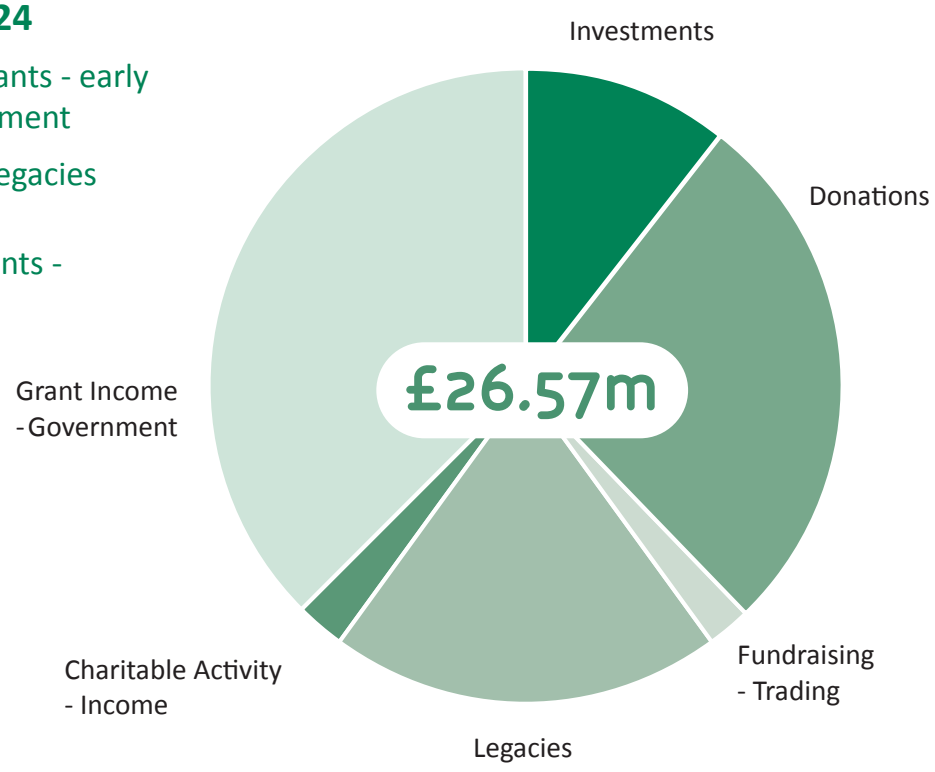
OUR INCOME

Down 4.7% on 23-24

Down £1m (-3.6%) Grants - early ending of FCDO agreement

Down £1.6m (-5.7%) legacies

Up £0.9m (+3.2%) Grants - MOD medical



The use of Gift Aid generated additional income of £773,300 (2023/24: £665,100).

Investment income decreased to £2,843,000 (2023/24: £3,136,000) reflecting reduced interest rates for the fixed deposit account in Nepal, and within the investment portfolio .

EXPENDITURE

Charitable expenditure totalled £21,544,000 (2023/24: £21,275,000). This represents 87% of total expenditure (prior to movement in the constructive obligation) of £24,788,000 (2023/24: £24,466,000).

Charitable expenditure in Nepalese Rupees increased by 8.9% in 2024/25; however the average rate of exchange for the year also increased by 5.3% reducing the cost.

Our cost of raising funds including investment management is £3,244,000 (2023/24: £3,191,000) of which 88% is covered by our investment income of £2,843,000.

Fundraising expenditure of £2,900,000 (2023/24: £2,827,000) continues to be effective raising income of £13,164,000 (2023/24: £14,143,000). This represents a Return on Investment of £4.54 for every £1 spent (2023/24: £5.00). The rate of return was higher in the previous year reflecting the additional legacy income; however, it remains above industry standards.

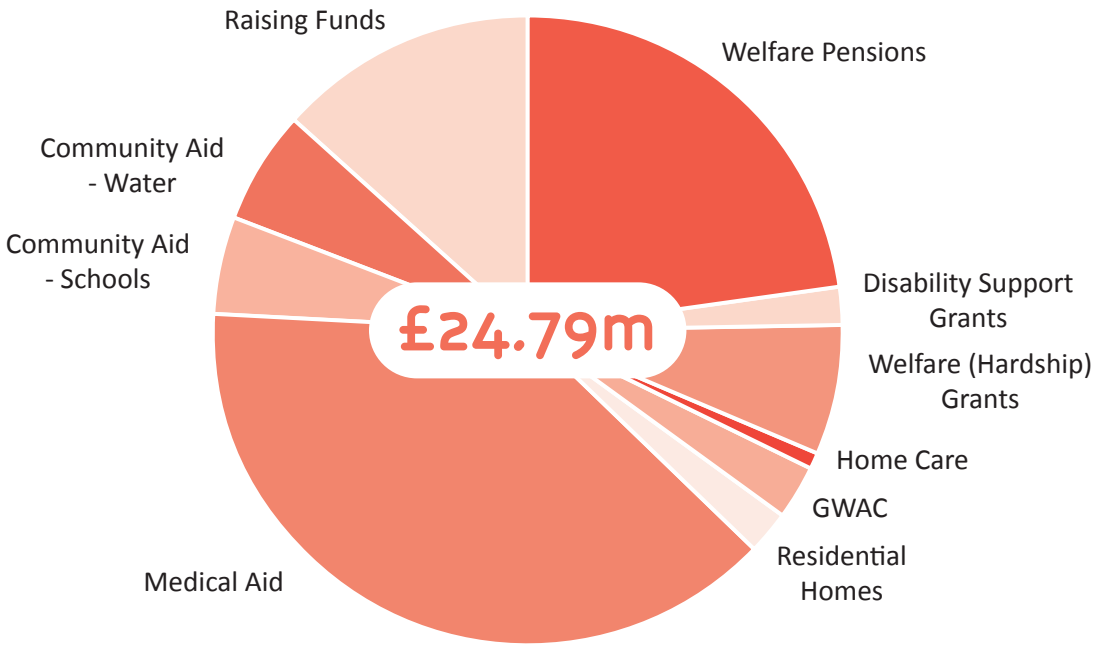
OUR LIABILITIES

We have committed to provide the monthly Welfare Pension and Disability Support Grant to all entitled beneficiaries. Using an actuarial valuation, the cost of the long-term constructive obligation is recognised in the annual accounts as a liability of £35,043,000 (2023/24: £34,500,000); a net reduction of £3,601,000 of which £4,046,000 is due to the favourable rate of exchange at 30 June 2025.

OUR EXPENDITURE

Up 1.3% on 23-24

(includes savings of £1.5m due to favourable rate of exchange)



RESERVES

There are three key areas against which we have specifically allocated resources: designated and restricted funds, and the Welfare Pension Constructive Obligation; these are explained below.

DESIGNATED FUNDS: The total designated funds at 30 June 2025 are £17,877,000 (2023/24: £16,157,000).

Residential Homes: £9,518,000 (2023/24: £7,266,000).

The Trustees are determined that the level of running costs of the Residential Homes should not have a detrimental effect on our ability to provide support to the much wider community of Welfare Pensioners. Therefore, a designated fund was created that was sufficient to meet the annual running costs for 20 years and £400,000 to cover major refurbishments costs, through to 2034. As a result of the direction agreed in Strategic Review 2024, in which the Residential Homes will continue to provide services to our beneficiaries for a further 5 years to 2039, the designated reserve has been increased by £2,763,000 to reflect the extended operational timeline.

Disaster Response: £8,309,000 (2023/24: £8,891,000)

Following specialist advice on the risk of future earthquakes, in June 2018, the Trustees agreed to the creation of a designated fund to allow an immediate response to natural disasters. This is equivalent to ~50% of the GWT expenditure in response to the 2015 earthquakes, uplifted to current prices. Funds were allocated for the repair or replacement of nine beneficiaries' homes during the year, destroyed as a result of the 2024 monsoon season (£32,000). There was a net decrease to the Disaster Response designated reserve at the year-end reflecting the effect of the rate exchange which had strengthened at 30 June 2025.

RESTRICTED FUNDS: The total restricted funds at 30 June 2025 are £1,790,000 (2023/24: £1,259,000).

Restricted income must be used for the specific purpose for which it was donated and the balance at 30 June 2025 includes:

- Earthquake-Resilient homes– donors matched to projects in 2025/26: £46,000.
- Medical – for activity including dental outreach clinics in 2025/26: £77,000.
- Water – donors matched to projects in 2025/26: £3,100,000.
- MOD Medical Grant in Aid for use in 2025/26: £1,052,000.
- Support Costs MOD for use in 2025/26: £474,000.

CONSTRUCTIVE OBLIGATION: The liability at 30 June 2025 is £35,043,000 (2023/24: £38,644,000).

When a charity has created a valid expectation through past practice that it will meet a liability, the Charity Commission requires it to recognise the liability on the balance sheet as a constructive obligation. The Trust considers that a constructive obligation has been created for the payment of the Welfare Pensions and the Disability Support Grants. This is based on WP and DSG beneficiary numbers at 30 June 2025 and key assumptions, including:

35 new WP joiners for each of the next five years (average age 76), agreed above inflation increases in rates payable for 2025/26, extended mortality rates, long-term inflation at 7% and a discount rate at 7%. The actual valuation is calculated in Nepalese Rupees and converted to Sterling at the ROE at the year end. The valuation is therefore susceptible to significant fluctuations as a result of movements in the ROE. The ROE increased by 11.5% from NPR166.47/£ at 30 June 2024 to NPR185.59/£ at 30 June 2025.

The actuarial calculation at 30 June 2025 ROE is £35,043,000; a decrease of £3,601,000 from June 2024, reflecting an above inflation uplift in the monthly allowance, offset by a reduction of £4,046,000 as a result of the rise in the ROE at the year-end.

RESERVES POLICY

When setting the Trust's Reserve Policy, the Board considers the key risks facing the Trust in delivering its core activities, in addition to funding for the Designated Funds and Constructive Obligation referenced above. These considerations include the following matters:

- The Trust's clear and long-term objective of supporting the Welfare Pensioners in their declining years including the provision of welfare and medical support.
- Essential provision for a period of readjustment for those in receipt of welfare support if the Trust should ever be required to reduce or cease its activities, for whatever reason.
- The Trust's requirement to respond promptly and appropriately to new and unforeseen needs or challenges that might affect the way in which welfare support is delivered. Trustees specifically note the Trust carries out its welfare activities in a country where there are not only geophysical dangers such as earthquakes but also political, social and economic uncertainties. In addition, in

order to deliver welfare support, the Trust depends on a number of partners whose support in the future is not guaranteed.

- The impact of adverse changes to the rate of exchange between Sterling and the Nepalese Rupee (NPR).
- Economic adversity: despite a strong supporter base, there is no guarantee that recent levels of income will be matched in the future.
- Volatility in global markets with investments or assets failing to maintain their value.

If any of these uncertainties materialise, either singularly or in combination, the financial effects can be significant with movements of several million pounds.

Global markets have continued to be volatile with significant equity gains in Spring 2024 followed by a fall in July 2024, driven by Japanese markets and movements out of the "magnificent 7" tech companies. During the year there was increased geopolitical risk and market movement following the election and inauguration of the US President and the subsequent range of announcements on global trade tariffs. Markets suffered a significant fall in March 2025 but had recovered sufficiently by the 30 June 2025 year-end to achieve a net gain of £619,000 (2023/24: £6,018,000). With an investment portfolio of over £93,000,000, volatility in the markets can easily lead to movements (adverse or favourable) in the portfolio valuation of £2,000,000-£3,000,000 within a month. A 5% market fall in the valuation of the long term portfolio equates to a loss of £4,100,000.

There is a significant risk of natural disaster in Nepal - either during the monsoon season with major landslips and flooding or as a result of earthquakes. Through our planned programme of Earthquake-Resilient homes for our most vulnerable pensioners, the retrofit programme for the Area Welfare Centres and our community Disaster Response stores, the Trust seeks to mitigate the risks where practicable. In response to this unpredictable risk, we established the Designated Disaster Response reserve. Given the above as well as the vital and unique nature of our work in Nepal, Trustees consider that the Trust ideally requires free reserves equivalent to 18 months of standard expenditure not covered by other provisions, which is approximately £36,444,000. This level of reserve will enable the Trust to adjust its infrastructure and respond quickly to any of these risks. The Reserve Policy seeks to maintain charitable activity and provide stability to our financial planning. It is reviewed annually during the budget setting process, taking account of current and future risks and the economic climate, both in the UK and Nepal, and consequential impact on the Trust's investment portfolio.

After taking the Constructive Obligation into account the Trust has total funds of £70,542,000 (2023/24: £64,611,000), however, the free reserves which are available in response to unforeseen challenges, and exclude tangible fixed assets, designated and restricted funds amount to £49,304,000 (2023/24: £45,836,000).

This represents 135% of the level of reserves deemed appropriate by the Trustees. This is higher than projected when approving the budget and reflects the significant impact of the strengthened ROE during 2024/25 with an increase to free reserves of over £4.05m following the revaluation of the constructive obligation and the effect on expenditure in Nepal (+7.5% above the budget rate equating to savings of ~£1.50m). In setting the budget for 2025/26, Trustees took action to increase support to the most vulnerable beneficiaries in their later years and reduce the excess free reserves, and approved further above inflation uplifts for the Welfare Pension, Disability Support Grant, Festival Allowance, Home Carer's Allowance and related grants. A new utility allowance (at a cost of £0.30m per year to the Trust) was introduced for all beneficiaries in recognition of increasing costs. Trustees will continue to prioritise support for the most vulnerable in 2026/27 and will consider a range of measures including above inflation increases for the core welfare benefits and related allowances and grants.

The continued strong free reserve position at 30 June 2025, has enabled Trustees to approve additional in-year expenditure (2025/26) to bring forward and accelerate the delivery of our Earthquake-Resilient Homes programme with an additional 25 homes in each of the next three years at a cost of £0.71m. A total of 300 homes new homes will be delivered over the next three years.

OUR PEOPLE AND CULTURE

The Trust was established by Trust deed in November 1969 for the relief of hardship and distress among Gurkha ex-servicemen of the British Crown and their dependants. It was re-constituted, also by trust deed, in 1994. In April 2004 the Trust became a Charitable Company Limited by Guarantee (CCLG). These accounts amalgamate those of the unincorporated trust in compliance with the Charity Commission's uniting direction.

The development and execution of Trust policies is the responsibility of a Board of Trustees that meets three times each year. Their agenda is supported by a number of subordinate committees that consider investment, governance, audit and finance matters. The Board of Trustees are responsible for setting the strategic aims of the Trust.

The Finance Committee, a sub-committee of the Board with approval to make decisions on the Board's behalf is, among other responsibilities, tasked with setting salary levels of key personnel. In setting these salary levels consideration is given to benchmarking with equivalent roles in the wider charity sector.

The Trust is fortunate in having a highly professional work force whose work is of an exceptionally high standard, which can be recognised in the wider sector. This year our Legacy Manager, Carolyn Derryman's work on "Excellence in working with Lay executors" was recognised by being shortlisted by Smee & Ford in the top three in their national awards.

TRUSTEE SELECTION

The Governance committee, currently comprising a Chair and two Trustees, is responsible for oversight of Trustee selection.

In accordance with Charity Commission guidance on Trustee tenure, there is a steady turnover of Trustees. When a vacancy arises, a specialist recruitment organisation is engaged to invite suitably qualified candidates which are then shortlisted by a GWT selection panel and the final candidate selected by panel interview. The appointment is then reviewed and confirmed by the Board. All Trustees follow a generic training package to induct them into the work of the Trust and further role-specific training is sought for those that require it. This also includes assurance visits to our infrastructure and work in Nepal.

This process of Trustee recruitment has been further defined and clarified with regard to Independent Trustees by the Chair of the Governance committee in line with the Charity Commission's view that:

"The Board has a key impact on whether a charity thrives. The tone the Board sets through its leadership, behaviour, culture and overall performance is critical to the charity's success. It is important to have a

rigorous approach to trustee recruitment, performance and development, and to the Board's conduct. In an effective team, Board members feel it is safe to suggest, question and challenge ideas and address, rather than avoid, difficult topics."

Details of Trustee retirements and recruitment may be found on page 1.

MANAGEMENT PERSONNEL

The Trust's CEO is responsible for the day-to-day operation of the Trust. He directs and coordinates the work of the Salisbury headquarters and oversees the work of the Gurkha Welfare Trust (Nepal) and the Gurkha Welfare Advice Centres.

The Director GWT(N) provides assurance that our operations in Nepal are conducted in accordance with the prevailing laws of the Government of Nepal. He provides politically aware advice on any matters that relate to or may affect GWT in-country. He also acts as the interface between GWT and both the Government of Nepal and the Nepal based veteran community.

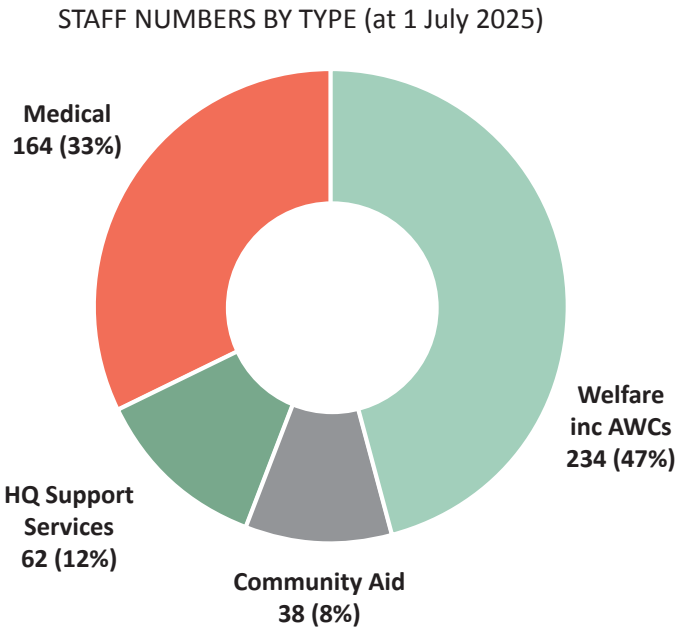
The Field Director of the GWT(N) in Nepal is responsible for daily operational management of the GWT(N) and implementing services to our beneficiaries in accordance with Trust policies.

OUR STAFF IN NEPAL

STAFF NUMBERS BY LOCATION (at 1 July 2025)

AWC	STAFF
Bheri	7
Baglung	6
Bagmati	44
Gulmi	6
Kaski	59
Lamjung	6
Gorkha	6
Syangja	8
Tanahun	9
Chitwan	16
Butwal	30
Rumjatar	6
Diktel	6
Bhojpur	7
Khandbari	6
Tehrathum	6
Taplejung	6
Phidim	7
Dharan	59
Darjeeling/Dehradun	9
Damak	27
Singpoly	5
Pokhara	
Medical	22
Welfare	21
Community Aid	38
AWC Projects	14
Governance & Support	62
TOTAL	**498**

STAFF NUMBERS BY TYPE (at 1 July 2025)



OUR STAFF

VOLUNTEERS

The Trust is again grateful for the support of its volunteers in-year, those who support us in the office, completing vital tasks with the team and our community fundraisers - hosting various initiatives among their own communities to raise funds for our work.

We also work with volunteers on our events, primarily the Doko Challenge event which took place in Wimbledon this year. We are also grateful to the volunteers who help with Trailwalker each year, manning checkpoints, cheering people on and assisting with logistics.

Without their dedication, time and hard work these events would not be possible.

EQUALITY, DIVERSITY AND INCLUSION

The Trust is committed to promoting and supporting diversity through the creation of an environment in which individuals are treated on the sole basis of their relevant merits and abilities. All staff and Trustees share this commitment. The Trust will not tolerate any discrimination or behaviour towards an individual in respect of age, disability, race, religion, gender or sexual orientation, which is offensive, discriminatory or hostile towards the individual.

Through the provision of reasonable adjustments within the workplace, the Trust seeks to maximise the talent and opportunities for both potential and current employees. Arrangements will be made, wherever possible, for retraining employees to enable them to perform work identified as appropriate to their aptitude and ability.

The Trust complies with all UK legislation and applies this as best practice in Nepal wherever practicable, in accordance with Nepal statutory regulations.

SAFEGUARDING

The Trust operates a zero-tolerance approach to dealing with safeguarding issues for all staff, contractors, visitors and beneficiaries, regardless of location. As an organisation, we strive to maintain an environment that is free from harassment, abuse and mistreatment in all of our operations and activities.

This approach is reinforced through regular training, both during initial induction training and thereafter with annual Individual Continuous Training (ICT) combined with regular briefings to beneficiaries

and communities. The Policy is visibly displayed across all locations and is regularly reminded to Line Managers, Safeguarding leads and all staff whether on training serials or visits. This is all based on a robust safeguarding policy which is regularly reviewed.

The policy aims to:

- Promote and prioritise the safety and wellbeing of staff and vulnerable beneficiaries;
- Provide assurance to the families of beneficiaries, donors and other stakeholders that GWT takes reasonable steps to manage risks and keep vulnerable individuals safe;
- Ensure that everyone understands their roles and responsibilities in respect of safeguarding and is provided with the necessary information, training and support on safeguarding matters;
- Prevent the employment of individuals in working with vulnerable beneficiaries where they have been deemed by the relevant authorities or GWT to pose an unacceptable risk to vulnerable groups;
- Ensure that appropriate action is taken in the event of any allegations or suspicions regarding harm to staff or vulnerable beneficiaries arising from contact with GWT staff, contract staff or volunteers, whether the alleged harm has taken place on GWT premises or not.

GWT's Safeguarding Policy also seeks to effectively manage the risks associated with activities and events involving vulnerable beneficiaries through:

Completing a risk assessment process which involves identifying risks and means of reducing or eliminating them;

- Ensuring that the appropriate disclosure checks are conducted, depending on eligibility, for any individuals starting or moving into work which involves working with vulnerable beneficiaries;
- Requiring new employees and individuals involved in working with vulnerable beneficiaries to familiarise themselves with the content of this policy and the associated Standards.
- The assurance of the understanding and implementation of the GWT Safeguarding Policy is led by the Head of Assurance, however the GWT Board and the Executive are also closely involved in monitoring the level of knowledge by all staff and beneficiaries. There is also a dedicated Trustee-Director as the Safeguarding lead on the GWT Board who conducts at least two visits to Nepal each year.

In 2023 further actions have included all Safeguarding roles being explicitly written into Job Descriptions and records formally being kept of all Safeguarding training. There is also now a designated Safeguarding lead on Sexual Violence and Harassment. A relationship with Save the Children has developed to better inform GWT on safeguarding requirements which culminated in a 2-day safeguarding training conference in September 2024. Additionally, from July 2024, a dedicated 12 person Safeguarding Cell has been established to monitor, evaluate and deal with both safeguarding and protection issues.

ENVIRONMENTAL MATTERS

The Trust is committed to minimising the impact that its processes have on the environment and to providing a safe working environment for our employees.

In accordance with the UK Government's Streamlined Energy & Carbon Reporting policy, the Trust is a low energy consumer in the UK and is therefore exempt from providing detailed energy consumption disclosures.

In the UK, we continue to ensure that wherever possible our fundraising materials are produced from sustainable and recycled materials and that our events seek to minimise the use of plastics. Items the Trust sells at retail are sourced as locally as costs allow.

In Nepal, the Trust seeks to reduce its environmental footprint in a number of ways. The use of solar panels in both the HQ and across our AWC network helps mitigate energy consumption. Travel by vehicle and domestic airlines has been reduced through the greater use of online conference and communication facilities as a direct result of the digitisation of our welfare network.

Equally, the procurement of materials and labour close to project sites minimises the Trust's overall carbon footprint reducing airmiles and vehicle miles as well as supporting local economies.

TRAINING

The Trust is committed to ensuring that staff are properly trained for their roles as well as helping maintain motivation and supporting continued professional development.

In the UK there are generous training budgets assigned to each staff member who are encouraged to maximise use of them to hone their expertise and stay abreast of current sector trends and best practices.

In Nepal the same importance is placed on training - though more often in a group setting owing to the number of staff. Team building and training events took places regularly across the year, particularly within the RWEPP and Medical teams.

Given the remote nature of their work, a Train the Trainer approach is often favoured, allowing selected staff members to learn skills and return to their AWC to inculcate the learning through the wider organisation.

A wholesale review of GWT(N)'s training needs was conducted to provide greater visibility of individual and organisational training requirements by centralising them under the Head of Support and Training (HoST). This incorporates the ability, through development of Nepal's IT infrastructure, to increasingly conduct training remotely online. This has further benefit in reducing the amount of time taken to travel to/from training locations thereby reducing risks to staff and minimising our carbon footprint.

OUR POLICIES AND DISCLOSURES

RISKS

All activities are subject to regular risk review by the Board of Trustees. Major risks are, for this purpose, those that could have a significant effect on:

- The Trust's ability to achieve its Objects.
- The Trust's operational performance, including risks to personnel and volunteers.
- Meeting the expectations of beneficiaries and supporters.
- The Trust's reputation and integrity.
- The Trust's assets.

The Trustees review all risks on an ongoing basis and satisfy themselves that adequate procedures are in place to minimise and manage the risks identified. Where possible and appropriate, risks are covered by insurance.

The Trust's financial Reserves policy is assessed and set at a level which enables the Trust to help manage its risks.

OUR PRINCIPAL RISKS AND UNCERTAINTIES

All key risks appear in the Trust's Risk Register and include operational and financial risks. These were reviewed in line with Charity Commission guidance (CC26) in August 2025.

The key risks are identified as:

a. Operational Risks

- **Disruption of services due to natural disaster in Nepal.** GWT operates in a country that is extremely prone to natural disasters and where its internal resilience and institutions are relatively fragile. GWT has a disaster resilience plan which is regularly reviewed and practised. We maintain plans and supplies with which to respond and the Trust has a fully funded designated Disaster Response fund. Our retrofit work on our AWC network, the platform from which we deliver support, is completed except for AWC Bagmati which will conclude in FY25/26 in conjunction with our continuing EQ homes programme for our most vulnerable beneficiaries helps to mitigate this risk.
- **Adverse clinical outcomes of GWT(N)'s medical service.** The provision of Primary Healthcare has grown exponentially with continuing increases in registrations and utilisation leading to this being GWT's largest financial expenditure. Combined with an ageing population implying an increasing reliance on medical support and more complex cases lead to a proportionally greater statistical chance of adverse clinical outcomes. This might result in potential litigation, financial and reputational consequences.
- **MOD Grants in Aid.** GWT receives grants in aid for both support costs and the provision of medical services which, if not increased in line with Nepal inflation, would lead to an erosion of value over time. Agreement has been received for additional funding for medical services, reflecting increased costs and usage. The impact of a funding shortfall might be addressed through additional funding from donors or to limit GWT's liability through a reduction in scope of activity and/or increase in individual contribution.
- **Cyber Security and protection of data.** The Trust places high importance in maintaining compliance with the Data Protection Act 2018 and the EU General Data Protection Regulation. This applies to both supporter information in UK and personal medical data of our beneficiaries in Nepal. Our cyber security has been augmented with the investment in and successful implementation of significant IT enhancements throughout our organisational network in Nepal, including new IT information systems for welfare, logistics and HR being developed. A new EMRS system has been introduced with effect from 1 January 2025. But with greater reliance on IT systems the risk also increases. In addition, cyber penetration testing of our networks in both UK and Nepal is conducted by external specialist agencies.
- **Safeguarding.** In Nepal local understanding of what constitutes safeguarding risk is sometimes at odds with recognised UK practice. Our ageing demographic of core beneficiaries will continue to become more vulnerable and potentially susceptible to safeguarding/protection issues. GWT has made significant progress in putting clear policies in place supported by regular training for all staff. This is further enhanced by the establishment of a new Safeguarding Cell which takes the lead on this.

b. Financial Risks

- **Investment performance insufficient to maintain**

an appropriate level of financial reserves. The Trust maintains sufficient reserves to meet all of its obligations and these are regularly reviewed by the Investment Committee to ensure that the balance of the portfolio is appropriately positioned. This is supported by developing and maintaining contingency fundraising plans.

- **Exchange Rate Risk.** The Trust monitors the ROE on a daily basis. Over the long term the ROE tends to even out currency fluctuations between both countries but, over shorter periods, political and financial market uncertainty can cause significant movements within this trend. As inflation has traditionally been higher in Nepal than UK this has generally benefited Sterling against the Nepalese Rupee thereby assisting our work in Nepal. Over the next five years, we anticipate a further strengthening of Sterling driven by a weakening of the US Dollar. At present, a 1% change in the average ROE increases or decreases our costs by £225,000 whilst also impacting the value of our liabilities by £347,000 demonstrating how our net assets can change significantly from one year to the next. To mitigate against adverse currency movements, funds to cover three months cash flow are held in Nepalese Rupees and the investment portfolio is spread across a wide range of currencies.

INVESTMENT POLICY AND PERFORMANCE

The Trust meets the key challenges of short-term liquidity, cash flow flexibility and long-term capital growth by holding cash in a short-term portfolio while splitting investments between medium-term and long-term portfolios. The purpose of the two investment portfolios is to delineate the Trust's requirements between monies that are held as an immediate reserve to cover cash flow requirements (c. 18 months) and truly long-term monies that can weather capital volatility over a 5-7 year investment time horizon.

The medium term portfolio seeks a return that is better than SONIA (Sterling Overnight Index Average) while the long-term portfolio aims to outperform a composite benchmark and a long term target of CPI+4%.

In line with good governance, the Investment Committee undertook a review of the investment manager in 2024 and, after a comprehensive selection process, the Trustees approved the re-appointment of Sarasin & Partners LLP along with the appointment of CCLA Investment Management to manage long-term reserves split on a 50:50 basis. Sarasin & Partners will continue to manage the medium-term portfolio.

Over the past 12 months to 30 June 2025, the medium-term portfolio delivered a return of 4.4% compared to 4.8% for the benchmark. The Sarasin long-term portfolio returned 3.7% compared to 7.3% for the benchmark with the CCLA long-term portfolio returning 0.4% in the three months held. Whilst both managers under-performed their benchmarks during this period, it is pleasing to note that long-term reserves continue to exceed their CPI+4% target over the long-term.

Investment Risk – the risks & how do we mitigate these through our investment strategy?

The Investment Committee, on behalf of the Trustees, regularly reviews counterparty, custody, capital loss, market, liquidity, regulatory and sustainability risks as well as the investment processes of both fund managers to ensure that all industry safeguards are in place. The Investment Committee has guarded against two key areas of risk.

The first risk is loss of capital and hence our decision to invest in a well-diversified global portfolio across different fund managers and asset classes to reduce the risk of loss from a single investment or strategy. To minimise volatility risk, we also aim to protect investments from sudden variations in market movements by balancing levels of risk and return between short-term, medium-term and long-term portfolios.

The second area is currency risk as the Trust's fundraising activities and the MOD's grant in aid are made in a different currency (Sterling) to the recipient beneficiaries (Nepalese Rupee). It is difficult to mitigate this risk as there are few investments that can be made in Nepal and the Rupee has been in steady decline against Sterling over the past 25 years. The solution has been to keep some short-term monies in Nepalese Rupee, have some exposure to the US Dollar in the medium-term portfolio, and to have a large weighting of global equities in the long-term portfolio.

Going Concern

The Trust has undertaken a robust assessment of the continued global economic challenges and their impact on the ability of the Trust to operate as a Going Concern.

The main areas of financial risk have been identified as:

- Reduction in fundraising income.
- Material volatility in the rate of exchange.
- Sustained high inflation (UK and Nepal).
- Constraints in Government Grant funding and failure to match the increasing cost of activity.
- Reduction in valuation of the investment portfolio.

When agreeing the budget for 2025/26, Trustees have been able to draw on the evidence of fundraising performance during 2024/25 in which, despite the challenges of the continued cost of living pressures, has remained strong, and increase levels of charitable activity, with above inflationary increases in both the Welfare Pension and the Disability Support Grant. When assessing the required level of reserves, Trustees have maintained the optimal level of free reserves at 18 months of routine expenditure to reflect continued economic and political uncertainty.

The Trust has applied a sensitivity assessment to future income projections and the investment portfolio, to understand the extent to which reductions can be managed without impacting on long term commitments and the ability to deliver charitable activities to our beneficiaries. Financial performance is scrutinised on a regular basis by the Finance Committee and the Main Board so that any shortfall in income will be identified to Trustees in a timely manner.

Trustees have concluded that the Trust remains in a strong financial position and operates as a Going Concern.

ADDITIONAL POLICIES

The Trust is committed to sustainable development, meeting the needs of our beneficiaries without compromising the ability of future generations to meet their own requirements and this is a guiding principle within our work in Nepal. Concern for the environment is an integral and fundamental part of this commitment and our aim is to reduce the impact of our operations on the environment. This aim is promulgated through the Environmental Policy.

DIRECTOR'S STATEMENTS

Statement of how directors have complied with their duties to have regard to matters in Section 172(1) of the Companies Act 2006.

A director of a company must act in a way he/she considers, in good faith, would be the most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard to the following matters:

(a) The likely consequences of any decision in the long-term: The Trust's future work is defined through a five-year Strategy Review; the current review period runs to 2025 having been endorsed by Trustees on 16 September 2020. The Strategy Review was brought forward to 2024 to align with the transition of Chair GWT and was presented to the Board in September 2024 for implementation from 2025.

(b) The interests of the company's employees: Our employees are our key asset and Trustees are committed to promoting a highly motivated workforce through inclusion in the workplace, promoting and supporting training and development opportunities and supporting their physical and mental wellbeing. In Nepal, regular staff surveys are undertaken, and a Staff Council has been introduced to enhance communication.

(c) The need to foster the company's business relationships with suppliers, customers and others: The Trust seeks to manage its relationships with suppliers in an open and transparent way, ensuring there is fairness in all aspects of the tender process. At a local level in Nepal the Trust liaises with local authorities and federal Governmental structures through our Welfare Officers located around the country. From a Strategic perspective the Trust's relationship with the Government of Nepal centres on the annual Brigade of Gurkhas Welfare Coordination Committee (BGWCC) which endorses the Trust's work and provides our licence to operate.

(d) The impact of the company's operations on the community and environment: The Trust's work is intrinsically linked with local communities, and our network of Welfare Officers work closely with local administrations. Our long-term partnership with FCDO has improved the lives of hundreds of communities through the provision of potable water and sanitation, which will continue through the Trust-funded rural water and sanitation programme.

(e) The desirability of the company maintaining a reputation for high standards of business conduct: Trustees seek to maintain the reputation and esteem

in which the Trust is held by both beneficiaries and supporters, through openness and clarity in our objectives and deliverables and ensuring that maximum benefit reaches our core beneficiaries enabling them to “Live with Dignity”. There is a robust governance structure with committees and Trustees meeting on a regular basis.

(f) The need to act fairly as between members of the company: Trustees expect all within the Trust to uphold the highest standards and be seen as an exemplar to other similar organisations. To support consistent standards the Trust has a Values & Standards document, a Competency Framework, Appraisal Reporting policy and procedures and a Discipline policy and procedures within GWT(N) Standing Instructions, Staff Handbook and Terms and Conditions of Service (TACOS).

Statement summarising how directors have engaged with suppliers, customers and others in a business relationship with the company.

The Trust assesses the needs of its beneficiaries through a Pensioner Risk Assessment, from which a Pensioner Care Plan is developed by our Welfare Officers and medical staff. The plans are regularly reviewed to ensure that the level of care is appropriate, and our Internal Audit and Assurance programmes assess the level of compliance and achievement.

The long-term grant arrangement with FCDO for the provision of potable water and sanitation is based on an agreed target and annual assessment of performance. This has led to the programme achieving an A or A+ rating with a low risk rating each year since grading was introduced in 2012. The grading for this Financial Year was once again an A+. Dir GWT(N) had the lead for the senior management of the relationship with FCDO staff based at the British Embassy; day to day management of the programme was invested in the RWEPP Programme Director.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also directors of The Gurkha Welfare Trust for the purposes of company law, are responsible for preparing the Trustees' Annual report (including the Group Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions, disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charitable company's constitution.

They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the company and the group'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.

This Trustees' Report incorporating the Strategic Report was approved and authorised for issue by the Board of Trustees on 4 December 2025 and signed on its behalf by:

Major General Gerald Strickland DSO MBE
Chair
Original signed and dated 04 December 2025.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GURKHA WELFARE TRUST

OPINION

We have audited the financial statements of The Gurkha Welfare Trust ('the charitable company') and its subsidiaries ('the group') for the year ended 30 June 2025 which comprise Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Consolidated Statement of Cash Flows, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 30 June 2025 and of the group's 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.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 trustee's 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 or the group'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 contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 our audit

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 41, the trustees (who are also the directors of the charitable company for the purposes of company law) 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.

AUDITOR'S 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 auditor's report.

EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members including internal specialists and significant component audit teams. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK

operations were General Data Protection Regulation (GDPR), employment law, and Anti-fraud, bribery and corruption legislation. We also considered compliance with local legislation for the group's overseas operations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, welfare pension payments and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, component auditors and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing audit procedures to test the timing of income and welfare pension payments, reviewing of component auditor working papers, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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.

Tara Westcott
Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP
Statutory Auditor
St James House
St James' Square
Cheltenham
GL50 3PR

Original signed and dated 16 December 2025

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2025

(incorporates the consolidated income and expenditure account)

	Notes	Unrestricted		Restricted	2024-25	2023-24
		General	Designated		Total	Total
		£000	£000	£000	£000	£000
Income from:	3					
Donations and legacies						
Donations	3a	5,092	0	2,104	7,196	6,674
Legacies	3b	5,328	0	0	5,328	6,924
Grants						
Ministry of Defence	3c	0	0	3,500	3,500	3,595
Charitable activities	3d					
Ministry of Defence		0	0	5,800	5,800	4,900
Foreign, Commonwealth and Development Office		0	0	607	607	1,639
Medical Services		0	0	657	657	541
Other trading activities						
Fundraising Events	3e	600	0	0	600	520
Retail		40	0	0	40	25
Investments	3f	2,843	0	0	2,843	3,136
Total		**13,903**	**0**	**12,668**	**26,571**	**27,954**
Expenditure on:	4					
Raising funds						
Fundraising	4e	2,900	0	0	2,900	2,827
Investment management costs	4e	344	0	0	344	364
Charitable activities						
Individual aid	4a	5,345	32	3,344	8,721	7,775
Medical Aid	4b	3,717	0	5,912	9,629	9,393
Residential Homes	4c	0	511	0	511	464
Community aid	4d	42	0	2,641	2,683	3,643
Sub Total Expenditure		**12,348**	**543**	**11,897**	**24,788**	**24,466**
Movement in constructive obligation	4f/14	(3,601)	0	0	(3,601)	3,188
Total		**8,747**	**543**	**11,897**	**21,187**	**27,654**
Net income/(expenditure) before other gains and losses		5,156	(543)	771	5,384	300
Other gains and losses						
Net gains on investments	9	619	0	0	619	6,018
Net income/(expenditure)		5,775	(543)	771	6,003	6,318
Transfers between funds	17&18	(2,023)	2,263	(240)	0	0
		3,752	1,720	531	6,003	6,318
Other recognised gains/(losses)						
Profit & loss revaluation (loss)		(72)	0	0	(72)	(39)
Net Movement in Funds		3,680	1,720	531	5,931	6,279
Reconciliation of funds						
Funds brought forward		47,195	16,157	1,259	64,611	58,332
Total Funds Carried Forward		**50,875**	**17,877**	**1,790**	**70,542**	**64,611**

NOTES

The consolidated statement of financial activities includes the income and expenditure account.

There are no other gains and losses other than those shown above.

All the Trust's activities are derived from continuing activities.

Profit for Companies Act purposes (before unrealised gains and losses) is: £6,806,000 including movement in constructive obligation (2023/24: £314,000).

Net Income/(expenditure) before movement in constructive obligation: £1,783,000 (2023/24: £3,488,000).

See Note 19 for a comparative statement of financial activities for year ended 30th June 2024.

The notes on pages 49 to 75 form part of these accounts.

CONSOLIDATED AND CHARITY BALANCE SHEET AT 30 JUNE 2025

Company registration number 05098581

	Notes	Group		Charity	
		2025	2024	**2025**	2024
		£000	£000	**£000**	£000
Fixed assets:					
Intangible assets	7	**132**	36	**132**	36
Tangible assets	8	**2,175**	2,133	**1,584**	1,542
Investments	9	**94,325**	92,935	**94,325**	92,935
Total fixed assets		**96,632**	95,104	**96,041**	94,513
Current assets					
Medication, project & trading stock		**396**	391	**384**	374
Debtors	10	**1,774**	1,366	**1,769**	1,355
Cash at bank and in hand		**8,345**	8,163	**8,123**	7,969
Total current assets		**10,515**	9,920	**10,276**	9,698
Liabilities					
Creditors: amounts falling due within one year	11	**(1,562)**	(1,769)	**(1,497)**	(1,692)
Provisions for liabilities falling due within one year					
Constructive Obligation	14a	**(4,057)**	(4,144)	**(4,057)**	(4,144)
Net current assets or liabilities		**4,896**	4,007	**4,722**	3,862
Provisions for liabilities falling due after more than one year					
Constructive Obligation	14b	**(30,986)**	(34,500)	**(30,986)**	(34,500)
Total net assets or liabilities		**70,542**	64,611	**69,777**	63,875
Funds:					
Restricted funds	18	**1,790**	1,259	**1,790**	1,259
Unrestricted funds					
General		**85,918**	85,839	**85,153**	85,103
Welfare pension reserve		**(35,043)**	(38,644)	**(35,043)**	(38,644)
Net General funds	17	**50,875**	47,195	**50,110**	46,459
Designated	17	**17,877**	16,157	**17,877**	16,157
Unrestricted funds after provision for liabilities and charges		**68,752**	63,352	**67,987**	62,616
Total funds		**70,542**	64,611	**69,777**	63,875

NOTES

The net income for the Trust for the year ended 30 June 2025 was £5,931,000 (2024: £6,279,,000).
The net income for the Charity for the year ended 30 June 2025 was £5,902,000 (2024: £6,270,000).
As permitted by Section 408 of the Companies Act 2006, no separate Statement of Funds or Income and Expenditure account has been presented for the Charity only.

Approved and authorised for issue by the Board of Trustees on 04 December 2025 and signed on their behalf by:

Major General G M Strickland DSO MBE
Chair
Original signed and dated 04 December 2025

The notes on pages 49 to 75 form part of these accounts.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

	Notes below	2024/25 £000	2023/24 £000
Cash flows from operating activities:			
Net cash provided by operating activities	Note A	(1,376)	1,459
Cash flows from investing activities:			
Dividends and interest from investments		2,843	3,136
Purchase of Intangibles		(189)	(20)
Purchase of property, plant and equipment		(325)	(432)
Proceeds from sale of investments		54,994	8,562
Purchase of investments		(60,733)	(13,909)
Net cash (used in)/investing activities		(3,410)	(2,663)
Operating activities			
Change in cash and cash equivalents in the reporting period		(4,786)	(1,204)
Cash and cash equivalents at the beginning of the reporting period	Note B	13,778	14,982
Cash and cash equivalents at the end of the reporting period	Note B	**8,992**	**13,778**

NOTES	**2024/25**	2023/24
A. Reconciliation of net income to net cashflow from	**£000**	£000
Net income for the reporting period (as per SOFA)	6,003	6,318
Adjustments for:		
Depreciation and amortisation	376	303
Gains on investments	(619)	(6,018)
Investments donated	0	(33)
Dividends and interest from investments	(2,843)	(3,136)
Losses on foreign exchange	(72)	(39)
(Increase)/Decrease in stocks	(5)	115
(Increase)/Decrease in debtors	(408)	525
(Decrease)/Increase in creditors	(207)	236
(Decrease)/Increase in constructive obligation	(3,601)	3,188
Net Cash (used in)/provided by operating activities	(1,376)	1,459

B. Analysis of cash and cash equivalents	**2024/25**	2023/24	Cash flow in year
	£000	£000	£000
Cash in hand and at bank	**8,345**	8,163	182
Notice deposits (less than 3 months)	**647**	5,615	(4,968)
Total cash and cash equivalents	**8,992**	13,778	(4,786)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2025

1. BASIS OF PREPARATION

Statement of compliance

The financial statements are prepared under the historical cost convention as modified to include the revaluation of investments at fair value. The format of the financial statements has been presented to comply with the Companies Act 2006 and FRS 102 The Financial Reporting Standard applicable in the UK and Ireland and the Statement of Recommended Practice Accounting and Reporting by Charities ("SORP 2015 updated 2019"). The Charity is a Public Benefit Entity as defined by FRS 102.

General information

The Charity is a private company limited by guarantee, incorporated in England and Wales (company number: 05098581) and a charity registered in England and Wales (charity number: 1103669). The Charity's registered office address is:

P.O Box 2170, 22 Queen Street, Salisbury SP2 2EX

Basis of Consolidation

These financial statements consolidate the results, assets and liabilities of the Charity's trading subsidiary, GWT Trading Limited, on a line by line basis. The statements also include consolidation of the Ex Servicemen and Families Support Society, a not for profit company registered in Nepal 2 July 2018 for the legal ownership of land assets purchased by GWT in Nepal.

The Charity's own Statement of Financial Activities has not been presented, as permitted by section 408 of the Companies Act 2006. The Charity's net income for the year as an individual entity, after movement in the constructive obligation and other recognised gains and losses was a surplus of £5,902,000 (2023/24: £6,270,000).

Going concern

The Trust has undertaken a robust assessment of the continued global economic challenges and their impact on the ability of the Trust to operate as a Going Concern.

The main areas of financial risk have been identified as:

- **Reduction in fundraising income;**
- **Material volatility in the rate of exchange;**
- **Volatility and instability in global stock markets leading to a reduction in valuation of the investment portfolio;**
- **Sustained inflation (UK and Nepal); and**
- **Constraints in Government Grant funding and failure to match the increasing cost of activity.**

When agreeing the budget for 2025/26, Trustees have been able to draw on the level of free reserves and the evidence of fundraising performance during 2024/25 in which, despite the challenges of the continued cost of living pressures has remained strong, and to increase levels of charitable activity, with above inflationary increases in both the Welfare Pension and the Disability Support Grant and the introduction of a new Utility Allowance. When assessing the required level of reserves, Trustees have maintained the optimal level of free reserves at 18 months of routine expenditure to reflect continued economic uncertainty.

The Trust has applied a sensitivity assessment to future income projections and the investment portfolio, to understand the extent to which reductions can be managed without impacting on long term commitments and the ability to deliver charitable activities to our beneficiaries. Investment performance and risk is reviewed on a regular basis by the Investment Committee and financial performance is scrutinised on a regular basis by the Finance Committee and the Main Board and therefore any shortfall in income will be identified to Trustees in a timely manner.

Trustees have concluded that the Trust remains in a strong financial position and operates as a Going Concern for a period of at least 12 months from approval of these financial statements.

Significant judgments and sources estimation uncertainty

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Charity's accounting policies. The key judgements that have been applied by management relate to:

- Constructive obligation: The valuation of the constructive obligation is based on the following assumptions:
  - Future long term inflation rate in Nepal at 7.0% per annum.
  - Future payments have been discounted at 7.0% per annum.
  - Life expectancy for our beneficiaries is based on the Nepali Government Mortality tables extended to age 110 to reflect the increased longevity of our beneficiaries.
  - There are anticipated 35 new Welfare Pension entrants per year for each of the next five years, with an average age at joining of 76.
  - 50% of former soldier pensions will be transferred to a widow.
  - There are a further 75 future new Disability Support Grant beneficiaries.
- Legacies: Income is accrued when there is entitlement through the earlier of cash receipt or Estate Accounts (entitlement), it is possible to reliably estimate the amount receivable (measurement) and there is probability of receipt.
- Depreciation/Amortisation: The rates of depreciation for tangible fixed assets and amortisation for intangible fixed assets are selected by management based on their estimate of normal economic life taking into consideration the environment in which the assets are deployed.

2. PRINCIPAL ACCOUNTING POLICIES

The following principal accounting policies have been applied:

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.

Recognition of income is deferred where conditions specify that such income relates to future accounting periods or in relation to grants, where performance related conditions have not yet been met. Where donors specify that funds are for specific purposes such income is included in incoming resources of restricted funds.

Donations. Income from donations, covenants and gift aid includes receipts from fundraising events. Donations, together with the resulting tax credit from gift aid, are credited directly to the statement of financial activities when received by the Trust. Donations and all other receipts (including capital receipts) from fundraising are reported gross and the related fundraising costs are reported in raising funds.

Gifts in Kind are recognised in respect of personnel funded by the Ministry of Defence in roles which would have to be replicated by the Trust. An equivalent cost is also reported within staff costs. Gifts in Kind are recognised in respect of donated goods either in support of fundraising activity or in direct support of the provision of charitable activity. An equivalent cost is also reported within the cost of fundraising or the appropriate cost of charitable activity.

Legacies are recognised and credited directly to the statement of financial activities based on the earlier of settlement of the estate and issue of Estate Accounts or receipt of payment.

Grant Income. Income from government and other grants, whether 'capital' grants or 'revenue' 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.

Income from other trading activities is recognised as earned as the related goods are provided.

Interest and Dividends Receivable. Investment income is recognised on a receivable basis and when the amounts can be measured reliably. Interest on funds on deposit is included when receivable upon notification by the relevant banking institutions. Dividends receivable on assets held for investment purposes are receivable upon notification by the relevant investment institutions.

Expenditure

All expenditure is included in accordance with the accruals concept. Any liabilities as a result of legal or constructive obligations committing the Trust to expenditure have been included.

Cost of raising funds comprises costs directly attributable to fundraising and managing the investment portfolio. Charitable activity costs in the UK are incurred in running the Gurkha Welfare Advice Centres and in supporting the activities in Nepal. The costs of running the Trust's office and staff costs have been allocated on a time spent and area occupied basis to raising funds and charitable activity.

Governance costs are apportioned on the same basis as the office and staff costs and are disclosed

in the notes comprising audit and legal fees and the costs associated with constitutional and statutory requirements.

Costs in Nepal have been allocated to the direct charitable activities. Direct costs include actual grants made, provision of medical services and costs related to people directly employed in delivering one of our charitable activities. Other direct costs such as staff costs and overheads of the Area Welfare Centres established for the delivery of more than one charitable activity are apportioned within support costs. Support costs also includes HQ staff and administrative overheads. Support and governance costs have been allocated to activity cost categories in a fair and appropriate method on a basis consistent with the use of resources by applying person days spent on the various activities or space occupied.

Grants payable to individuals may be subject to conditions. Expenditure on such performance-related grants is recognised to the extent that the recipient has complied with the conditions.

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received. Termination benefits are accounted for on an accrual basis and in line with FRS 102.

Taxation

Irrecoverable VAT is not separately analysed and is charged directly to the Statement of Financial Activities (SOFA) as part of the expenditure to which it relates.

Operating leases

Rental payments under operating leases are charged on a straight-line basis over the period of the lease.

Foreign currencies

Fixed assets in foreign currencies are converted to sterling at the exchange rate ruling at the time of purchase. Investments, current assets and liabilities in foreign currencies are converted into sterling at the exchange rate ruling at the balance sheet date. Transactions during the year in foreign currencies, mainly Nepalese rupees, are converted into sterling at the average rate of exchange for the month in which the transaction was undertaken. Exchange rate gains or losses are recorded as support costs to the activities to which they relate.

Pensions and retirement benefits

In the UK, the Trust makes contributions to employee individual defined contribution pension plans up to a maximum of 10% of salary.

Following changes under the Labour Act of Nepal in 2017 and the creation of the Social Security Fund (SSF) of Nepal, GWT enrolled with the scheme with contributions at a rate of 31% of staff salary; 20% employer contribution and 11% employee contribution.

The Provident Fund and Gratuity Fund previously managed on behalf of staff by GWT, was closed to all Nepal-based staff in 2021-22, with staff being given the option of either withdrawing funds or transferring to the SSF. As at 30 June 2025, the only funds remaining with Standard Chartered Bank Nepal Limited are in respect of the eight staff in Darjeeling who are not eligible to join the SSF.

Contributions for staff in both UK and Nepal are charged to the SOFA on the basis of amounts provided for the period.

Fund accounting

Funds held by the Trust are either:

- *Unrestricted general funds* – these are funds, which can be used in accordance with the charitable objects at the discretion of the Trustees.
- *Designated funds* – these are funds set aside by the Trustees out of unrestricted (general) funds for specific purposes.
- *Restricted funds* – these are unspent funds that can only be used for particular restricted purposes within the objects of the Trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations might be small. In particular:

- Provisions are measured at the present value of the expenditures expected to be required to settle

the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

Investments

Listed investments are stated in the balance sheet at fair value. All movements in value arising from investment changes and revaluations are included in the Statement of Financial Activities (SOFA).

Fixed assets

The cost of minor additions or acquisitions of fixed assets under £5,000 is charged wholly to the SOFA in the year of purchase. Fixed assets above this amount are capitalised in the financial statements at cost. Donated fixed assets are brought into account at an estimate of their market value at the time of acquisition. Land, beneficially owned by the Trust, is valued at historical cost and is not depreciated.

Intangible Assets: Software which is considered as an asset in its own right, is disclosed as an intangible asset.

Tangible Assets: Software which is an integral function of enabling supporting hardware to function, is considered a part of the overall tangible fixed asset.

Amortisation

The costs of intangible fixed assets are amortised over the expected useful life of the assets. Amortisation rates are:

Software	33.33% per annum on a straight-line basis, in line with the related tangible asset useful economic life

Depreciation

Depreciation is provided on all tangible assets except land to write off the costs of the asset less any material residual value, by equal instalments over their expected useful lives. Depreciation rates are:

Completed buildings	10% per annum on a straight-line basis.
Vehicles and equipment	25% per annum on a straight-line basis.
Computers and software	33.33% per annum on a straight-line basis.

For all depreciable assets, a full year's depreciation is charged in the year of acquisition or completion and no depreciation is charged in the year of disposal.

Stocks

The stocks of medication, project materials and bought-in goods for sale are valued at the lower of cost and net realisable value on a first in first out basis.

Financial Instruments

Basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable are accounted for on the following basis:

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognised as expenditure.

Bank borrowings. Liabilities for borrowings which are subject to a market rate of interest are measured at the value of the amount advanced, less capital repayments.

3. INCOME

Total income includes income transferred from the charitable trust "Gurkha Welfare Trust", former charity number 1034080. The Trust is retained while it receives donations and legacy income.

	2024/25	2023/24
	£000	£000
a. Donations		
Donations from individuals	**5,649**	4,958
Donations from companies, trusts, clubs and organisations	**1,547**	1,716
	7,196	6,674
b. Legacies	**5,328**	6,924
c. Grants		
Ministry of Defence – to support operating costs in Nepal	**3,500**	3,595
d. Charitable Activities		
Ministry of Defence – for medical services	**5,800**	4,900
FCDO – for water and sanitation projects in remote locations	**607**	1,639
Provision of medical services	**657**	541
e. Other Trading Activities		
Fundraising events	**600**	520
Retail	**40**	25
f. Investments		
Investment dividends and interest	**2,634**	2,805
Bank interest	**209**	331
	2,843	3,136

Donations from companies and organisations includes gifts in kind of £101,080 (2023/24: £94,090) of which £93,170 represents the benefit of the Field Director who is a serving Army Officer employed by the Ministry of Defence. The benefit is determined as the cost which would be incurred if the Trust had to directly employ an equivalent position.

Future legacy income of £5,316,124 is expected in respect of legacies due which have been notified to the GWT.

4. EXPENDITURE

	Grants	Direct Costs	Support Costs		2024/25	2023/24
			Support	Governance	**Totals**	Totals
	£000	£000	£000	£000	**£000**	£000
a. Individual Aid						
Welfare pension	3,637	0	1,970	47	**5,654**	5,168
Care for the elderly	178	6	1	2	**187**	102
Disability support	325	0	183	4	**512**	369
Safeguarding	0	90	1	1	**92**	0
Welfare Grants & Support	868	175	531	13	**1,587**	1,454
UK welfare	250	414	4	21	**689**	682
Total Individual Aid	5,258	685	2,690	88	**8,721**	7,775
b. Medical Aid	3,269	5,055	1,212	93	**9,629**	9,393
c. Residential Homes	37	395	75	4	**511**	464
d. Community Aid						
School projects	180	545	451	9	**1,185**	1,073
COVID support	0	0	0	0	**0**	4
Water projects	0	1,146	349	3	**1,498**	2,566
Total Community Aid	180	1,691	800	12	**2,683**	3,643
Sub Total Charitable activities	8,744	7,826	4,777	197	**21,544**	21,275
e. Cost of generating funds						
Fundraising	0	2,163	639	98	**2,900**	2,827
Investments	0	323	19	2	**344**	364
Total costs of generating funds	0	2,486	658	100	**3,244**	3,191
Total Expenditure prior to movement in Constructive Obligation	**8,744**	**10,312**	**5,435**	**297**	**24,788**	24,466
f. Movement in Constructive Obligation	0	(3,601)	0	0	**(3,601)**	3,188
Total Expenditure	**8,744**	**6,711**	**5,435**	**297**	**21,187**	27,654

UK Welfare includes a grant of £250,000 (2023/24: £250,000) paid to The Army Benevolent Fund for the support of former Gurkhas who have retired in the UK. All other grants totalling £8,494,000 (2023/24: £8,242,000) were to individuals or small community groups.

The number of grants issued to individuals or communities on the table below are recorded on a beneficiary database based on British Army records which is subject to independent audit in Nepal. All grants to individuals require proof of identity before issue and community grants are only arranged with approval from the local community council.

Direct costs include the costs of employing staff who are engaged in the delivery of one charitable activity. Where staff are engaged in the delivery of more than one output their costs are included within Support costs and apportioned based on the average time spent. As a consequence the majority of the running costs of the Area Welfare Centres and their staff are included within Support Costs, whilst delivering front line services across a number of charitable activities. Support costs also include the apportioned costs of UK and Nepal HQs.

Activity	Beneficiaries	Notes
Welfare pensions:	2,679 June 25	There were 2,907 recipients at the start of the year and 27 new recipients. 69 ceased due to their move to the UK and a further 4 were ceased as they moved to a Residential Home and were then in receipt of the RH Allowance. On the death of an ex-serviceman pensioner, the welfare pension is transferred to his eligible widow. A detailed database of all welfare pensioners is maintained based on data from British Army records. Payments are made on a quarterly basis and require proof of identity. Following net movements, there are 2,679 recipients at 30 June 2025.
Home Care:	294	We provided grants to 294 carers in support of the most vulnerable beneficiaries. Carers are provided with regular training and support to enable them to carry out their carer responsibilities. The Home Care Allowance was increased in 2024-25 to ensure that the carer is able to provide an appropriate level of support to the beneficiary.
Disability Support:	249 June 25	The number of recipients is 249 at 30 June 2025. This data is held on the same database as the welfare pensioners and is subject to both proof of identity and medical requirement. In addition there are 16 siblings in receipt of a reduced grant.
Welfare (Hardship) grants:	1,802	These grants were awarded for cases of special need not covered by the other awards. Each grant is individually assessed and approved by a senior member of staff. For 24-25 this included 68 earthquake resilient houses and the retrofit and enhancement of 41 of our earliest EQ homes, to ensure they are now suitable for our aging beneficiaries (including access ramps, handles and false ceilings). A further nine replacement homes/significant repairs were funded from the Disaster Reserve following severe damage from storms and monsoon landslips. 49 water sealed toilets were provided to our beneficiaries.
Residential Care:	40 permanent residents	Our 2 Residential Homes have a capacity of 48 including respite care and rehabilitation. There were 40 permanent residents at the 30 June 2025.
Medical Services including Rehabilitation services:	Over 21,000 accessing Primary Medical Care	Over 21,000 beneficiaries accessed Primary Medical Care services through GWT Medical Centres, in over155,000 individual consultations with a range of health professionals. Specialist dental and eye clinics were introduced at our rural AWCs with 118 beneficiaries receiving dental care and 98 screened for complex eye issues. Over 22 beneficiaries supported through rehabilitation services at the Residential Homes and over 9,580 rehabilitation sessions were provided with over 1,300 in the homes of beneficiaries.
School projects:	127 (projects)	Communities were assisted through the repair, extension or new build of a school. Every project is arranged with and authorised by the local community committee and requires a community contribution. 2 major builds, 3 major refurbishments, 15 minor extensions and 107 minor refurbishment projects were completed in-year.

Rural WASH and Sanitation projects:	28 projects (2,257 households, 2,336 tap stands)	28 major water and sanitation projects including 11 funded by FCDO and 17 funded by GWT. A further 4 repair projects were funded by FCDO. Emergency preparedness training delivered to local communities.

Further information on the grants can be found in the Trustees' Annual Report.

The total charitable activity expenditure of £21,544,000 represents 87% of total expenditure before the movement in the constructive obligation.

Analysis of Support Costs

		People	Premises & vehicles	Services	Legal & Pro-fessional	Currency	Sub Total Support	Sub Total Governance	Total
		£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
a.	Individual Aid	1,755	423	212	7	293	**2,690**	88	**2,778**
b.	Medical Aid	789	190	98	6	129	**1,212**	93	**1,305**
c.	Residential Homes	49	12	6	0	8	**75**	4	**79**
d.	Community Aid	529	88	133	1	49	**800**	12	**812**
e.	Fundraising	382	75	109	69	4	**639**	98	**737**
f.	Investment management	12	2	3	2	0	**19**	2	**21**
Total		**3,516**	**790**	**561**	**85**	**483**	**5,435**	**297**	**5,732**
Basis of allocation		**Time spent**	**Space & time**	**Time spent**	**Direct**	**Pro rata with cost**		**Attribution & time**	

5. GOVERNANCE COSTS

Apportioned governance costs were:

	2024/25	2023/24
	Total	Total
	£000	£000
Staff employment costs	**120**	114
Staff & trustee other costs	**73**	54
Premises costs	**26**	23
Office services	**18**	21
Legal & professional	**60**	56
	297	268

6. STAFF, TRUSTEE AND GOVERNANCE COSTS

a. Staff numbers

The trust employed the following average number of staff:		**2024/25**	2023/24
UK:	Administration & fundraising	**23**	22
	Welfare	**9**	9
Nepal:	Individual aid inc welfare, Residential Homes and general staff	**280**	245
	Medical services	**166**	145
	Water projects	**42**	107
	Schools projects	**4**	5
		524	533

b. Staff costs

		2024/25	2023/24
		£000	£000
UK:	Salaries	**1,195**	1,179
	Benefits	**13**	12
	Social security costs	**127**	123
	Pension	**104**	110
		1,439	1,424
Nepal:	Salaries	**4,514**	4,650
	Benefits	**43**	79
	Pension (see Note 13)	**463**	479
	Gratuity (see Note 13)	**316**	328
	Discretionary Compensation Payments (see below)	**0**	425
		5,336	5,961
		6,775	7,385

The number of employees whose emoluments exceeded £60,000 for the year was:

	2024/25	2023/24
	Number	Number
£60,001 - £70,000	**1**	3
£100,001 - £110,000	**1**	1
£110,001 - £120,000	**1**	1

Employer's pension contributions for the higher paid employees were £29,454 (2023/24: £41,430).

Key people in the Trust in UK and Nepal with delegated authority from the Trustees are the CEO and the Senior Management Teams in UK and Nepal as detailed at page 1. With the exception of the Director GWT(N) and Field Director GWT(N), the cost of employing the Senior Management Teams is borne by the Trust. The combined salary and benefits cost to the Trust total £676,954 (2023/24: £687,626).

Both the Director GWT(N) and the Field Director GWT(N) are seconded from the British Army with their costs being met by the MOD.

Discretionary compensation payments: whilst there was no legal entitlement to redundancy under the Nepal Labour Act (2017), the payments in 2023/24 were made at the discretion of Trustees to RWEPP staff on the cessation of their employment with GWT(N), in recognition of their service with GWT(N).

Trustees' expenses, remuneration and donations

In 2024/25 no Trustee received any remuneration or pension (2023/24: Nil) however seven Trustees were either reimbursed or expenses were paid on their behalf of £51,689: principally on travel to Nepal but also in respect of attendance at meetings at in London and Salisbury (2023/24: seven Trustees were either reimbursed or expenses were paid on their behalf of £30,547). Trustees donated a total of £2,723 (2023/24: £1,543).

Related party transactions

Brigadier Jody Davies and Colonel David Robinson are Trustees of The Gurkha Museum Trust. The Gurkha Welfare Trust made payments to The Gurkha Museum Trust during 2024/25 totalling £2,234 (2023/24: payments - £8,099). Gurkha Welfare Trust (Nepal) made a donation to the Ex Servicemen and Families Support Society during 2024/25 of £244 for operational costs (2023/24: £298).

Net expenditure

Net expenditure for the period is stated after charging:

			2024/25	2023/24
			£000	£000
Audit Fees	UK excluding VAT	Crowe U.K. LLP UK	**32**	31
	Nepal:	CSC & Co	**12**	14
Audit Expenses in Nepal		CSC & Co	**4**	5
Tax Advisory Services		Crowe U.K. LLP UK	**7**	6
Cybercrime Protection Services (exc VAT)		Crowe U.K. LLP UK	**0**	18
Salary & Employment Review (Nepal)		CSC & Co	**8**	0
Actuarial fees		M/s K A Pandit (India)	**2**	2

7. INTANGIBLE ASSETS

a. Group

	Computer Software	**Assets Under Construction**	**Total**
	£000	**£000**	**£000**
Cost			
At 1 July 2024	317	0	317
Additions	0	189	189
Asset transfers	189	(189)	0
Disposals	(113)		(113)
At 30 June 2025	393	0	393
Amortisation			
At 1 July 2024	(281)	0	(281)
Amortisation	(93)	0	(93)
Disposals	113	0	113
At 30 June 2025	(261)	0	(261)
Net Book Value			
At 1 July 2024	36	0	36
At 30 June 2025	132	0	132

b. Charity

	Computer Software	**Assets Under Construction**	**Total**
	£000	**£000**	**£000**
Cost			
At 1 July 2024	305	0	305
Additions	0	189	189
Asset transfers	189	(189)	0
Disposals	(113)	0	(113)
At 30 June 2025	381	0	381
Amortisation			
At 1 July 2024	(269)	0	(269)
Amortisation	(93)	0	(93)
Disposals	113	0	113
At 30 June 2025	(249)	0	(249)
Net Book Value			
At 1 July 2024	36	0	36
At 30 June 2025	132	0	132

8. TANGIBLE FIXED ASSETS

a. Group

	Freehold Land & Buildings	Leasehold Property	Vehicles & Equipment	IT	Assets in Construction	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 July 2024	2,496	1,628	720	311	131	5,286
Additions	0	0	0	0	325	325
Asset transfers	314	115	25	0	(454)	0
Disposals	0	0	(25)	(14)	0	(39)
At 30 June 2025	2,810	1,743	720	297	2	5,572
Depreciation						
At 1 July 2024	(1,442)	(717)	(683)	(311)	0	(3,153)
Depreciation	(75)	(173)	(35)	0	0	(283)
Disposals	0	0	25	14	0	39
At 30 June 2025	(1,517)	(890)	(693)	(297)	0	(3,397)
Net Book Value						
At 1 July 2024	1,054	911	37	0	131	2,133
At 30 June 2025	1,293	853	27	0	2	2,175

b. Charity

	Freehold Land & Buildings	Leasehold Property	Vehicles & Equipment	IT	Assets in Construction	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 July 2024	1,905	1,628	720	311	131	4,695
Additions	0	0	0	0	325	325
Asset transfers	314	115	25	0	(454)	0
Disposals	0	0	(25)	(14)	0	(39)
At 30 June 2025	2,219	1,743	720	297	2	4,981
Depreciation						
At 1 July 2024	(1,442)	(717)	(683)	(311)	0	(3,153)
Depreciation	(75)	(173)	(35)	0	0	(283)
Disposals	0	0	25	14	0	39
At 30 June 2025	(1,517)	(890)	(693)	(297)	0	(3,397)
Net Book Value						
At 1 July 2024	463	911	37	0	131	1,542
At 30 June 2025	702	853	27	0	2	1,584

9. INVESTMENTS, GROUP AND CHARITY

The historical cost of investments at 30 June 2025 (including investment cash) was £94,082,455 (2024: £89,942,801). 99% of the investment assets are placed in a mixed portfolio of thematic funds.

Listed investments		**2024/25**	2023/24
		£000	£000
Liquidity Fund		**9,769**	2,992
Fixed interest			
	UK	**530**	4,040
	Overseas	**478**	0
Equities			
	UK	**0**	28
	Alternative investments	**5,735**	2,562
	Multi Asset	**71,115**	72,310
	Property	**5,098**	5,388
	Private Equity	**953**	0
		93,678	87,320
	Cash held as part of investment portfolio	**647**	5,615
		94,325	92,935

Major movements in investments during the year were:

	2024/25	2023/24
	£000	£000
Opening market value (excl. Cash)	**87,320**	75,922
Purchases	**60,733**	13,909
Disposal proceeds	**(54,994)**	(8,562)
Gains on investments	**619**	6,018
Investments donated	**0**	33
Closing market value (excl cash)	**93,678**	87,320

Investment in subsidiary; GWT Trading Ltd

GWT owns 100% of the issued share capital of GWT Trading Ltd, being 2 ordinary shares with a nominal value of £1. GWT Trading Ltd is registered in England and Wales No.: 02986861 and its registered office is P.O Box 2170, 22 Queen Street, Salisbury SP2 2EX.

GWT Trading Ltd income statement for the year ended 30 June 2025

	2024/25	2023/24
	£	£
Turnover	**423,000**	383,893
Cost of sales	**(241,547)**	(231,049)
Gross profit	**181,453**	152,844
Other income	**1,258**	-
Administrative expenses	**(7,787)**	(7,845)
Operating profit	**174,924**	144,999
Profit for the financial year before taxation	**174,924**	144,999
Tax on profit on ordinary activities	**0**	0
Profit for the financial year after taxation	**174,924**	144,999

GWT Trading Ltd Statement of Changes in Equity	2024/25		2023/24	
	£	£	£	£
	P&L	Share Capital	P&L	Share Capital
Total funds brought forward	144,999	2	136,909	2
Profit for the year	174,924	0	144,999	0
Gift Aid payment	(144,999)	0	(136,909)	0
Retained earnings at year end	174,924	2	144,999	2

The company has no recognised gains or losses other than the profit in both periods. All amounts relate to continuing activities.

GWT Trading Ltd Balance Sheet at 30 June 2024	2025	2024
	£	£
Fixed Assets		
Intangibles	**0**	0
Total Fixed Assets	**0**	0
Current Assets		
Stock	**12,127**	17,169
Debtors	**6,059**	10,586
Cash at bank and in hand	**222,421**	193,729
	240,607	221,484
Creditors - amounts falling due within one year	**(65,681)**	(76,483)
Net Current Assets	**174,926**	145,001
Net Assets	**174,926**	145,001
Share Capital	**2**	2
Retained Profit	**174,924**	144,999
	174,926	145,001

Ex Servicemen and Families Support Society

The GWT Group includes the consolidation of the Ex Servicemen and Families Support Society, a not for profit company registered in Nepal for the legal ownership of land assets purchased by GWT(N). The Directors of the company are all employees of GWT(N) and they must resign their role as Director when their employment is terminated. It is therefore deemed that GWT(N) has control of the Ex Servicemen and Families Support Society and the results are consolidated into the GWT results from 1 July 2020 with the subsidiary retaining all of its profits. Legal ownership of land assets at Kaski was transferred to the company during 2020/21 and a further asset at Damak was transferred during 2022/23. Work is on-going to enable the transfer of further assets in Dharan, Damak, Bagmati, Kaski and Gulmi.

The following GWT(N) employees are the Directors of the Ex Serviceman and Families Support Society:

Yam Bahadur Rana (to 24 September 2024)
Shyamkumar Rai
Pim Bahadur Gurung
Siddhartha Gurung
Lila Pun Sherchan
Phatta Bahadur Gurung (from 24 September 2024)

The Ex Servicemen and Families Support Society was registered in Nepal on 2 July 2018: Registration number 192748/74/075. The registered address is Pokhara Lekhnath Metropolitan Municipality, Ward Number 10, Ramghat.

The trading results for the Ex Servicemen and Families Support Society the year ended 30 June 2025, as extracted from the financial statements are summarised below:

Ex Servicemen and Families Support Society Income and Expenditure for the Year ended 30 June 2025

	2024/25	2023/24
Income and Expenditure	**£**	£
Income	**244**	298
Administrative expenses	**(246)**	(277)
Operating profit	**(2)**	21
Currency (loss)	**(76)**	(14)
Profit/(loss) for the financial year	**(78)**	7

Ex Servicemen and Families Support Society Balance Sheet at 30 June 2024	**2025**	2024
	£	£
Fixed Assets		
Tangible Fixed Asset	**590,970**	590,970
Total Fixed Assets	**590,970**	590,970
Current Assets		
Cash at Bank	**359**	410
Creditors falling due within 1 year	**(108)**	(127)
Net Current Assets	**251**	283
Net Assets	**591,221**	591,253
Share Capital	**615**	615
Reserves	**590,606**	590,638
	591,221	591,253

10. DEBTORS

	Group		**Charity**	
	2025	2024	**2025**	2024
	£000	£000	**£000**	£000
Trade Debtors	**94**	383	**94**	383
Prepayments and Accrued Income	**734**	390	**729**	379
Legacies	**677**	393	**677**	393
Other Debtors	**269**	200	**269**	200
	1,774	1,366	**1,769**	1,355

11. CREDITORS

	Group		Charity	
	2025	2024	**2025**	2024
	£000	£000	**£000**	£000
Trade Creditors	**292**	327	**285**	320
Amounts owed to group and associated undertakings	**0**	0	**1**	0
Accruals/deferred income	**238**	230	**179**	160
Taxation & social security	**43**	39	**43**	39
Other Creditors	**989**	1,173	**989**	1,173
	1,562	1,769	**1,497**	1,692

12. FINANCIAL INSTRUMENTS

	Group		Charity	
	2024/25	2023/24	**2024/25**	2023/24
	£000	£000	**£000**	£000
Financial assets measured at fair value	**93,678**	87,320	**93,678**	87,320
Investments in shares				
Other liabilities measured at fair value	**35,043**	38,644	**35,043**	38,644
Constructive obligations (see Note 14)				
Net financial instruments	**58,635**	48,676	**58,635**	48,676

The constructive obligation is measured at fair value based on the expected amounts payable, discounted at an appropriate market rate. The Trust has no loans or overdrafts and has no forward currency contracts or hedging arrangements.

13. PENSIONS AND LEAVING BENEFITS

The charity provides defined contribution pension arrangements for its employees in the UK and UK employees based in Nepal. Each employee is able to either join the Government's NEST scheme or arrange their own personal pension plan and the charity contributes 2% of salary for every 1% contributed by the employee, up to a maximum of 10%. Contributions are charged to the statement of financial activities in the year in which they are made. The assets of the plans are held separately from those of the charity. The contributions made by the charity in 2024/25 were £116,010 (2023/24: £121,100). Contributions are disclosed in Note 6 – Staff Costs within both UK and Nepal based on the permanent location of the staff. No further liability arose other than these payments.

The retirement benefits in Nepal previously consisted of a defined contribution Provident Fund with 10% contributions from both employer and employee. The Provident Fund is held by the Gurkha Welfare Scheme Staff Retirement Benefit Fund (SRBF), an independent body. In addition, Nepali Labour Laws required employers to contribute to a Gratuity fund. Traditionally this was accumulated in a fund and paid to employees on leaving based on years of service and an independent gratuity fund was established to match the liability. In 2017, under the Labour Act Nepal the gratuity changed from a defined benefit to a defined contribution scheme.

In accordance with the Labour Act, in November 2019, the Trust enrolled in the new Social Security Fund (SSF) of Nepal with combined contributions at a rate of 31% of staff salary; 20% employer contribution and 11% employee contribution. The majority of staff were required to transfer funds to the new SSF.

In line with Government of Nepal direction, during 2021/22, Trustees decided that the SRBF should be closed for all Nepal-based employees and staff offered the choice of either withdrawing accumulated funds and accepting any taxation liability or transferring funds to the SSF. As at 30 June 2025, the account remains solely for six staff employed in Darjeeling who are not eligible to contribute to the SSF.

The Trust has no further liability other than the monthly payments recognised in the SOFA.

14. CONSTRUCTIVE OBLIGATION

a. Provision for liabilities falling due within one year.

The Trust has recognised for some years a long-term constructive obligation, as defined by SORP (revised 2019), in respect of its welfare pensions. The SORP requires that such "constructive obligations", even though they are not legally binding liabilities, be recognised on a charity's balance sheet. From 2014/15 the Trust has recognised a similar obligation for the welfare support provided through the Disability Support Grant (DSG) to the disabled children of welfare pensioners who were not able to support themselves when their parents were deceased.

An independent actuarial assessment of the net present value of future payments for both the welfare pension and the DSG, as at 30 June 2025, has been obtained using the following long-term assumptions:

- The level of benefit agreed for welfare pensions for 2025/26, NPR 240,000 per annum (NPR 210,000 in 2024/25) and DSG of NPR 240,000 (NPR 210,000 in 2024/25) will increase with inflation at 7.0% over the long term (7.0% in 2024/25).
- An annual festival allowance of NPR 20,000 for 2025/26 is payable to beneficiaries (NPR 17,500 for 2024/25).
- An estimated number of 2,679 welfare pensioners (2023/24: 2,907) with an average age of 81.61 (family 81.47).
- There are 249 direct DSG beneficiaries (2023/24: 246) with an average age of 59.74 and 22 eligible siblings receiving a reduced rate of DSG.
- Mortality rates are based on Government of Nepal rates adjusted to reflect the increased longevity of the Trust's beneficiaries.
- An estimated 1,470 ex-Gurkhas who left the service in the late 1960's and early 1970's and 140 ex Indian Army who served before 1947 who are not in receipt of a service pension may apply for a welfare pension in the future. A provision has been included for 35 new entrants for each of the next five years with an average joining age of 76 (2023/24: 35 new entrants for each of next five years with an average joining age of 73).
- Provision has been included for an estimated 75 future DSG beneficiaries (82 at 30 June 2024).
- Future payments have been discounted at 7.0% pa (2023/24: 7.0%), which represents an assessment of the average yield on high-quality bonds in Nepal.

The value of the obligation is particularly sensitive to the exchange rate of NPR to GBP with an average for the year at NPR 174.17/£ (2023/24: NPR 165.41/£).

Based on the exchange rate of NPR185.69/£, (2023/24: NPR166.47/£) that applied on 30th June 2025, the value of the obligation for the welfare pension falling due within one year is £3,685,000 (2023/24: £3,797,000). The liability to cover the disability support grant due within one year is £372,000 (2023/24: £347,000). The combined total constructive obligation falling due within one year is £4,057,000 (2023/24: £4,144,000).

b. Provision for liabilities falling due after more than one year.

An independent actuarial assessment of the net present value of future payments for both the welfare pension and the DSG, as at 30 June 2025, has been obtained using the following long-term assumptions:

- The level of benefit agreed for welfare pensions for 2025/26, NPR 240,000 per annum (NPR 210,000 in 2024/25) and DSG of NPR 240,000 (NPR 210,0000 in 2024/25) will increase with inflation at 7.0% over the long term (7.0% in 2023/24).
- An annual festival allowance of NPR 20,000 for 2025/26 is payable to beneficiaries (NPR 17,500 for 2024/25).
- An estimated number of 2,679 welfare pensioners (2023/24: 2,907) with an average age of 81.61 (family 81.47).
- There are 249 direct DSG beneficiaries (2023/24: 246) with an average age of 59.74 and 22 eligible siblings receiving a reduced rate of DSG.

- Mortality rates are based on Government of Nepal rates adjusted to reflect the increased longevity of the Trust's beneficiaries.
- An estimated 1,470 ex-Gurkhas who left the service in the late 1960's and early 1970's and 140 ex Indian Army who served before 1947 who are not in receipt of a service pension may apply for a welfare pension in the future. A provision has been included for 35 new entrants for each of the next five years with an average joining age of 76 (2023/24: 35 new entrants for each of next five years with an average joining age of 73).
- Provision has been included for an estimated 75 future DSG beneficiaries (82 at 30 June 2024)
- Future payments have been discounted at 7.0% pa (2023/24: 7.0%), which represents an assessment of the average yield on high-quality bonds in Nepal.

The value of the obligation is particularly sensitive to the exchange rate of NPR to GBP with an average for the year at NPR 174.17/£ (2023/24: NPR 165.41/£).

Based on the exchange rate of NPR185.69/£, (2023/24: NPR166.47/£) that applied on 30th June 2025, the value of the obligation for the welfare pension falling due after more than one year is £23,254,000 (2023/24: £25,807,000). The liability to cover the disability support grant due after more than one year is £7,732,000 (2023/24: £8,693,00). The combined total constructive obligation due after more than one year is £30,986,000 (2023/24: £34,500,000).

Based on the exchange rate of NPR185.69/£, (2023/24: NPR166.47/£) that applied on 30th June 2025, the total value of the obligation for the welfare pension was £26,939,000. This is a decrease of £2,665,000 on the figure for 2023/24 of £29,604,000. The total liability to cover the DSG has decreased by £936,000 to £8,104,000, (2023/24: £9,040,000). The combined total constructive obligation is £35,043,000.

When agreeing the budget for 2025/26, Trustees approved above inflationary increases in welfare payments to core beneficiaries. The net decrease in valuation reflects the significant increase in the rate of exchange applied to the valuation at 30th June 2025 (an increase of 11.5%).

	Balance at 1 July 2024	**Movement in Actuarial Valuation**	**Movement in Rate of Exchange**	**Balance at 30 June 2025**
	£000	£000	£000	**£000**
Welfare Pension	**29,604**	445	(3,110)	**26,939**
Disability Support Grant	**9,040**	0	(936)	**8,104**
Total Constructive Obligation	**38,644**	**445**	**(4,046)**	**35,043**
Due within one year				
Welfare Pension	3,797			**3,685**
Disability Support Grant	347			**372**
Total due within one year	**4,144**			**4,057**
Due after more than one year				
Welfare Pension	25,807			**23,254**
Disability Support Grant	8,693			**7,732**
Total due after more than one year	**34,500**			**30,986**

15. OPERATING LEASES AND OTHER COMMITMENTS

At 30 June 2025 the group's future minimum operating lease payments are as follows:

	2024/25	2023/24
	£000	£000
UK Property lease		
Within 1 year	**92**	93
Between 1 to 5 years	**151**	253
Over 5 years	**0**	0
Nepal Property		
Within 1 year	**13**	34
Between 1 to 5 years	**22**	30
Over 5 years	**7**	18

Lease payments for the year which are recognised as expenses within the SOFA totalled £135,200 (2023/24: £145,400).

Capital commitments at the balance sheet date:

The Trust has capital commitments which are not provided for elsewhere in the accounts of £25,200 - AWC Gulmi retrofit (2023/24: £62,000). This represents the cost of the contracted commitment less the cost of payments already made.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS OF THE GROUP AND CHARITY

a. Analysis of Net Assets between Funds of the Group

	Unrestricted General	**Unrestricted Designated**	**Restricted**	**Total**
	£000	£000	£000	£000
Intangible assets	132	0	0	132
Tangible assets	1,440	735	0	2,175
Investments	77,183	17,142	0	94,325
Current assets	8,725	0	1,790	10,515
Current liabilities	(1,562)	0	0	(1,562)
Constructive obligation	(35,043)	0	0	(35,043)
	50,875	17,877	1,790	70,542

b. Analysis of Net Assets between Funds of the Charity

	Unrestricted General	**Unrestricted Designated**	**Restricted**	**Total**
	£000	£000	£000	£000
Intangible assets	132	0	0	132
Tangible assets	849	735	0	1,584
Investments	77,183	17,142	0	94,325
Current assets	8,486	0	1,790	10,276
Current liabilities	(1,497)	0	0	(1,497)
Constructive obligation	(35,043)	0	0	(35,043)
	50,110	17,877	1,790	69,777

The unrestricted designated fund provides for:

- Running costs of the Residential Homes for 25 years (to 2039)
- A major improvement fund for the Residential Homes
- A Disaster Response fund

17. UNRESTRICTED FUNDS OF THE GROUP AND CHARITY

a. Unrestricted Funds of the Group

	Balance at 1 July 2024	Incoming resources in the year	Outgoing resources in the year	Gains and Transfers	Movement in obligation	Balance at 30 June 2025
	£000	£000	£000	£000	£000	£000
Designated funds						
Disaster response	**8,891**	0	(32)	(550)	0	8,309
Residential homes	**7,266**	0	(511)	2,763	0	9,518
Medical indemnity	**0**	0	0	50	0	50
Total designated funds	**16,157**	0	(543)	2,263	0	17,877
General funds	**47,195**	13,903	(12,348)	(1,476)	3,601	50,875
Total unrestricted funds	**63,352**	**13,903**	**(12,891)**	**787**	**3,601**	**68,752**

b. Unrestricted Funds of the Charity

	Balance at 1 July 2024	Incoming resources in the year	Outgoing resources in the year	Gains and Transfers	Movement in obligation	Balance at 30 June 2025
	£000	£000	£000	£000	£000	£000
Designated funds						
Disaster response	**8,891**	0	(32)	(550)	0	8,309
Residential homes	**7,266**	0	(511)	2,763	0	9,518
Medical indemnity	**0**	0	0	50	0	50
Total designated funds	**16,157**	0	(543)	2,263	0	17,877
General funds	**46,459**	13,479	(11,953)	(1,476)	3,601	50,110
Total unrestricted funds	**62,616**	**13,479**	**(12,496)**	**787**	**3,601**	**67,987**

Unrestricted funds, both general and designated, are expendable at the discretion of the Trustees in the furtherance of the Trust's objectives. The designated funds have been earmarked by the Trustees for particular purposes, but the designations have an administrative purpose only and do not legally restrict the Trustees' discretion to apply the funds.

Trustees took the prudent precaution in 2011-12 of creating a designated fund to cover the running costs of the residential homes for twenty years so that the homes would not be a drain on other activities. Following the recommendation in the Trust's Strategic Review 24, the future use of the residential homes was extended for a further five years to 2039. The transfer reflects the increase in the fund to cover running costs for the extended period and the effects of the continued increase in the rate of exchange between the Nepal Rupee and Sterling, in part offsetting inflation in Nepal. The fund is currently valued at £9,518,000 assuming long term inflation in Nepal of 7.0%.

In June 2018, following advice from leading seismologists, Trustees created a designated fund to enable an immediate response to any future natural disasters. This fund was used during 2024/25 to provide nine significant repairs or replacement of homes following damage by storms and landslips during the 2024 monsoon.

The fund is initially valued in Nepal Rupees and adjusted for the effects of year end inflation and the rate of exchange with the fund totalling £8,309,000 at 30 June 2025.

18. RESTRICTED FUNDS OF THE CHARITY

		Balance at 1 July 2024	Income	Expenditure	Transfers	Balance at 30 June 2025
		£000	£000	£000	£000	£000
a.	**Grants to individuals/Individual Aid:**					
	Welfare pensions & DSG	0	46	(46)	0	0
	Welfare grants	124	305	(383)	0	46
	Gurkha Welfare Advice Centre	0	3	(3)	0	0
		124	354	(432)	0	46
b.	**Medical:**					
	MOD Grant In Aid Medical	92	5,800	(4,839)	0	1,053
	Medical	21	955	(903)	0	73
	Medical camps	0	174	(170)	0	4
		113	6,929	(5,912)	0	1,130
c.	**Water projects:**					
	Water projects – FCDO	65	607	(608)	(64)	0
	Water projects – other	461	566	(891)	0	136
		526	1,173	(1,499)	(64)	136
d.	**Schools projects:**					
	Neal Turkington Fund	8	0	(4)	0	4
	Schools	35	616	(651)	0	0
		43	616	(655)	0	4
e.	**Community COVID projects**					
	COVID equipment	3	0	0	(3)	0
		3	0	0	(3)	0
f.	**Other grants:**					
	Vehicles & equipment	0	46	(46)	0	0
	Infrastructure	0	50	0	(50)	0
	MOD Grant in Aid Support	450	3,500	(3,353)	(123)	474
		450	3,596	(3,399)	(173)	474
		1,259	12,668	(11,897)	(240)	1,790

a. Grants to individuals

Restricted funds for welfare pensions are obtained from individuals that regularly donate to a pensioner support fund as well as other advertising and appeals. Welfare grants include delivering earthquake resilient homes. Funds carried forward to 2025/26 are for specific donor supported earthquake resilient homes and toilets.

b. Medical

The MOD Medical grant-in-aid is provided in support of medical services to our beneficiaries. Four medical camps were delivered to rural communities.

c. Water projects

FCDO funding is provided through an accountable grant agreement for the rural water and sanitation programme with additional funding coming from charitable trusts and individuals. As a result of reductions to UK Aid, FCDO has withdrawn from the agreement and all activity ceased at 31 March 2025. The transfer balance reflects the transfer of grant funded assets into unrestricted funds. The GWT funding represents donations from individuals and charitable trusts with the balance at 30 June 2025 representing funding for specific projects for delivery in 2025/26.

d. Schools projects

Several individuals, corporates and charitable trusts have sponsored two major builds and a significant number of minor builds and refurbishments.

e. Community COVID Projects

The transfer reflects the account balance following the final distribution of Personal Protective Equipment (PPE) which had been funded by a donor in 2021, in response to the COVID-19 pandemic.

f. Other grants

The MOD grant-in-aid is provided to support the administration and infrastructure costs of the GWT(N). A generous donor has supported GWT through the funding of the rebuilding of AWC Gulmi. This project was completed and capitalised in 2025.

The following notes, numbers 19 to 24, refer to financial year 2023/24 and are included for comparative purposes only.

19. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 30TH JUNE 2024

	Notes	Unrestricted		Restricted	2023/24
		General	Designated		Total
		£000	£000	£000	£000
Income from:	3				
Donations and legacies					
Donations	3a	4,195	0	2,479	6,674
Legacies	3b	6,924	0	0	6,924
Grants					
Ministry of Defence	3c	0	0	3,595	3,595
Charitable activities	3d				
Ministry of Defence		0	0	4,900	4,900
Foreign, Commonwealth and Development Office		0	0	1,639	1,639
Medical Services		0	0	541	541
Other trading activities					
Fundraising Events	3e	520	0	0	520
Retail		25	0	0	25
Investments	3f	3,136	0	0	3,136
Total		**14,800**	**0**	**13,154**	**27,954**
Expenditure on:	4				
Raising funds					
Fundraising	4e	2,827	0	0	2,827
Investment management costs	4e	364	0	0	364
Charitable activities					
Individual aid	4a	4,109	18	3,648	7,775
Medical Aid	4b	3,736	0	5,657	9,393
Residential Homes	4c	0	463	1	464
Community aid	4d	145	424	3,074	3,643
Sub Total Expenditure		**11,181**	**905**	**12,380**	**24,466**
Movement in constructive obligation	4f/14	3,188	0	0	3,188
Total		**14,369**	**905**	**12,380**	**27,654**
Net income/(expenditure) before other gains and losses		431	(905)	774	300
Other gains and losses					
Net gains/(losses) on investments	9	6,018	0	0	6,018
Net income/(expenditure)		6,449	(905)	774	6,318
Transfers between funds	17&18	1,869	(1,417)	(452)	0
		8,318	(2,322)	322	6,318
Other recognised gains/(losses)					
Profit & loss revaluation (loss)/gain		(39)	0	0	(39)
Net Movement in Funds		8,279	(2,322)	322	6,279
Reconciliation of funds					
Funds brought forward		38,916	18,479	937	58,332
Total Funds Carried Forward		**47,195**	**16,157**	**1,259**	**64,611**

20. COMPARATIVE STATEMENT OF EXPENDITURE 2023-24

	Grants	Direct Costs	Support Costs		2023/24
			Support	Governance	Totals
	£000	£000	£000	£000	£000
a. Individual Aid					
Welfare pension	3,562	0	1,562	44	**5,168**
Care for the elderly	95	6	0	1	**102**
Disability support	234	0	132	3	**369**
Winter allowance	0	0	0	0	**0**
Welfare Grants & Support	885	121	436	12	**1,454**
UK welfare	250	409	4	19	**682**
Total Individual Aid	5,026	536	2,134	79	**7,775**
b. Medical Aid	3,254	5,037	1,016	86	**9,393**
c. Residential Homes	32	365	63	4	**464**
d. Community Aid					
School projects	180	515	369	9	**1,073**
COVID support	0	4	0	0	**4**
Water projects	0	1,433	1,129	4	**2,566**
Total Community Aid	180	1,952	1,498	13	**3,643**
Sub Total Charitable activities	8,492	7,890	4,711	182	**21,275**
e. Cost of generating funds					
Fundraising	0	2,141	602	84	**2,827**
Investments	0	344	18	2	**364**
Total costs of generating funds	0	2,485	619	86	**3,191**
Total Expenditure prior to movement in Constructive Obligation	**8,492**	**10,375**	**5,331**	**268**	**24,466**
f. Movement in Constructive Obligation	0	3,188	0	0	**3,188**
Total Expenditure	**8,492**	**13,563**	**5,331**	**268**	**27,654**

21. COMPARATIVE ANALYSIS OF SUPPORT COSTS 2023-24

		People	Premises & vehicles	Services	Legal & Professional	Currency	Sub Total Support	Sub Total Governance	Total
		£000	£000	£000	£000	£000	£000	£000	£000
a.	Individual Aid	1,589	400	193	4	(52)	**2,134**	**79**	**2,213**
b.	Medical Aid	754	188	94	4	(24)	**1,016**	**86**	**1,102**
c.	Residential Homes	47	12	6	0	(2)	**63**	**4**	**67**
d.	Community Aid	1,059	108	339	1	(9)	**1,498**	**13**	**1,511**
e.	Fundraising	382	70	103	47	0	**602**	**84**	**686**
f.	Investment management	11	2	3	2	0	**18**	**2**	**20**
Total		**3,842**	**780**	**738**	**58**	**(87)**	**5,331**	**268**	**5,599**
Basis of allocation		**Time spent**	**Space & time**	**Time spent**	**Direct**	**Pro rata with cost**		**Attribution & time**	

22. COMPARATIVE ANALYSIS OF NET ASSETS BETWEEN FUNDS, GROUP AND CHARITY 2023-24

a. Analysis of Net Assets between Funds of the Group

	Unrestricted General	Unrestricted Designated	Restricted	Total
	£000	£000	£000	£000
Intangible assets	36	0	0	36
Tangible assets	1,323	735	75	2,133
Investments	77,513	15,422	0	92,935
Current assets	8,736	0	1,184	9,920
Current liabilities	(1,769)	0	0	(1,769)
Constructive obligation	(38,644)	0	0	(38,644)
	47,195	16,157	1,259	64,611

b. Analysis of Net Assets between Funds of the Charity

	Unrestricted General	Unrestricted Designated	Restricted	Total
	£000	£000	£000	£000
Intangible assets	36	0	0	36
Tangible assets	732	735	75	1,542
Investments	77,513	15,422	0	92,935
Current assets	8,514	0	1,184	9,698
Current liabilities	(1,692)	0	0	(1,692)
Constructive obligation	(38,644)	0	0	(38,644)
	46,459	16,157	1,259	63,875

The unrestricted designated fund provides for:

- Running costs of the Residential Homes for 20 years (to 2034)
- A major improvement fund for the Residential Homes
- A Disaster Response fund

23. COMPARATIVE UNRESTRICTED FUNDS OF THE GROUP AND CHARITY 2023-24

a. Unrestricted Funds of the Group

	Balance at 1 July 2023	Incoming resources in the year	Outgoing resources in the year	Gains and Transfers	Movement in obligation	Balance at 30 June 2024
	£000	£000	£000	£000	£000	£000
Designated funds						
RWEPP	**500**	0	0	(500)	0	0
RWEPP restructuring	**640**	0	(424)	(216)	0	0
Disaster response	**8,610**	0	(18)	299	0	8,891
Residential homes	**8,729**	0	(463)	(1,000)	0	7,266
Total designated funds	**18,479**	0	(905)	(1,417)	0	16,157
General funds	**38,916**	14,800	(11,181)	7,848	(3,188)	47,195
Total unrestricted funds	**57,395**	**14,800**	**(12,086)**	**6,431**	**(3,188)**	**63,352**

b. Unrestricted Funds of the Charity

	Balance at 1 July 2023	Incoming resources in the year	Outgoing resources in the year	Gains and Transfers	Movement in obligation	Balance at 30 June 2024
	£000	£000	£000	£000	£000	£000
Designated funds						
RWEPP	**500**	0	0	(500)	0	0
RWEPP restructuring	**640**	0	(424)	(216)	0	0
Disaster response	**8,610**	0	(18)	299	0	8,891
Residential homes	**8,729**	0	(463)	(1,000)	0	7,266
Total designated funds	**18,479**	0	(905)	(1,417)	0	16,157
General funds	**38,189**	14,416	(10,805)	7,847	(3,188)	46,459
Total unrestricted funds	**56,668**	**14,416**	**(11,710)**	**6,430**	**(3,188)**	**62,616**

Unrestricted funds, both general and designated, are expendable at the discretion of the Trustees in the furtherance of the Trust's objectives. The designated funds have been earmarked by the Trustees for particular purposes, but the designations have an administrative purpose only and do not legally restrict the Trustees' discretion to apply the funds.

Trustees took the prudent precaution in 2011-12 of creating a designated fund to cover the running costs of the residential homes for twenty years so that the homes would not be a drain on other activities. Trustees have also identified the requirement to increase the fund to include major works (£400,000) for the next nine years. The transfer in represents a reduction in the fund to reflect the continued increase in the rate of exchange between the Nepal Rupee and Sterling, in part offsetting inflation in Nepal. The fund is currently valued at £7,266,000 assuming long term inflation in Nepal of 7.0%.

In June 2018, following advice from leading seismologists, Trustees created a designated fund to enable an immediate response to any future natural disasters. This fund was used during 2023/24 to provide five significant

repairs or replacement of homes following damage by storms and landslips during the 2023 monsoon. The fund was adjusted for the effects of year end inflation and the rate of exchange with the fund totalling £8,891,000 at 30 June 2024.

As a result of reductions in UK Government funding, FCDO advised that funding under the RWEPP Grant Agreement would end early in 2024. The RWEPP designated fund is therefore no longer required and is transferred back to unrestricted funds.

At 30 June 2023, Trustees had identified the likely requirement for additional costs of restructuring following the withdrawal of FCDO funding, and set aside designated funds of £640,000. Outgoing resources of £424,000 reflect the discretionary compensation payments made to 30 RWEPP staff whose employment contracts were terminated at 30 June 2024, and the provision for payments to a further 15 RWEPP staff whose contracts will end at 30 June 2025. The balance (£216,000) is transferred back to unrestricted funds.

24. COMPARATIVE RESTRICTED FUNDS OF THE CHARITY 2023-24

		Balance at 1 July 23	Income	Expenditure	Transfers	Balance at 30 June 24
		£000	£000	£000	£000	£000
a.	**Grants to individuals:**					
	Welfare pensions & DSG	0	53	(53)	0	0
	Welfare grants	148	801	(825)	0	124
	Gurkha Welfare Advice Centre	0	3	(3)	0	0
		148	857	(881)	0	124
b.	**Medical:**					
	MOD Grant In Aid Medical	0	4,900	(4,808)	0	92
	Medical	0	688	(667)	0	21
	Medical camps	45	137	(182)	0	0
		45	5,725	(5,657)	0	113
c.	**Residential Homes:**	0	1	(1)	0	0
d.	**Water projects:**					
	Water projects – FCDO	81	1,639	(1,638)	(17)	65
	Water projects – other	237	729	(505)	0	461
		318	2,368	(2,143)	(17)	526
e.	**Schools projects:**					
	Neal Turkington Fund	10	2	(4)	0	8
	Schools	44	436	(445)	0	35
		54	438	(449)	0	43
f.	**Community COVID projects**					
	COVID equipment	6	0	(3)	0	3
		6	0	(3)	0	3
g.	**Other grants:**	12	0	(12)	0	0
	Vehicles & equipment	0	170	0	(170)	0
	MOD Grant in Aid Support	354	3,595	(3,234)	(265)	450
		366	3,765	(3,246)	(435)	450
		937	13,154	(12,380)	(452)	1,259

a. Grants to individuals

Restricted funds for welfare pensions are obtained from individuals that regularly donate to a pensioner support fund as well as other advertising and appeals. Welfare grants include delivering earthquake resilient homes. Funds carried forward to 2024/25 are for specific donor supported earthquake resilient homes and toilets.

b. Medical

The MOD Medical grant-in-aid is provided in support of medical services to our beneficiaries. Four medical camps were delivered to rural communities.

c. Residential Homes

A donation for the provision of care provided through the Residential Homes.

d. Water projects

FCDO funding is provided through an accountable grant agreement for the rural water and sanitation programme with additional funding coming from charitable trusts and individuals. The balance at 30 June 2024, reflects the net book value of assets funded through the agreement which continue to be in use in support of the agreement. A successful rural water and sanitation appeal in 2024 will provide funding for the delivery of water projects to Gurkha communities during 2024/25.

e. Schools projects

Several individuals, corporates and charitable trusts have sponsored two major builds and a significant number of minor builds and refurbishments. A memorial fund in memory of Neal Turkington, lost in action while serving in Afghanistan, funded two major build projects in 2013. A final project is on-going and scheduled for completion in 2024/25.

f. Community COVID Projects

Expenditure reflects the final distribution of Personal Protective Equipment (PPE), oximeters and oxygen concentrator which had been funded by a donor in 2021, in response to the COVID-19 pandemic.

g. Other grants

The MOD grant-in-aid is provided to support the administration and infrastructure costs of the GWT(N). Following initial procurement delays, new motorbikes were finally brought into service, included those funded through restricted donations. A generous donor has supported GWT through the funding of the rebuilding of AWC Damak. This project was completed and capitalised in 2024.

SPECIAL THANKS

We are immensely grateful to all the individual donors, community groups, charitable trusts and corporate partners for their commitment in supporting us throughout the year.

Belstone Management Services Ltd
Brigade of Gurkhas
Gurkha Brigade Association
Jersey Overseas Aid
Jones Kemp
Lord Barnby's Foundation
Ministry of Defence
Mr Alasdair and Mrs Lisa Robertson
Mr John James Delaney MC
Mr John Martin
Mr Nigel Wood
Mr Robin Rawlings
Mrs Annette Giddins
Mrs Lavinia Lynam
Mrs Mary Tennyson d'Eyncourt
Richemont International Ltd
Sharegift
Softcat
The Alan Chinery Charitable Trust
The Big Give
The Callendar Charitable Trust
The Chan Yin Chuen Memorial Charitable Foundation
The Derek Raphael Trust
The Dyers' Company Charitable Trust
The Eddie Dinshaw Foundation
The Edith Murphy Foundation
The Faslane Trust
The Fathers Family
The Gurkha Welfare Trust Jersey
The Hadley Trust
The John Rawding Charitable Trust
The Kenneally International Foundation
The Kilpatrick Fraser Charitable Trust
The Kirby Laing Foundation
The Manali Trust
The Medlock Charitable Trust
The MJB Charitable Trust
The Mr and Mrs J M B Trust
The Netherton Charitable Trust
The Queen Mary's Roehampton Trust
The Reed Foundation
The Rossie Foundation
The Rushbrook Charitable Trust
The Sir Victor Blank Charitable Settlement
The Talbot Trust
The Wigoder Family Foundation
The William Allen Young Charitable trust
The Worshipful Company of Engineers
UK Aid
Vigilance Properties Ltd
Worth Waynflete Foundation

We also remember with much gratitude those no longer with us who generously left a gift in their Will.

Our fundraising year also included:

- Trailwalker UK
- London Marathon
- London Landmarks Half Marathon
- The Doko Challenge South
- Gurkha Golf Day
- Tailwalker
- The Band of the Brigade of Gurkhas in Concert
- Carols by Candlelight
- The GWT Annual Auction
- The GWT Raffle
- Chilli & Spice Recipe Club
- Host a Gurkha Curry Night
- Chillis for Change

The Gurkha Welfare Trust
PO Box 2170, 22 Queen Street, Salisbury SP2 2EX
Tel: 01722 323 955 | Email: info@gwt.org.uk | www.gwt.org.uk

Registered Charity No 1103669.
Company Limited by Guarantee No 05098581. Registered in England.

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Registered with FUNDRAISING REGULATOR

THE GURKHA WELFARE TRUST

England & Wales - Charity number 1103669

Accounts

THE GURKHA WELFARE TRUST

The Gurkha Welfare Trust

Annual Report & Accounts

1 July 23 - 30 June 24

TRUSTEES, OFFICIALS AND ADVISORS TO THE TRUST

PATRON

King Charles III

VICE-PATRON

Dame Joanna Lumley DBE

TRUSTEE DIRECTORS

Lieutenant General R Wardlaw CB OBE (Chair)* (to 13 September 2024)

Major General G M Strickland DSO MBE (Chair)* (from 13 September 2024)

S J Cooper Esq

J G R David Esq

Brigadier J Davies MBE *** (from 14 December 2023)

P M A Grant Esq

Mrs R Kearsley

Dr J D Keeling MBA, MB BS, FRCGP, DRCOG

Mrs A E Levin

Major (Retd) Hemchandra Rai MBE BEM

Colonel D M Rex MVO *** (to 14 December 2023)

Colonel D J Robinson **

AUDIT AND FINANCE COMMITTEES

S J Cooper Esq (Chair)

Mrs R Kearsley

Dr J D Keeling MBA, MB BS, FRCGP, DRCOG

INVESTMENT COMMITTEE

P M A Grant (Chair)

J G R David Esq

Brigadier M Fayers

P M Rigg Esq

A Brown Esq

GOVERNANCE COMMITTEE

Mrs A E Levin (Chair)

Brigadier J P Davies MBE (from 14 December 2023)

Colonel D M Rex MVO *** (to 14 December 2023)

Colonel D J Robinson **

MEMBERS

Major General J L Clark CBE ****

Brigadier M Fayers ****

Brigadier P S Reehal MBE ****

Major General G M Strickland DSO MBE **** (to 13 September 2024)

Brigadier D T Pack MBE **** (from 13 September 2024)

** Ex officio Trustee – Colonel Commandant Brigade of Gurkhas*

*** Ex officio Trustee – Colonel Brigade of Gurkhas*

**** Nominated – Gurkha Brigade Association*

***** Nominated - The Royal Gurkha Rifles, The Queen's Gurkha Engineers, The Queen's Gurkha Signals and The Queen's Own Gurkha Logistic Regiment*

SENIOR MANAGEMENT TEAM – GURKHA WELFARE TRUST

Al Howard Esq – CEO

Colonel (Retd) Nigel Rowe – COS and Company Secretary (to 14 September 2024)

Colonel (Retd) Richard Goodman MBE – COS and Company Secretary (from 1 October 2024)

Adam Bentham Esq – Head of Fundraising and Communications (to 14 October 2024)

Ian Campbell Esq - Head of Fundraising and Communications (from 15 October 2024)

Captain (Retd) Gary Ghale – Head of Gurkha Welfare (UK) (to 31 October 2024)

Captain (Retd) Nirmal Gurung - Head of Gurkha Welfare (UK) (from 1 November 2024)

Francine Coles – Head of Finance

SENIOR MANAGEMENT TEAM – GURKHA WELFARE TRUST (NEPAL)

Lieutenant Colonel Matt Hing RLC – Field Director, GWT(N) (to 14 December 2023)

Lieutenant Colonel Johnny Fenn QOGLR - Field Director, GWT(N) (from 3 January 2024)

Lieutenant Colonel (Retd) Yam Bahadur Rana, Deputy Field Director, GWT(N) (to 31 August 2023)

Captain (Retd) Phatta Bahadur Gurung (from 1 September 2023)

Dr Gerda Pohl – Medical Director, GWT(N)

Deepak Shrestha Esq – Project Director RWEPP (to 30 June 2024)

Deepak Shrestha Esq – Programme Director (from 1 July 2024)

Aahat Regmi Esq – Finance Director, GWT(N)

DIRECTOR GWT(N)

Colonel Paul Smith* (to 1 July 2024)

Colonel Dan Rex MVO* (from 2 July 2024)

** Defence Attaché - providing advice on political and military affairs, focal point for veterans groups and in-country assurance.*

INVESTMENT MANAGERS

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London
EC4M 8BO

BANKERS

The Royal Bank of Scotland
Lawrie House
Victoria Road
Farnborough
GU14 7NR

HSBC Bank plc
90 Baker Street
London
W1M 2AX

SOLICITOR

Wilsons Solicitors
Alexandra House
St Johns Street
Salisbury
SP1 2SB

AUDITORS

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St James Square
Cheltenham
GL50 3PR

REGISTERED ADDRESS

The Gurkha Welfare Trust
PO Box 2170
22 Queen Street
Salisbury
SP2 2EX

Company Limited by Guarantee
Number: 5098581
Registered Charity Number: 1103669

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THE NORTH FACE
PRO

WELCOME
FROM THE CHAIR

It is an honour to be writing as the new Chair of The Gurkha Welfare Trust, and it has been a privilege to have served alongside Gurkha soldiers throughout my military career.

Throughout the year we have supported over 3,000 of our most vulnerable beneficiaries with our monthly welfare pension and hardship grants to aid their daily lives and over 23,000 beneficiaries have accessed our medical facilities.

With an ageing welfare beneficiary population, of which nearly 20% are aged 90 years or more, we continue to adapt our services to meet their increasing and evolving needs. Our staff will travel by all means, including many hours on foot, in order to reach our most vulnerable pensioners and ensure that they are supported in their homes. These visits are made more hazardous by the extreme weather conditions experienced in Nepal; the monsoon season appears to be starting earlier and lasting longer, resulting in severe flooding and multiple landslides destroying transport infrastructure and whole communities.

We have continued to build on the success of our rehabilitation services – it is so rewarding to be able to see the profound effects of our therapists who work tirelessly to restore mobility and dignity to the most vulnerable.

The withdrawal of UK Aid funding from the end of March 2025, will draw to a close our partnership with DfID/FCDO for the delivery of clean, accessible water to communities for over 30 years. During this time The Gurkha Welfare Trust has delivered over 63,600 tap stands across 53 districts benefiting over 517,000 people. These projects are long lasting and continue to be managed by the communities, providing a legacy for many years to come. A major achievement was to introduce the "one house – one tap" concept, which was subsequently adopted by the Government of Nepal as the national model for all water provision.

It was with immense sadness that we had to reduce and restructure our community water programme team to reflect the withdrawal of external funding; many of these staff had provided exemplary service to the programme over many years. We will continue to support Gurkha communities with the provision of clean, accessible water albeit through a reduced programme.

In December 2024 we bid farewell to our Medical Trustee, Dr John Keeling on his retirement. For over seven years he has been instrumental with his guidance on all aspects of GWT's healthcare programme which directly benefits so many of our beneficiaries while setting the standard for in-country medical services in Nepal. Additionally, his tireless contribution to the audit and finance committees ensuring best practice and sound financial management have significantly benefitted the Trust for which he has our deep appreciation and gratitude.

Through the generosity of our supporters and the dedication and commitment of our staff in both UK and Nepal, we strive to deliver the best possible service to our beneficiaries. This report details just how much they have achieved for which, on behalf of the Board, I pass on my sincere thanks and gratitude.

Gerald Strickland

Major General Gerald Strickland DSO, MBE
Chair, The Gurkha Welfare Trust

WELCOME
FROM THE CEO

Dear Supporter,

Our priority remains the consistent and multifaceted services to our most vulnerable beneficiaries that allows them to live with the dignity they richly deserve. This has been achieved, at least in part, due to the above inflationary increase to the welfare pension and disability support grants. In isolation, these increases have a positive effect but this is amplified exponentially when coupled with the outstanding work carried out by our Nepal based staff visiting each and every pensioner.

On 3 November 2023 a 6.4 magnitude earthquake struck the remote western regions of Jajarkot and Rukum killing over 150 people and injuring over 400 more. In total over 250,000 people were affected with some 62,000 homes and over 600 schools damaged or destroyed. This is an ubiquitous and poignant reminder as to why we continue to strive to ensure our most vulnerable beneficiaries, as well as the staff on whom they are totally reliant for support, are best prepared for this type of eventuality.

Our Area Welfare Centre retrofit programme continued for a second year ensuring that our permanent footprint and platforms for the delivery of our services are of a sufficiently earthquake resilient design. This was done in tandem with our ongoing earthquake resilient designed house construction for our most vulnerable pensioners for whom we constructed a total of 71 homes.

We welcomed two new Ambassadors to represent and publicise our worthy cause. Kenton Cool is certainly no stranger to Nepal having summitted Mount Everest 18 times, more than any other non-Nepali mountaineer. Levison Wood is a professional explorer, writer and photographer who has travelled to and filmed in over 100 countries. We welcome them both and are very grateful for their support and passion for our work.

As mentioned by the Chair, our longstanding relationship with FCDO is drawing to a formal close in March 2025. To commemorate the extraordinary work spanning over 30 years we have a special article contained in this year's report.

Our medical provision to Gurkha veterans received a welcome boost with the MOD agreeing to uplift its Grant in Aid to reflect the numbers of veterans registering as well as the effects of inflation and rate of exchange. This has allowed GWT to continue to provide existing levels of service.

As always, all of our work comes at a cost. While rates of inflation have fallen from the highs of a year or so ago, the economic outlook remains volatile which, in turn, continues to prove challenging for fundraising. Despite these challenges you all continue to place your faith in the work that we do with your unwavering generosity.

Thank you on behalf of us all.

Al Howard
Chief Executive Officer, The Gurkha Welfare Trust

HONDA

THE GURKHA WELFARE TRUST

The Gurkha Welfare Trust provides vital support to Gurkha veterans, their families and communities in Nepal. We have been working in Nepal for over 50 years, delivering essential financial and medical aid to Gurkha veterans and widows, and working with local communities to provide access to clean water and education.

WHO ARE THE GURKHAS?

The Gurkhas are soldiers from Nepal who are recruited into the British Army (or the Indian Army pre-1947), and for over 200 years have committed themselves to the service of the British Crown.

To this day, the Gurkhas remain renowned for their loyalty, professionalism and bravery, and in military service have been awarded a total of 13 Victoria Crosses.

OBJECTS

The Trust's Objects are:

- To relieve either generally or individually Gurkhas and their dependants and other persons in Gurkha community areas, who are in conditions of need, hardship or distress;
- To advance the education of Gurkhas, dependants and other persons in Gurkha community areas;
- To make provision for the medical diagnosis and treatment of Gurkhas and their dependants and other persons in Gurkha community areas who are in need of such diagnosis or treatment and for the prevention of any disease or adverse conditions which may affect any such person: and
- Such other charitable purposes which are in the opinion of the Trustees connected directly or indirectly with the foregoing purposes as the Trustees from time to time think fit.

The Trust's Vision is: "Gurkhas living with dignity". Welfare support is delivered against the following priorities:

- The provision of a Welfare Pension.
- The provision of welfare/emergency grants.
- The provision of medical support: a free primary healthcare scheme for beneficiaries and subsidised hospital care.
- The provision of water and sanitation projects.
- The running of two Residential Homes (RH).
- A programme of building earthquake resilient homes for beneficiaries.
- The building of schools and community centres.
- The Trust raises funds in support of welfare programmes involving individuals and communities in Nepal and also in an advisory capacity in support of ex-Gurkhas in the UK.

The Gurkha Welfare Trust provides vital support to Gurkha veterans, their families and communities in Nepal.

We have been working in Nepal for over 50 years, delivering essential financial and medical aid to Gurkha veterans and widows, and working with local communities to provide access to clean water and education.

In the late 1960s, following the end of various Eastern conflicts, there was a significant reduction in the number of serving Gurkhas in the British Army. It was realised that many Gurkha soldiers and their dependants or widows in Nepal faced destitution in old age. Many of these soldiers had served in the World Wars; however, they had not served the 15 years needed to qualify for an Army pension.

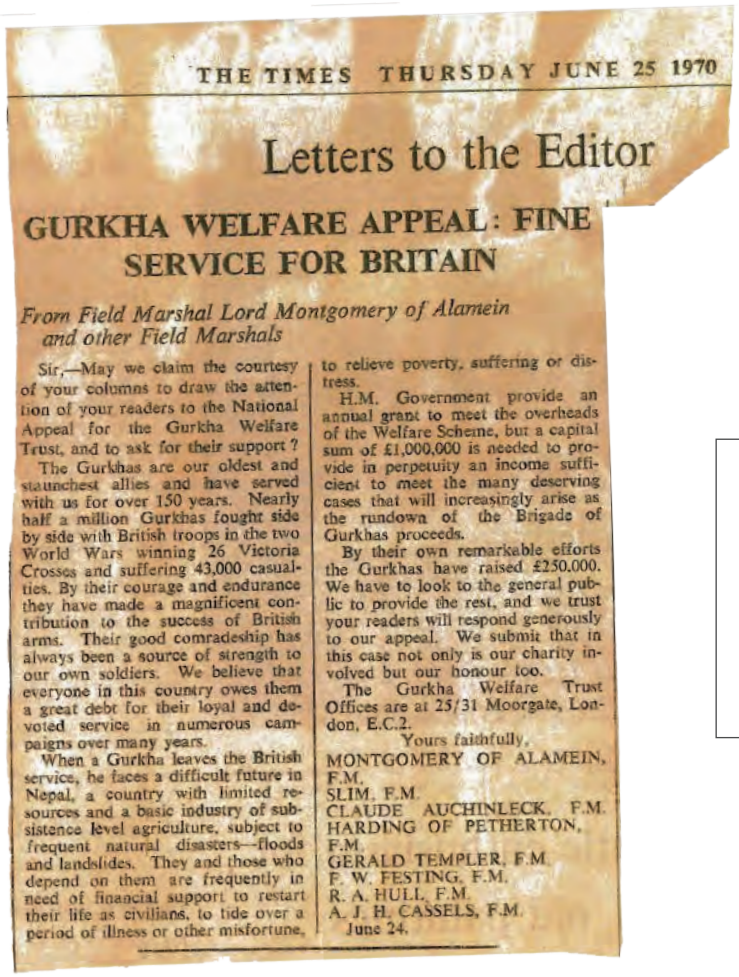
Unlike their British counterparts who could rely on the welfare state in old age, the Nepali Gurkhas had no such safety net.

Debt of Honour

In recognition of the country's debt of honour to these soldiers, a public appeal, led by eight of our greatest wartime Field Marshals raised £1m to establish The Gurkha Welfare Trust.

The Trust then began to create a network of bases in Nepal to distribute financial aid to retired soldiers who had met with disasters such as landslides and floods. We also bought land for ex-Gurkhas to become subsistence farmers and provide enough food to support their families.

From that arrangement we later began paying our regular Welfare Pension payment, expanded our remit to include community initiatives like schools and water projects and developed a comprehensive medical scheme across Nepal.



THE TIMES THURSDAY JUNE 25 1970

Letters to the Editor

GURKHA WELFARE APPEAL: FINE SERVICE FOR BRITAIN

From Field Marshal Lord Montgomery of Alamein and other Field Marshals

Sir,—May we claim the courtesy of your columns to draw the attention of your readers to the National Appeal for the Gurkha Welfare Trust, and to ask for their support?

The Gurkhas are our oldest and staunchest allies and have served with us for over 150 years. Nearly half a million Gurkhas fought side by side with British troops in the two World Wars winning 26 Victoria Crosses and suffering 43,000 casualties. By their courage and endurance they have made a magnificent contribution to the success of British arms. Their good comradeship has always been a source of strength to our own soldiers. We believe that everyone in this country owes them a great debt for their loyal and devoted service in numerous campaigns over many years.

When a Gurkha leaves the British service, he faces a difficult future in Nepal, a country with limited resources and a basic industry of subsistence level agriculture, subject to frequent natural disasters—floods and landslides. They and those who depend on them are frequently in need of financial support to restart their life as civilians, to tide over a period of illness or other misfortune, to relieve poverty, suffering or distress.

H.M. Government provide an annual grant to meet the overheads of the Welfare Scheme, but a capital sum of £1,000,000 is needed to provide in perpetuity an income sufficient to meet the many deserving cases that will increasingly arise as the rundown of the Brigade of Gurkhas proceeds.

By their own remarkable efforts the Gurkhas have raised £250,000. We have to look to the general public to provide the rest, and we trust your readers will respond generously to our appeal. We submit that in this case not only is our charity involved but our honour too.

The Gurkha Welfare Trust Offices are at 25/31 Moorgate, London, E.C.2.

Yours faithfully,

MONTGOMERY OF ALAMEIN, F.M.
SLIM, F.M.
CLAUDE AUCHINLECK, F.M.
HARDING OF PETHERTON, F.M.
GERALD TEMPLER, F.M.
F. W. FESTING, F.M.
R. A. HULL, F.M.
A. J. H. CASSELS, F.M.

June 24.

Pictured left: In 1970 the appeal was published in the Times newspaper, signed by eight Field Marshals.

Above: the first advert for The Gurkha Welfare Appeal featured Cpl Rambahadur Limbu VC, one of 13 Gurkha recipients of the Victoria Cross.

SUPPORTING GURKHA HEROES LIKE PADAM

Padam Bahadur Sunwar is 80 years old and lives with his wife Bal Maya Sunwar and his daughter-in-law in the village of Tirsuli, Jiri to the east of Kathmandu.

Enlisting in the Army

Padam joined the Army in 1961 at the age of 17. During his initial training in Hong Kong and Singapore, he learned to swim, practised target shooting, and mastered the technique of zeroing a rifle.

"Upon completion, we travelled to South Brunei on a black army ship. In the forest, there were various sections and platoons. We learned to dig trenches and hide, take cover and shoot at enemies, and jump into the ocean, among other things."

Operations in North Brunei

"We had to conduct operations in the forest. We needed to secure certain areas because spies from Indonesia used to come. During my stay, two invaders were killed, and one was captured and handed over to the police."

Padam reflects on life in the Army

"Army life was a blend of struggle and happiness. But I believe it's a good life because you have many friends, gain a lot of experience, and everything is planned and on time.

"Your food, sleep, and everything else is on time. You can also play sports. I used to play basketball and football, representing the team. I also used to run, including cross country when I was in Hong Kong, and I swim."

Returning to his homeland

Padam was made redundant from the Army in 1971 and returned home to Nepal. He was given a small amount of money on retirement (around £360) which he used to buy some land and build a home. He then relied on farming and livestock to make a living.

Padam has been receiving a monthly pension from The Gurkha Welfare Trust since 2006, and without it, life would be a struggle.

The strength of a Gurkha

When asked why he thought he was still so strong and healthy he answered;

"The reason I am so fit and strong at this age is because of the healthy and organic food I had during my childhood. After returning to Nepal, I started growing my own food and eating it. If I had eaten this modern-day junk food, I would not have lived as strong and healthy as I do now.

"Another reason is that I pay close attention to my health and hygiene. A year ago, a guy asked me whether I could climb trees. I replied to him, saying that if I don't climb trees, there will be no one to feed my livestock. Then he said I was strong."

Heartfelt Thanks

"For the service we provided back during our days, we are receiving proper care for it. I would like to thank GWT and the people for helping us out. GWT has provided us with medical treatment and medicines for our health. They have provided us with a pension so that we can eat whatever we like and buy clothes that we like. We are truly grateful to GWT for the welfare support, which ensures our care until the day we die. So, thank you very much for your support."

HOW WE WORK

The Trustees fully consider the Charity Commission's guidance on reporting public benefit when planning the charity's activities and are satisfied that the Trust is fully compliant with the Charities Act 2011.

Benefit to our beneficiaries can be assessed in two distinct areas:

1. INDIVIDUAL AID

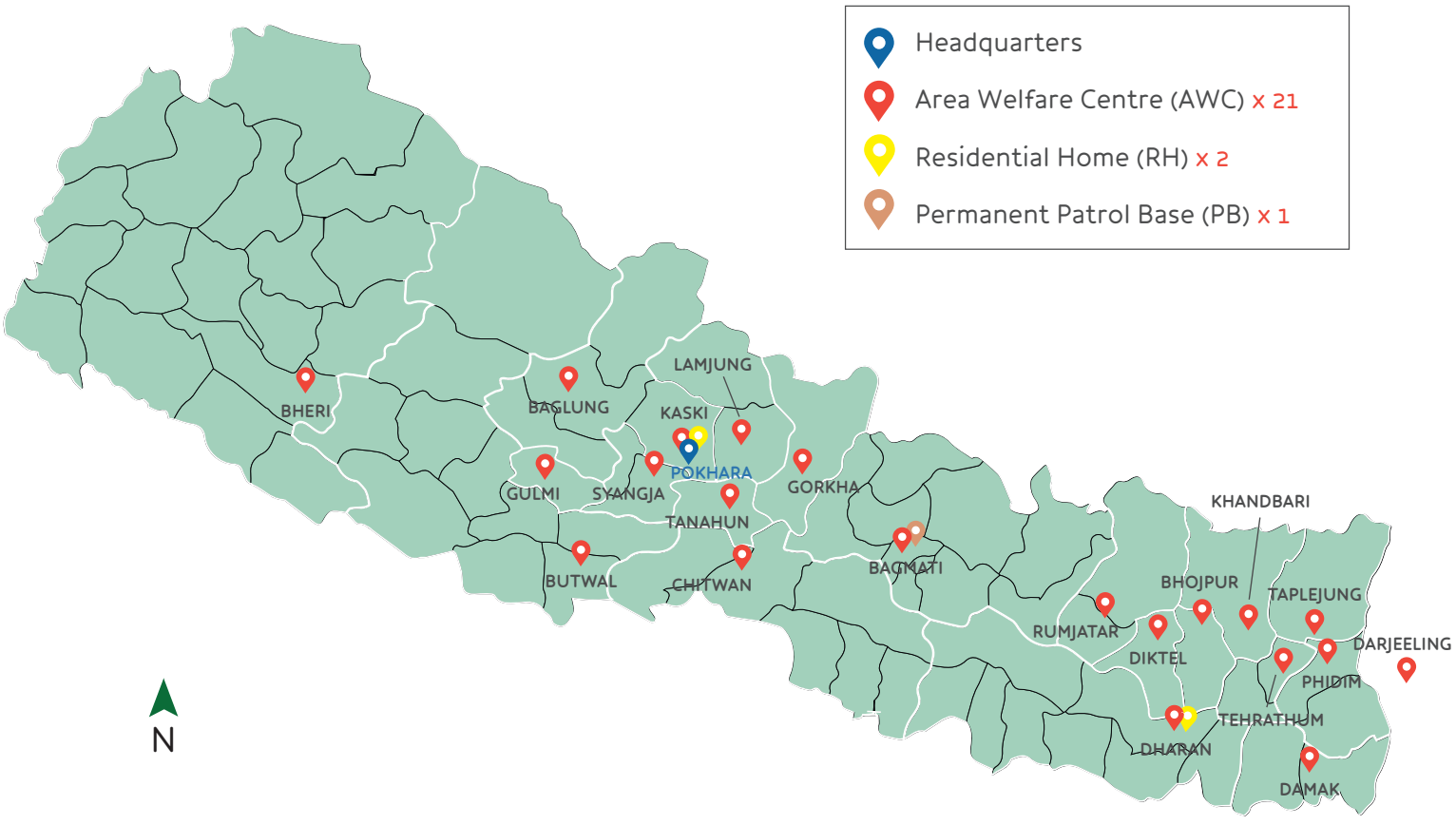
In the form of the Welfare Pension, Disability Support Grants, Festival Allowance, Welfare Grants, Home Carer's Allowance, Funeral Grants and our earthquake-resilient Homes. These are provided perennially to ensure that our core beneficiaries, Gurkha veterans and their families, are able to live with dignity.

Enhanced support is provided to veterans and widows living in our two Residential Homes, marked on the map below. In addition, free primary medical care is provided to all eligible individuals as well as subsidised secondary healthcare treatment.

2. COMMUNITY AID

Provided in the form of schools, accessible drinking water and medical camps, the primary beneficiaries of these activities are the general public. These activities support the Trust's licence to operate in Nepal through provision of support to the wider community from whom the British Army continues to recruit.

All of this is coordinated via our network of Area Welfare Centres and a Patrol Base, marked on the map below.



OUR YEAR IN NUMBERS

1 July 2023 - 30 June 2024

We provided NPR16,000 per month to over **3,000** Gurkha veterans and widows.

We distributed **1,413** Hardship Grants and **272** Funeral Grants.

Home Carer's Allowance was received by over **292** carers.

We have built **2** major schools, completed **14** minor extensions, carried out **92** minor and **4** major school refurbishments.

We provided NPR12,800 per month of Disability Support Grants to **246** recipients.

We completed **42** water projects and installed over **1,907** tap stands, getting clean water to over **10,500** people.

We provided Disaster Risk Reduction awareness training to over **10,500** people.

We had **41** permanent residents across **2** residential homes. We supported **21** pensioners with rehabilitation.

We built **71** earthquake-resilient homes.

Over **23,000** patients accessed our medical services. Over **9,900** flu vaccines and **1,700** pneumococcal vaccines were prescribed. We provided palliative care to over **260** people.

We saw over **15,080** Welfare Advice Centre cases in the UK. Enabling grants through the Army Benevolent Fund of **£250k.**

OUR IMPACT

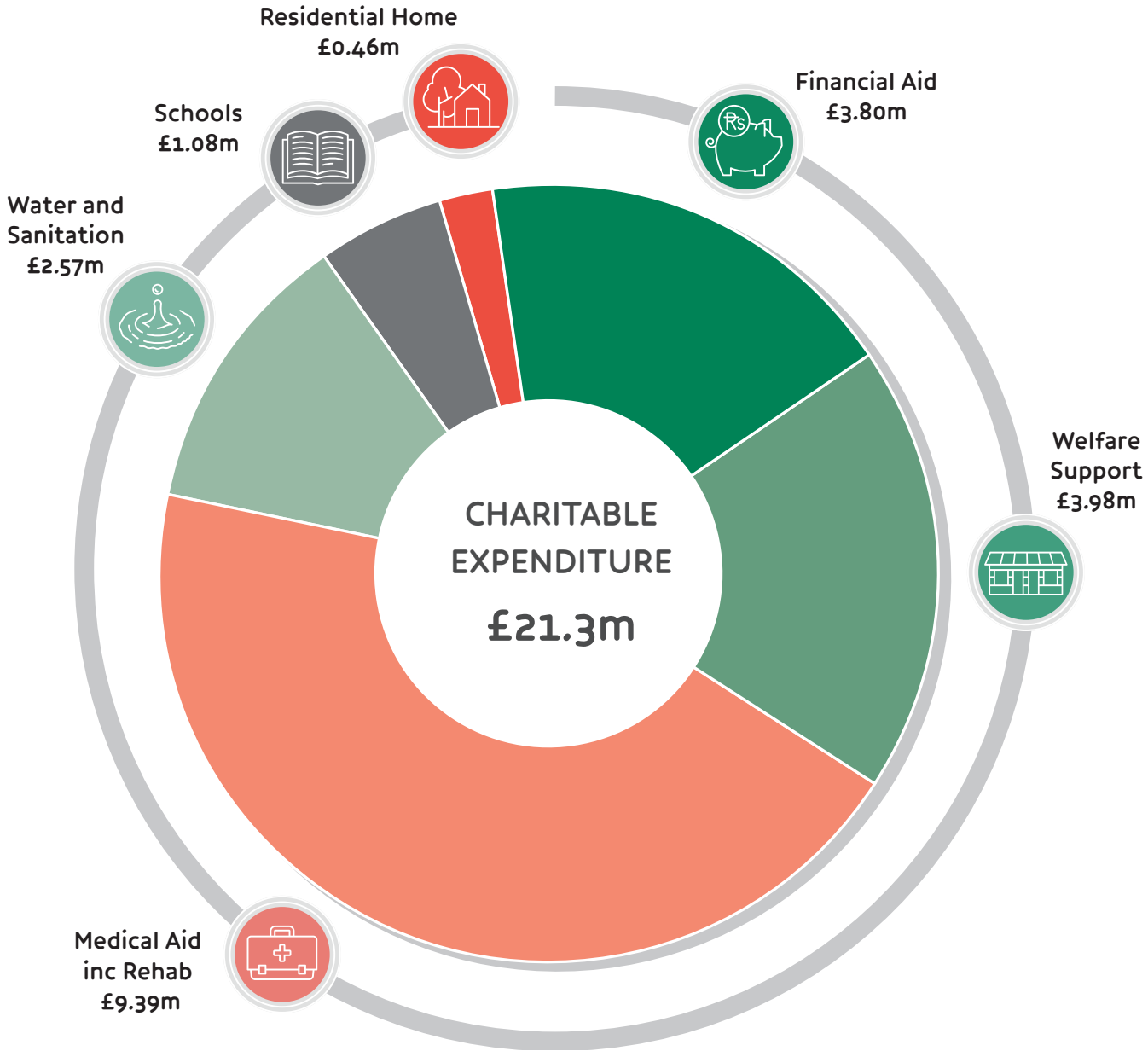
For an organisation with relatively few resources in the UK, the Trust continues to deliver an impact far above its weight in Nepal, thanks to the incredible support from donors.

Though at its core, the support of elderly and vulnerable Gurkha pensioners remains a priority our wider services across Nepal continue to deliver an exponential impact.

The medical service available to all Gurkha veterans and their dependants is now our most expensive service to deliver but also the one which generates the biggest impact across Nepal. In a country with no national health service and often little or no access to medical care at all, the professional service the Trust delivers grants veterans and their families the basic human right to effective healthcare.

The chart below indicates our charitable expenditure across the year.

CHARITABLE EXPENDITURE



CHARITABLE EXPENDITURE

Financial Aid (£3.80m)

We paid a pension worth 16,000 Nepalese Rupees per month to over 3,000 vulnerable Gurkha veterans and widows.

We provided a Disability Support Grant to 246 people. We also paid an increased rate/ Enhanced Welfare Pension to welfare pensioners living with multiple disabled children.

In addition, we also paid Home Carer's Allowance to 292 carers for providing 24/7 care and support to our vulnerable pensioners.

The Welfare Pension and Disability Support Grant were increased at a rate above inflation to support our most vulnerable beneficiaries.

Welfare support (£3.98m)

During the year, we provided 1,413 hardship grants, 272 funeral grants and built 71 new earthquake-resilient homes for Gurkha veterans and widows.

We retrofitted and upgraded 73 earthquake-resilient homes that were built immediately after the devastating earthquake in Nepal in 2015.

We also constructed 54 toilets for our welfare pensioners and provided immediate support to 6 welfare pensioners through the designated Disaster Response fund.

Medical Aid (£9.39m)

Over 23,000 patients accessed GWT medical services and our medical teams undertook over 10,300 home visits. Over 9,000 rehabilitation treatment sessions were provided either in the home or through our medical centres.

We provided 184,767 consultations with a GWT health service professional and dispensed 85,364 items of medication. We treated over 2,400 patients at our four medical camps in Mustang, Rasuwa, Jajarkot and Rukum (West).

Water and Sanitation (£2.57m)

Last year we completed 42 water projects, installed 1,907 tap stands and benefited over 10,500 people.

Schools (£1.08m)

We constructed two major two-storey schools including libraries and library training, 14 school extensions and 92 minor and four major school refurbishments.

Residential Homes (£0.46m)

Last year there were 41 permanent residents across our two Residential Homes. They were also used as hubs to rehabilitate 21 patients.

OUR PLANS FOR THE YEAR 2023-24

Supporting our most vulnerable beneficiaries.

Continued emphasis on our most vulnerable beneficiaries through the above inflationary increases in the Welfare Pension and Disability Support Grant.

Continued implementation of disaster resilience enhancements to the Area Welfare Centre (AWC) network.

This is a multi-phase programme ensuring that our permanent footprint is able to withstand and continue to operate in times of natural disaster. Progress this year includes:

- AWC Bheri – Main building retrofit completed August 2024.
- AWC Butwal – Jubilee building completed June 2024.
- AWC Kaski – Main building, welfare office building and physiotherapy building completed in July 2024.
- AWC Tanahun – Main building retrofit and enhancements completed in July 2024.
- AWC Dharan – Medical building retrofit completed in March 2024. Final phase of retrofit ongoing and expected to finish in October 2024.
- Disaster Response Family Stores in Butwal, Tanahun and Dharan are ready; the contents of the Family Stores are regularly evaluated to ensure they remain fit for purpose, with the next review scheduled for autumn 2024.

Transition of Rural WASH & Emergency Preparedness Programme (RWEPP).

Successful restructuring of the RWEPP into an enduring GWT Community Aid department.

Engagement with MOD on further financial support for Nepal based veteran medical provision.

These discussions were successfully concluded with the MOD committing to uplift the current Medical Grant in Aid (GIA) from £2.5M to £4.9M. There will be regular dialogue with the MOD to understand and address the financial impact of fluctuations in rates of exchange, increases in medical inflation and further beneficiary registrations. It should be noted that this increase to the GIA permits the Trust to continue with its current level of medical commitments and outputs only, and does not afford any expansion or increase in service levels.

Tender Process for a new Electronic Medical Record System (EMRS) Provider.

A tender process was initiated utilising expert third party assistance. Following a pre-tender market evaluation a review of major vendors in the international EMR space was conducted. Vendors were evaluated against defined criteria based on GWT's requirements, specification and situation.

Above: AWC Dharan medical building retrofit

Above: The Jubilee Building at AWC Butwal

DISASTER RESILIENCE AND RELIEF

In addition to the retrofit work to our AWCs, work has continued to ensure that the organisation is as resilient as possible and able to provide disaster relief to our core beneficiaries and their wider communities.

Disaster Response (DR) Family Stores – All DR Family Store infrastructure has been built. As a pilot project, 90 sets of family stores have been stocked at AWC Tanahun. Work is ongoing to stock all three family stores fully, providing direct support to our beneficiaries in the event of a disaster.

DR Stores – All AWCs hold DR Stores. These are regularly checked by Management to ensure they are kept in good order and well stocked.

DR HQ Exercise – Ex BHUICHALO 24 will take place on Tuesday 17 September 2024. It aims to simulate a major disaster in Nepal and conduct disaster relief training as part of GWT(N)'s wider Disaster Resilience Plan. This will help ensure HQ GWT(N) can direct and respond effectively, whilst achieving business continuity (key person resilience) in the event of a disaster.

Monsoon Meetings/Tracker – This monsoon season, the Project Engineer and DRR Officer have held weekly meetings with all SAWOs to remain situationally aware of the ongoing monsoon. With SITREPs reported back to HQ, combined with Government of Nepal data, a weekly DR Monsoon Tracker was created and circulated both within GWT(N) and among external agencies including the British Embassy and FCDO. These meetings provide advance warning to allow AWCs to more accurately identify areas where beneficiaries are at risk.

FUTURE PLANS 2024-25 (Approved by the Board in May 2024)

The following objectives have been identified for FY 2024-25:

- To reduce free reserves in direct support of our core beneficiaries, through a further above inflationary increase to Welfare Pension, Disability Support Grant and associated allowances in FY24/25.
- Final selection of a new EMRS provider with implementation and "go-live" of a new system by January 2025.
- Complete the third phase of the AWC Disaster Resilience retrofits (November 2024 – June 2025): Gulmi, Syangja, Kaski and Dharan. This will see all AWC infrastructure retrofitted and enhanced with the exception of AWC Bagmati where the statement of requirement is still being developed.
- Surveys have been completed for future AWC plans including extensions and improvements which will be presented for approval by senior management by the end of 2024.
- Implement recommendations from the Strategic Review 2024.

OUR FUNDRAISING PERFORMANCE

The Trust remains committed to transparency and ensuring that donors have complete clarity over the way their money is spent and the impact it achieves.

For every £1 we spent on fundraising last year, we raised £5.

Last year the Trust raised £14.143m through its fundraising, of which almost half came in via legacies kindly left to the Trust by supporters in their Wills.

WHERE DOES MY DONATION GO?

Last year, for every £1 of income, The Gurkha Welfare Trust spent just 13p on fundraising (including management of our investments) and 87p on supporting Gurkha veterans, widows and their wider communities.

Investment management **1.5%**

Fundraising **11.6%**

Charitable activity **87.0%**

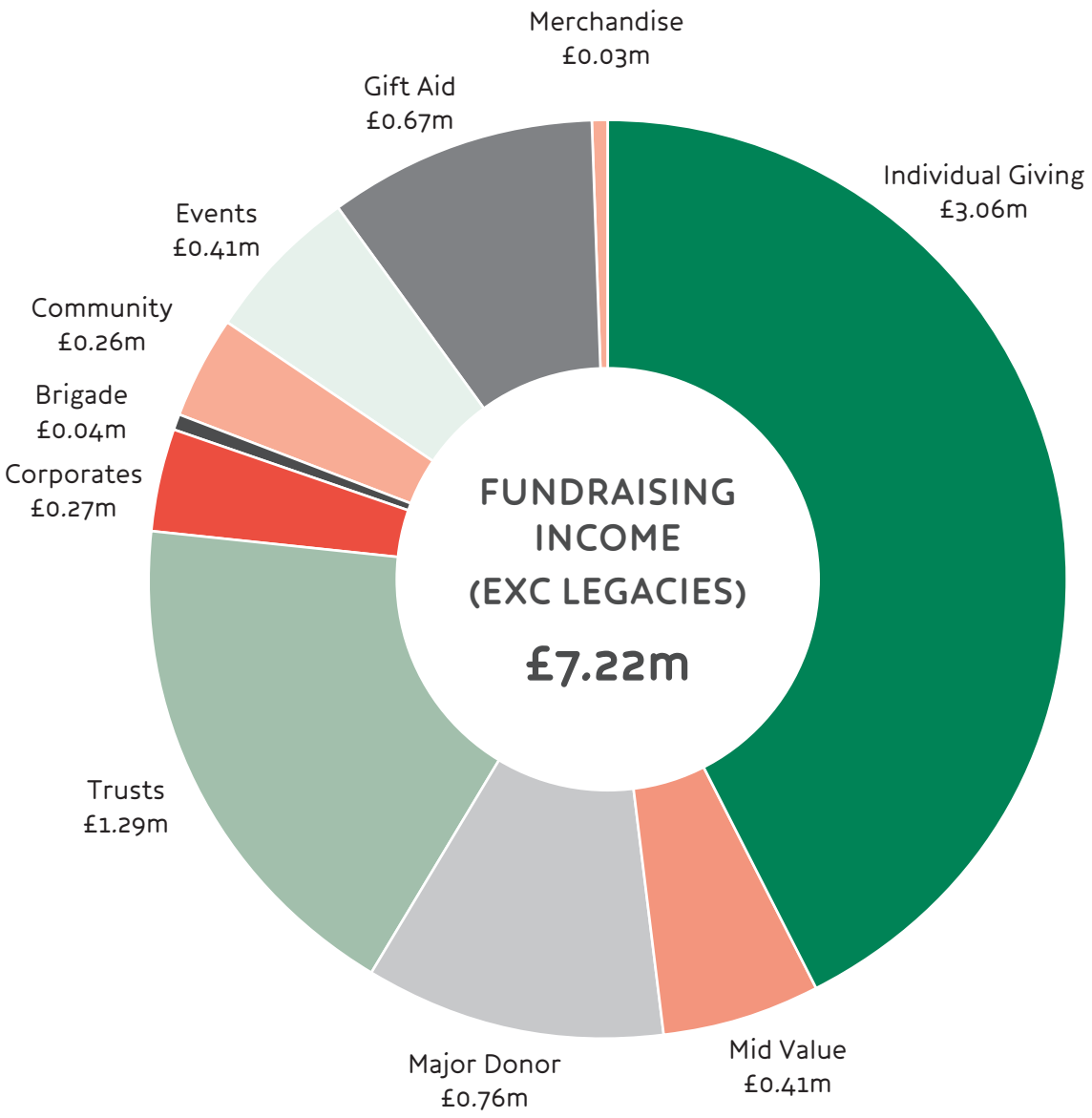
FUNDRAISING STRATEGY

This year (2023/24) represented the first year of the Trust's new five-year fundraising strategy.

The strategy focusses on building support amongst the Trust's existing donor-base, developing the organisation's legacy strategy and increasing restricted income for community aid initiatives such as school builds and water projects.

There also continues to be a need to further communicate the enormous span of activity that is now delivered in Nepal beyond the traditional Welfare Pension that is paid to the most vulnerable Gurkha veterans and widows. This is addressed through a concerted communications strategy.

FUNDRAISING INCOME



2023/24 LEGACY INCOME:

£6.92m

73% of which came from previous GWT supporters.

Over the course of the year the total fundraising income was £14.143m.

Total fundraising expenditure was £2.827m.

FUNDING PARTNERS

The Ministry of Defence (MOD) continues to provide an annual Grant in Aid (£3.6M) towards staff and administration costs of the GWT(N) in support of welfare delivery. This enhances value for money for donors as it allows, in conjunction with investment income, donations to be spent directly on welfare support. The MOD also provides a £4.90M Grant in Aid in support of the Trust's healthcare provision for veterans in Nepal.

A five-year accountable grant agreement (£19M) with the UK's Foreign, Commonwealth and Development Office (FCDO) commenced on 1 July 2021, for the provision of Water, Sanitation and Hygiene and Emergency Preparedness. Unfortunately, due to UK Central Government funding cuts, FCDO were unable to fulfil their annual grant commitment and as a result in-year funding was reduced to £1.6M.

FUNDRAISING POLICY

- We communicate with supporters based on their preferences and only telephone or email people who have given us explicit consent to do so. For our Direct Mail programme, we use the Information Commissioner's Office (ICO) guidelines around 'legitimate interest' when contacting supporters. We provide clear information on how to opt out of receiving any communications from us via every channel we use.
- We have paid the levy to join The Fundraising Regulator and promote our association and aim to comply with their guidance on our website.
- We are registered with the Fundraising Preference Service and ensure nobody is contacted who logs their requests with them.
- We comply with the Fundraising Regulator's Fundraising Code of Practice.
- We ensure that our staff and our partner agencies are sighted on policies which safeguard our donors at every stage of their supporter journey. Individuals do not always recognise that they are vulnerable or that they might need additional help or assistance. As a result, staff (and fulfilment agencies) are given processes to help identify potential vulnerabilities and to then consider:
  - How they communicate (ie. tone/language/volume) with them and all the options available.
  - What they communicate to them and how it might impact the donor.
  - When to offer additional support.
- Our Safeguarding Guidelines for Vulnerable Supporters can be found at **www.gwt.org.uk/resources**.
- We do not share supporter details with any other organisation for marketing or fundraising purposes.
- We update donor details on our database according to their wishes and ensure our database is fully GDPR compliant.
- We have a procedure for logging complaints: **www.gwt.org.uk/complaints.** In total twelve complaints were received over the year; eleven were related to individual giving correspondence (or lack of), and one was in relation to one of our corporate partnerships.
- All staff have regular training on Data Protection.
- We update our Privacy Policy on a regular basis to comply with ICO guidance.
- We do not wealth screen in compliance with the GDPR.
- We only share donor data with third parties assisting us with our fundraising and we take every measure to ensure data is transferred securely via encryption and passwords and to secure servers.
- Our supporters are at the heart of everything we do and you can find "Our Vow to You" on the Resources page of our website at **www.gwt.org.uk/resources.**

The Charity Commission issued guidance "Charity Fundraising – a guide to Trustee duties" and the Fundraising checklist (CC20) in 2016. The 2024 assessment was reviewed by the Audit Committee in April 2024.

FUNDRAISING HIGHLIGHTS

Supporters generously raised funds for our work in a variety of ways over the year. Notable activities included:

TRAILWALKER 2023

This year over 240 teams signed up to tackle Trailwalker – the first time the event had been run without our previous partner, Oxfam GB. In total, the event raised a net profit of over £140k.

Having delivered the event with significant logistical support from the Queen's Gurkha Signals, as the sole charity this year the Trust aims to build on the success with an even larger Trailwalker in 2024.

THE BAND CONCERT AT LEYBURN

The Band of the Brigade of Gurkhas put on a mesmerising show at Leyburn on Monday 20th November 2023 to an audience of over 450 people.

The evening saw a compilation of traditional Nepali melodies, classical scores as well as more modern ensembles.

CYPRUS' FIRST DOKO RACE

On Wednesday 8th November 2023, members of British Forces Cyprus personnel took part in Cyprus' first ever Doko race. The race saw participants run 5 kilometres in teams of four whilst carrying a traditional 'Doko' basket weighted with 10 kilograms.

Ten teams of four people took part in Cyprus' first Doko race raising €720. Two teams from 15 Squadron, RAF Regiment came out on top, completing the race in 28 minutes and 19 seconds.

A LEGACY FROM BARONESS BOOTHROYD OM

Baroness Boothroyd was a force to be reckoned with, coming from humble roots, she was taught to believe that she could be anything she wanted to be. She had a love for performing and politics which together led her to become the first female Speaker in the House of Commons in Parliament's 700-year history.

Baroness Boothroyd generously left the Trust a legacy "In deep appreciation of Gurkha forces who helped defend her country in the second world war and thereafter in other world conflicts."

CHARITABLE ACTIVITIES

OUR MOST VULNERABLE GURKHAS

PENSIONER SUPPORT TEAMS

As our pensioners grow older, they are increasingly vulnerable, and many are reliant on home visits by our Mobile Support Teams who deliver pensions, carry out health checks and deliver medical equipment, mobility aids and medicines.

Fifty-nine percent of our pensioners are now over 80 years old, and over 63 of them are centenarians. Without our continued intervention, many of them would be totally isolated and unable to look after themselves.

Our medical teams undertook over 10,300 home visits over the course of the year.

WELFARE PENSION

We pay a pension to thousands of impoverished Gurkha veterans or widows in Nepal who are not eligible to receive a British Army pension.

The rate is calculated each year using a 'shopping basket' of basic goods such as rice, vegetables and firewood as well as incorporating Government reviews on the cost of living. For many people, this is their only source of income. We also pay a higher rate of welfare pension (Enhanced Welfare Pension) to our welfare pensioners who live with multiple disabled children.

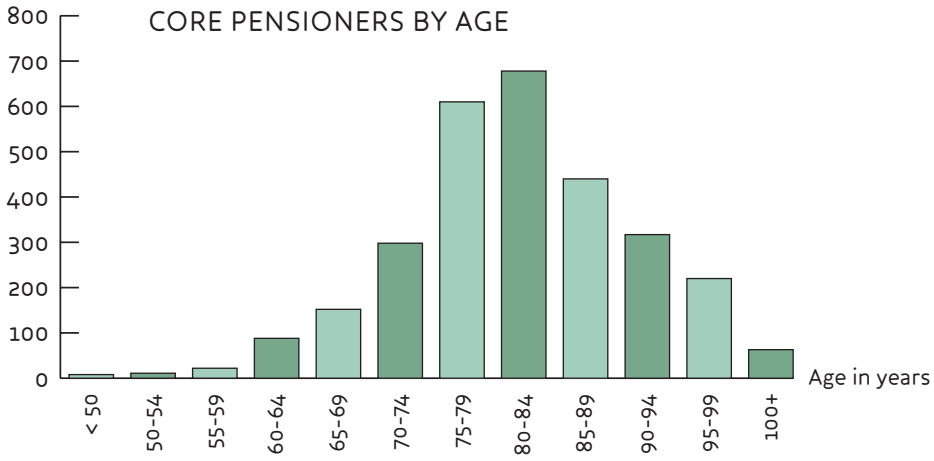
CORE PENSIONER DEMOGRAPHICS

Broadly, those in receipt of the Trust's Welfare Pension are considered to be the most vulnerable of our beneficiaries in Nepal and as a result are furnished with the most support in the form of a pension, home visits, medical care, pharmaceuticals, rehabilitation services and more. Figures shown are at 30 June 2024.

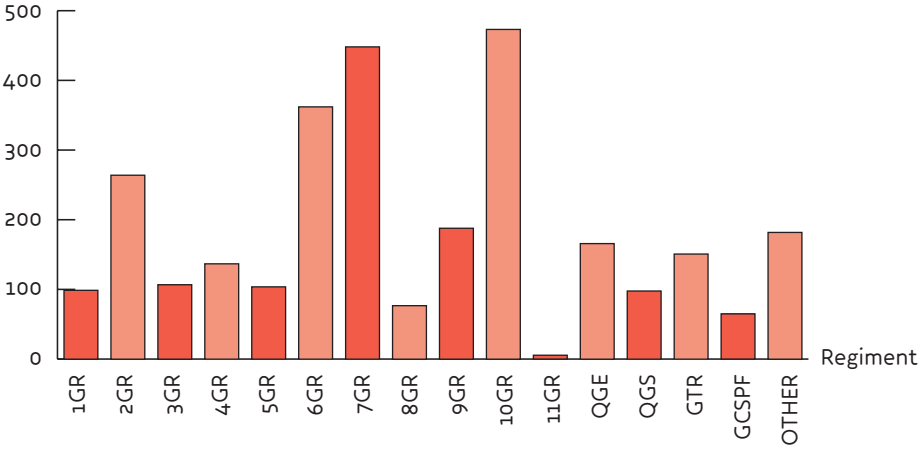
CORE PENSIONERS BY AWC

AWC	PENSIONERS
Bheri	81
Gulmi	109
Kaski	304
Lamjung	65
Gorkha	71
Syangja	140
Tanahun	127
Chitwan	158
Butwal	323
Bagmati	239
Rumjatar	84
Diktel	92
Bhojpur	76
Khandbari	54
Tehrathum	47
Taplejung	53
Phidim	76
Dharan	336
Darjeeling	205
Damak	267
Total	**2,907**

CORE PENSIONERS BY AGE



CORE PENSIONERS BY REGIMENT



We also provide financial aid through other grants.

Disability Support Grants are provided for disabled dependants of Gurkha veterans and widows to help them live in comfort and with dignity. Without this financial support, and in the absence of a developed-world health system, disabilities can pose an insurmountable obstacle in Nepal.

The Home Carer's Allowance is a grant for family members of Gurkha veterans or widows who care for them full time and consequently are not able to work.

Last year we paid an above inflation pension worth 16,000 Nepalese Rupees per month to over 3,000 vulnerable Gurkha veterans and widows.

We provided a Disability Support Grant to 246 people, and a Home Carer's Allowance to 292 people.

425 carers of vulnerable pensioners were invited to the nearest AWC for a 2 day update training on how to care for their frail family member. These training events not only contribute to improving our most vulnerable pensioners' lives, they also provide a platform for peer support among carers.

EMERGENCY HARDSHIP GRANT

We are needed the most during moments of tragedy. When disaster strikes in the form of fire, flood, landslide or earthquake, GWT is ready to provide immediate assistance, by offering financial and other support.

We awarded over 1,419 Emergency Hardship Grants providing emergency supplies, essential items and home repairs for those hit by disasters including heavy monsoon rain, floods and landslides across Nepal.

HOME CARER'S ALLOWANCE

Sometimes, family members of our pensioners care for them full-time. When this happens they are able to apply for a grant from us to support them as they are unable to work.

MEDICAL CAMPS

We provide free specialist outreach care for people living in communities in the remote hills of Nepal, where access to such services is impossible for most. We focus on long term disabling condition such as cataracts, loss of limbs and hearing loss, as well as chronic dental issues. Cataract surgery, hearing aids or the provision of artificial limbs or even dentures can make a huge difference to those living in discomfort.

We saw a total of 2,411 patients at our four medical camps in Mustang, Jajarkot, Rasuwa and Rukum (West).

At our Medical Camp in Rasuwa in December 2023, we carried out 391 dental treatments (including 143 partial or complete dentures), assisted 48 patients with rehabilitation (mobility aids and artificial limbs). The Ear, Nose and Throat team performed 43 ear operations, and provided 121 patients with hearing aids.

Patients treated at our Medical Camps:	Mustang Oct 2023	Rasuwa Dec 2023	Jajarkot Apr 2024	West Rukum June 2024
Registrations	340	859	666	546
Audiogram			236	304
Hearing aid	70	121	130	211
Ear surgery	40	43	43	54
Rehab patients	39	56		80
Measured for AT	39	48		53
Dental treatment		391	298	
Dentures		143	150	
Referral	12	3	19	15
Total benefitted	**161**	**749**	**640**	**333**
% benefitted	47%	87%	96%	61%
Total life changing	161	358	342	333
% life changing	47%	42%	51%	61%

DISASTER PREPAREDNESS

Nepal is particularly prone to earthquakes and since the devastating earthquakes in 2015, has continued to experience seismic events causing death and destruction. Many of our veterans and widows were affected and nationally the death toll was high. After distributing emergency aid in the immediate aftermath, and subsequently helping to rebuild communities, we have turned our attention to our longer-term strategy.

Resilience for the next earthquake is central to our planning. We have delivered training to our own staff and in due course will expand this to include the communities we serve. We are distributing essential items across Nepal and we have improved our ability to communicate in the event of a disaster.

EARTHQUAKE RESILIENT HOMES

We are also taking pre-emptive action by building earthquake resilient homes for Gurkha veterans and widows.

This year from July 2023 – June 2024, we built 71 new homes for Gurkha veterans and widows.

This was slightly shy of the planned 75 homes due to a range of issues including the migration of proposed beneficiaries, personnel, health and ongoing land issues.

MEDICAL AID

We provide a high standard of primary healthcare to Gurkha veterans and their families living in Nepal. We do this through our regional medical clinics, via home visits by our medical outreach teams and by arranging subsidised treatment at carefully selected national hospitals.

Last year over 23,000 patients accessed the Trust's medical services. 9,924 flu vaccines were administered as well as 1,793 pneumococcal vaccines.

Palliative care was provided for 266 people (9 of whom were temporarily living at the Griffith Home facility in Chitwan for varying amounts of time, while receiving treatment at the National Cancer Hospital) and key medical equipment (hospital beds, oxygen concentrators) was loaned to over 120 pensioners.

CLEAN WATER AND SANITATION

Our water projects bring clean water and sanitation to remote communities in Nepal. We install individual tap stands and toilets to households and schools. By ensuring a safe water source and providing a comprehensive education programme on the importance of sanitation we see sharp drops in water-borne diseases such as dysentery.

Last year we completed 42 water projects, installed 1,907 tap stands and provided over 10,500 people with access to clean water.

Simple Drip Irrigation projects were installed in over 287 households to enhance the nutritional status of new mothers. In addition, over 10,500 people were trained on the importance of effective sanitation.

It is not always remote villages that struggle with clean accessible water. Last year we undertook a major water project for the city of Dharan to mitigate the acute water shortages experienced during the dry season. This project benefits not only the city's 174,000 inhabitants but also the 3,400 veterans that reside there.

SCHOOL PROJECTS

Our school programme builds, repairs and improves schools in remote regions of Nepal and in turn provides access to education and a better future for Nepali children.

Last year we completed two total school builds, 14 school extensions and 92 minor and 4 major school refurbishments.

RESIDENTIAL HOMES

Our two Residential Homes provide round-the-clock care to Gurkha veterans and widows who would otherwise struggle to live alone. With no comparable facility in Nepal, they set the standard of care for the elderly.

The Residential Homes also provide in-patient hubs for our Rehab Services with bed spaces dedicated to rehabilitating beneficiaries on a short-term residential basis.

Last year there were 41 permanent residents across the two homes and 21 pensioners who benefitted from the rehabilitation facility.

UK ADVICE SERVICES

Since the revised settlement ruling in 2009, many Gurkhas and their families choose to live in the UK. In collaboration with Headquarters Brigade of Gurkhas , we established two Gurkha Welfare Advice Centres in 2010, one in Aldershot and another in Salisbury, to provide advice and signposting to government and charity support for those choosing to settle in the UK.

The majority of those veterans supported are those who previously received a welfare pension from GWT in Nepal. While we cease provision of the welfare pension when a veteran chooses to reside in UK, GWT provides veterans with advice and signposting to other agencies and charities for specialist support.

Last year the team saw over 15,080 Welfare Advice Centre cases in the UK and enabled grants through the Army Benevolent Fund of £250k.

SUPPLYING CLEAN WATER TO NEPAL

THE HISTORY

From 1976 to 1989 we delivered water projects in conjunction with the Canadian Educational Development and Relief (CEDAR) Programme.

In 1989 the the Rural Water and Sanitation Programme (RWSP) was established in parnership with the British Government's Overseas Development Administration (ODA).

In July 2021, a new five-year programme, Rural WASH & Emergency Preparedness Programme (RWEPP) was jointly funded by both UK Aid and GWT. However, as a result of reductions to UK Aid the agreement will be terminated early and drawn to a close by March 2025, ending a partnership of over 30 years.

THE IMPACT

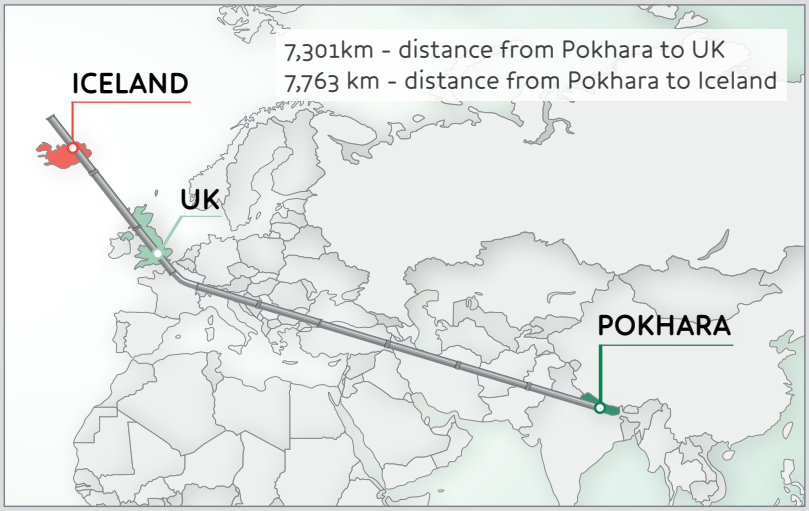
Through RWEPP we work increasingly with local authorities and activities have directly contributed to poverty reduction, with a special emphasis on the poorest and the most excluded.

RWEPP has directly contributed towards the Government of Nepal's target for universal access to water and sanitation. It has also contributed to a Disaster Risk Reduction (DRR) component, helping to improve emergency preparedness, resilience, and the response capacity of local communities.

During this time, GWT has laid 8,279.74 kilometres of water pipes in Nepal - that's further than the distance from Pokhara to Iceland.

This accounts for about 10% of the rural water system in Nepal, serving about 2% of the population with clean water.

Each project has provided safe drinking water, improved hygiene, and safe sanitation practices for the communities involved.



Since 1976, through three different programmes, GWT has collectively delivered **2,422** water supply projects, installing **63,660** tap stands that have benefited a total of **517,374** people in **82,442** households across **53** districts.

ONE HOUSE – ONE TAP

The implementation of the 'one house, one tap' concept in the construction of water supply schemes is one of the greatest achievements of the RWSP.

Until 2015, the construction of community taps was common practice in Nepal. By installing a tapstand for every household the back-breaking water-fetching time, particularly for women and girls, has been reduced by up to 2-4 hours per day per household. This concept was subsequently adopted as formal Government of Nepal policy for water provision.

ADAPTATION TO COVID-19

With the assistance of the British Embassy, GWT received government approval to operate our official-plated vehicle fleet for the provision of essential services.

This assured our freedom of movement, although staff still had to negotiate police checkpoints, locally erected barricades and community checkpoints. Despite the COVID crisis, GWT was able to deliver 43 water schemes.

GENDER EQUALITY AND SOCIAL INCLUSION

- We promote gender balance within the Water & Sanitation Users Committees (WSUCs) where 48% of members are women who hold decision-making roles.
- 98% of the Village Health Promoters (VHPs) and 7.8% of Village Maintenance Workers trained by the programme are women.
- Infrastructure is gender and disability friendly.
- Menstrual hygiene management has been a key component of hygiene and sanitation-related interventions, improving school attendance of female students.

THE TEAM BEHIND FOURTEEN YEARS OF EXCEPTIONAL CARE AT KASKI RESIDENTIAL HOME

In Nepal, the family is the main source of support and care for the elderly. It is traditional for younger members of the family to help their older relatives with day-to-day activities and care for them in their twilight years. There are occasions however, where this simply is not possible.

CREATING A SAFE PLACE

The need for a home to care for the elderly veterans and widows was felt in 2005 when we discovered that some Nepali villages were being vacated due to younger villagers migrating for job opportunities, leaving the older villagers behind.

With generous funding from The Michael Uren Foundation, in 2007 the Trust purchased a block of land adjacent to the Area Welfare Centre in Kaski, on level ground, co-located with the AWC's medical facilities and with stunning views of the Himalayas, it was perfect in every way.

With Khem Thapa, Area Welfare Officer at the time, leading the project, construction of the home began. The home was completed in Spring 2010, a remarkable achievement in a country where the supply of materials is erratic and monsoon rains halt construction for months on end.

"80% of the original staff are still working at the Home. The Home has stood the test of time and has set the standard of elderly care in Nepal."

- Khem Thapa, Gurkha Welfare Advisor (UK)

PHYSICAL AND MENTAL WELL-BEING

We organise regular trips and outings for residents, offering them a change of scene and new experiences. Both homes also provide a range of social activites and regular exercise sessions, helping residents to keep fit and maintain good mental health. Residents from our Home in Kaski really enjoy playing cards and joining in with games afternoons.

MEET MEMBERS OF THE KASKI TEAM

As splendid as it is the Residential Home is not about bricks and mortar. Its greatest element is its people.

Purna Bahadur Rana - Administration Coordinator

Purna Bahadur Rana has worked for the Trust for the past 24 years, he has been working at the Residential Home in Kaski, right from its inception, 14 years ago.

What is your favourite part of the job?

"In my line of work, every aspect brings me joy and fulfilment. My favourite part of the job is the satisfaction of our vulnerable pensioners. I feel very happy and at peace if I am able to help them and make them happy, be it from a financial, social, or religious point of view.

"I feel very proud because I didn't get the opportunity to look after my parents. Both my parents passed away at a very young age. So, I call the residents here my mother and father."

Message to the donors

"First off I would like to salute the Michael Uren Foundation and want to thank all the donors who have or have been helping the Gurkha Welfare Trust. I first of all got an opportunity to serve old people in our RH. Because of the donations, we have been able to properly run the RH. The RH we have over here has become a model. Our veterans and widows have been able to receive the maximum level of care and service.

"If they had not received our care and attention, then most of our beneficiaries would have already passed away. The residents over here have also been able to live their lives with dignity."

Khomaya Gurung - Residential Home Nurse

Khomaya Gurung has worked as a Residential Home Nurse at the Home in Kaski for over five years. Khomaya was drawn to GWT because of its excellent services and facilities for both our pensioners and staff members. Additionally, she has always had a passion for caring for senior citizens.

"When I joined GWT, there were limited resources for geriatric care in Pokhara. Even in our course, they didn't teach us much about it. So, I also wanted to experience it."

What is your favourite part of the job?

"Currently, my favourite aspect of the job is our rehabilitation program. It's incredibly rewarding to see our beneficiaries spend a few months at the Residential Home, receiving social and physiological support to complete their rehabilitation journey.

"Whether it's aiding beneficiaries with low nutritional status or those recovering from strokes. I love taking care of them and helping them. Witnessing their progress and eventual departure fills me with immense joy.

"Providing care and support to our beneficiaries is immensely fulfilling. Not everyone has the opportunity to receive comprehensive medical, nutritional, and round-the-clock care in their old age. I think the residents are fortunate to have received such care. It's gratifying to witness their improvement and know that we've made a positive impact on their lives."

Message to the Donors

"I extend my heartfelt gratitude to all donors who have generously supported GWT. Your contributions have enabled us to provide our beneficiaries with dignity and care. I wish you success and fulfilment in all your endeavours. Thank you."

OUR FINANCIAL REVIEW

The post COVID/Ukraine war global economic challenges have stabilised and while UK inflation has fallen, the impact on the cost of living remains and is particularly felt within the acquisition funding stream. The geo-political situation, particularly in the Middle East, is increasingly volatile and over 40% of the world's population will go to the polls in 2024. Sterling remains robust against the Nepalese Rupee with the NPR/GBP rate of exchange (ROE) for the year at NPR165.41/£ against a budget rate of NPR155/£.

Investment growth in equity markets in the final few months of the financial year was driven by a narrow number of US tech shares; however, a rally in the final quarter has seen a recovery in the value of our portfolio.

INCOME

Trust income from all sources during the financial year 2023/24 was £27,954,000 (2022/23: £24,599,000).

Donations from individuals, companies, trusts and other organisations totalled £6,674,000 (2022/23: £6,437,000). We continue to be supported by the MOD who provided a grant of £3,595,000 (2022/23: £3,335,000) towards the cost of the means of delivery of our aid and a grant towards the provision of medical services of £4,900,000 (2022/23: £2,750,000).

Under the RWEPP agreement with the FCDO we received £1,639,000 (2022/23: £1,746,000).

Legacy income totalled £6,924,000 (2022/23 £6,657,000). The use of Gift Aid generated additional income of £665,100 (2022/23: £735,900).

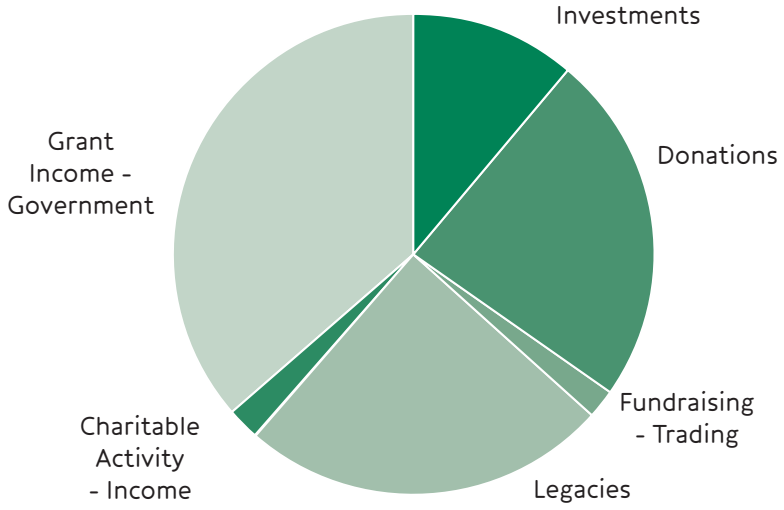
Investment income increased to £3,136,000 (2022/23: £2,703,000) reflecting strengthening in markets and increased interest rates for fixed deposit accounts in Nepal.

OUR INCOME

£27.9m

up 13.6%
on 22-23

(+£2.2M (8.7%) increase in MOD medical)

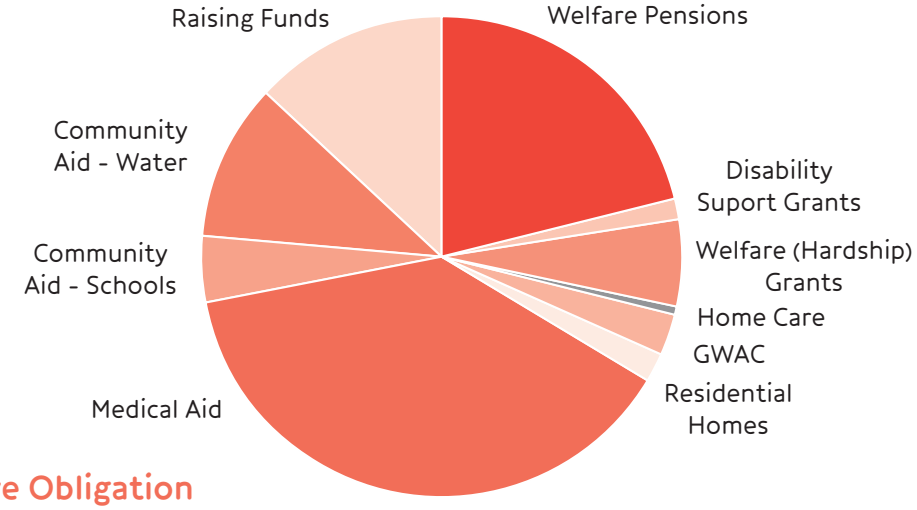


OUR EXPENDITURE

£24.47m

up 0.1%
from 22-23

(includes savings of £1.4M due to favourable rate of exchange)



+£3.2M increase in Constructive Obligation

EXPENDITURE

Charitable expenditure totalled £21,275,000 (2022/23: £21,601,000). This represents 87% of total expenditure (prior to movement in the constructive obligation) of £24,466,000 (2022/23: £24,444,000).

Charitable expenditure in Nepalese Rupees increased by 6% is FY23/24; however the average rate of exchange for the year also increased by 6.6% reducing the cost of expenditure when expressed in GBP.

Our cost of raising funds including investment management is £3,191,000 (2022/23: £2,843,000) of which 98% is covered by our investment income of £3,136,000.

Fundraising expenditure of £2,827,000 (2022/23: £2,488,000) continues to be effective raising income of £14,143,000 (2022/23: £13,670,000). This represents a Return on Investment of £5 for every £1 spent (2022/23: £5.49). The rate of return was higher in the previous year as a result of additional in-year fundraising expenditure in response to the challenging fundraising environment; however, it remains above industry standards.

OUR LIABILITIES

We have committed to provide the monthly Welfare Pension and Disability Support Grant to all entitled beneficiaries. Using an actuarial valuation, the cost of the long-term constructive obligation is recognised in the annual accounts as a liability of of £38,645,000; an increase of £3,188,000 rather than the planned reduction of £3,700,000.

Welfare Pension: £29.6M
2,907 welfare pensioners
Average age: 81
UP £0.7M from June 2023
An above inflation increase and enhanced festival allowance from July 2024.

Disability Support Grant: £9.0M
246 full recipients, 28 reduced rate (siblings)
Average age: 59
UP £2.4M from June 2023
An above inflation increase to align with Welfare Pension and enhanced festival allowance from July 2024.

RESERVES

There are three key areas against which we have specifically allocated resources: designated and restricted funds, and the Welfare Pension. Constructive Obligation; these are explained below.

DESIGNATED FUNDS: The total designated funds at 30 June 2024 are £16,157,000 (2022/23: £18,479,000).

Residential Homes: £7,266,000 (2022/23: £8,729,000).

The Trustees are determined that the level of running costs of the Residential Homes should not have a detrimental effect on our ability to provide support to the much wider community of Welfare Pensioners. Therefore, a designated fund has been created that is sufficient to meet the annual running costs for 20 years and £400,000 to cover major refurbishments costs, through to 2034. As a result of the direction agreed in Strategic Review 2024, in which the Residential Homes will continue to provide services to our beneficiaries beyond the existing 20 years, the designated reserve will be increased during 2024/25, to reflect the extended operational timeline.

Disaster Response: £8,891,000 (2022/23: £8,610,000)

Following specialist advice on the risk of future earthquakes, in June 2018, the Trustees agreed to the creation of a designated fund to allow an immediate response to natural disasters. This is equivalent to ~50% of the GWT expenditure in response to the 2015 earthquakes, uplifted to current prices. Funds were allocated for the repair or replacement of five beneficiaries' homes during the year, destroyed as a result of the 2023 monsoon season (£18,000). There was a small net increase to the Disaster Response designated reserve at the year-end reflecting an increase due to the rate of inflation offset by a reduction in the rate exchange which had strengthened at 30 June 2024.

Rural Water and Emergency Preparedness (RWEPP): Nil (2022/23 £1,140,000)

Following the decision of FCDO to withdraw from the RWEPP Grant Agreement by March 2025, Trustees determined that the provision of water should continue, as long as the requirement exists, on a reduced achievable scale funded by GWT. In June 2023, Trustees set aside designated funds of £640,000 to cover the costs of restructuring RWEPP into the GWT Project Cell. As a result of the restructuring, 30 staff were made redundant at 30 June 2024, and a further 15 staff at 30 June 2025.

While there was no legal or mandatory obligation to a retrenchment payment under the Nepal Labour Act 2018, Trustees agreed compensation payments of £424,000 to reflect the professionalism and longevity of service to GWT by the staff.

RESTRICTED FUNDS : The total restricted funds at 30 June 2024 are £1,259,000 (2022/23: £937,000).

Restricted income must be used for the specific purpose for which it was donated and the balance at 30 June 2024 includes:

- Earthquake-resilient homes and toilets – donors matched to projects in 2024/25: £124,000
- Water appeal for use in 2024/25: £461,000
- School projects programmed over two years: £43,000
- MOD Medical Grant in Aid for use in 2024/25: £92,000
- Support Costs MOD for use in 2024/25: £450,000

CONSTRUCTIVE OBLIGATION: The liability at 30 June 2024 is £38,645,000 (2022/23: £35,456,000).

When a charity has created a valid expectation through past practice that it will meet a liability the Charity Commission requires it to recognise the liability on the balance sheet as a constructive obligation. The Trust considers that a constructive obligation has been created for the payment of the Welfare Pensions and the Disability Support Grants. Based on WP and DSG beneficiary numbers at 30 June 2024 and key assumptions including: 35 new WP joiners for each of the next five years (average age 73), agreed increases in rates payable, extended mortality rates, long-term inflation at 7% and a discount rate at 7%. The actuarial calculation at 30 June 2024 ROE is £38,644,000; **an increase of £3,188,000 from June 2023**, reflecting an above inflation uplift in the monthly allowance, offset by a rise in the rate of exchange at the year-end between the Nepalese Rupee and Sterling.

RESERVES POLICY

When setting the Trust's Reserve Policy, the Board considers the key risks facing the Trust in delivering its core activities, in addition to funding for the Designated Funds and Constructive Obligation referenced above. These considerations include the following matters:

- The Trust's clear and long-term objective of supporting the Welfare Pensioners in their declining years including the provision of welfare and medical support.
- Essential provision for a period of readjustment for those in receipt of welfare support if the Trust should ever be required to reduce or cease its activities, for whatever reason.
- The Trust's requirement to respond promptly and appropriately to new and unforeseen needs or challenges that might affect the way in which welfare support is delivered. Trustees specifically note the Trust carries out its welfare activities in a country where there are not only geophysical dangers such as earthquakes but also political, social and economic uncertainties. In addition, in order to deliver welfare support, the Trust depends on a number of partners whose support in the future is not guaranteed.
- The impact of adverse changes to the rate of exchange between Sterling and the Nepalese Rupee (NPR).
- Economic adversity: despite a strong supporter base, there is no guarantee that recent levels of income will be matched in the future.
- Volatility in global markets with investments or assets failing to maintain their value.

If any of these uncertainties materialise, either singularly or in combination, the financial effects can be significant with movements of several million pounds.

Following the COVID pandemic and initial global supply challenges, exacerbated by the war in Ukraine, the Trust has faced a number of economic challenges. Whilst inflation rates in both Nepal and the UK have started to fall from the peak of autumn 2022, global markets have continued to be volatile – for example, of the net unrealised gain of £6,000,000 for 2023/24, over £3,900,000 was in the final two months (May and June 2024). Global markets subsequently fell in July 2024, driven by Japanese markets and movements out of the "magnificent 7" tech companies. With an investment portfolio of over £90,000,000, volatility in the markets can easily lead to movements (adverse or favourable) in the portfolio valuation of £2,000,000-£3,000,000 within a month. A 5% market fall in the valuation of the long term portfolio equates to a loss of £3,900,000.

There is a significant risk of natural disaster in Nepal - either during the monsoon season with

major landslips and flooding or as a result of earthquakes. Through our planned programme of earthquake-resilient homes for our most vulnerable pensioners, the retrofit programme for the Area Welfare Centres and our community Disaster Response stores, the Trust seeks to mitigate the risks where practicable.

In the recent earthquake in November 2023 in Jajarkot, western Nepal, unfortunately the older traditionally constructed buildings suffered the most damage. In response to this unpredictable risk, we established the Designated Disaster Response reserve.

Given the above as well as the vital and unique nature of our work in Nepal, Trustees consider that the Trust ideally requires free reserves equivalent to 18 months of standard expenditure not covered by other provisions, which is approximately £33,726,000. This level of reserve will enable the Trust to adjust its infrastructure and respond quickly to any of these risks. The Reserve Policy seeks to maintain charitable activity and provide stability to our financial planning. It is reviewed annually during the budget setting process, taking account of current and future risks and the economic climate, both in the UK and Nepal, and consequential impact on the Trust's investment portfolio.

After taking the Constructive Obligation into account the Trust has total funds of £64,611,000 (2022/23: £58,322,000), however, the free reserves which are available in response to unforeseen challenges, and exclude tangible fixed assets, designated and restricted funds amount to £45,836,000 (2022/23: £37,714,000).

This represents 136% of the minimum level of reserves deemed appropriate by the Trustees. This is higher than projected when approving the budget and reflects a £3.9M unrecognised gain in investments during May/June 2024 (12% of reserves) and the effects of a strengthened average ROE for the year which was ~6.5% above the budget rate. In setting the budget for 2024-25, Trustees approved above inflationary uplifts for the Welfare Pension, Disability Support Grant, Home Carer's Allowance and related grants directly benefiting the most vulnerable pensioners in their later years. Trustees will continue to prioritise support for the most vulnerable in 2025-26 and will again seek to approve above inflationary increases for the core welfare benefits and related allowances and grants. Trustees will also seek to secure future funding for the two Residential Homes through an increase in the designated fund and will review options for other designated funds to ensure financial continuity for core activity in support of our most vulnerable pensioners.

OUR PEOPLE AND CULTURE

The Trust was established by Trust deed in November 1969 for the relief of hardship and distress among Gurkha ex-servicemen of the British Crown and their dependants. It was re-constituted, also by trust deed, in 1994. In April 2004 the Trust became a Charitable Company Limited by Guarantee (CCLG). These accounts amalgamate those of the unincorporated trust in compliance with the Charity Commission's uniting direction.

The development and execution of Trust policies is the responsibility of a Board of Trustees that meets three times each year. Their agenda is supported by a number of subordinate committees that consider investment, governance, audit and finance matters. The Board of Trustees are responsible for setting the strategic aims of the Trust.

The Finance Committee, a sub-committee of the Board with approval to make decisions on the Board's behalf is, among other responsibilities, tasked with setting salary levels of key personnel. In setting these salary levels consideration is given to benchmarking with equivalent roles in the wider industry.

TRUSTEE SELECTION

The Governance committee, currently comprising a Chair and two Trustee-Directors, is responsible for oversight of Trustee selection.

In accordance with Charity Commission guidance on Trustee tenure, there is a steady turnover of Trustees. When a vacancy arises, a specialist recruitment organisation is engaged to invite suitably qualified candidates which are then shortlisted by a GWT selection panel and the final candidate selected by panel interview. The appointment is then reviewed and confirmed by the Board. All Trustees follow a generic training package to induct them into the work of the Trust and further role-specific training is sought for those that require it. This also includes assurance visits to our infrastructure and work in Nepal.

This process of Trustee recruitment has been further defined and clarified with regard to Independent Trustee-Directors by the Chair of the Governance committee in line with the Charity Commission's view that:

"The Board has a key impact on whether a charity thrives. The tone the Board sets through its leadership, behaviour, culture and overall

performance is critical to the charity's success. It is important to have a rigorous approach to trustee recruitment, performance and development, and to the Board's conduct. In an effective team, Board members feel it is safe to suggest, question and challenge ideas and address, rather than avoid, difficult topics."

We bid farewell to Dr John Keeling who has provided invaluable specialist knowledge in support of both our medical activity as well as serving on the Audit and Finance committees for over seven years. His role was advertised through several medical institutions in accordance with our selection policy and following interviews with shortlisted candidates, Dr Ali Everest was selected. Ali brings with her 34 years of medical and leadership experience, including in Nepal, which will further enhance the expertise of not just the Audit and Finance committees, of which she will be a member, but also at Board level.

Following his retirement from the Army, our Chair Lieutenant General Richard Wardlaw CB OBE handed over the reins on 13 September 2024 to his successor, Major General Gerald Strickland DSO MBE. In turn, Major General Strickland relinquished his role as Colonel RGR to his successor Brigadier Dave Pack MBE on the same day.

Details of Trustee retirements and recruitment may be found on page 1.

MANAGEMENT PERSONNEL

The Trust's CEO is responsible for the day-to-day operation of the Trust. He directs and coordinates the work of the Salisbury headquarters and oversees the work of the Gurkha Welfare Trust (Nepal) and the Gurkha Welfare Advice Centres.

The Director GWT(N) provides assurance that our operations in Nepal are conducted in accordance with the prevailing laws of the Government of Nepal. He provides politically aware advice on any matters that relate to or may affect GWT in-country. He also acts as the interface between GWT and both the Government of Nepal and the Nepal based veteran community.

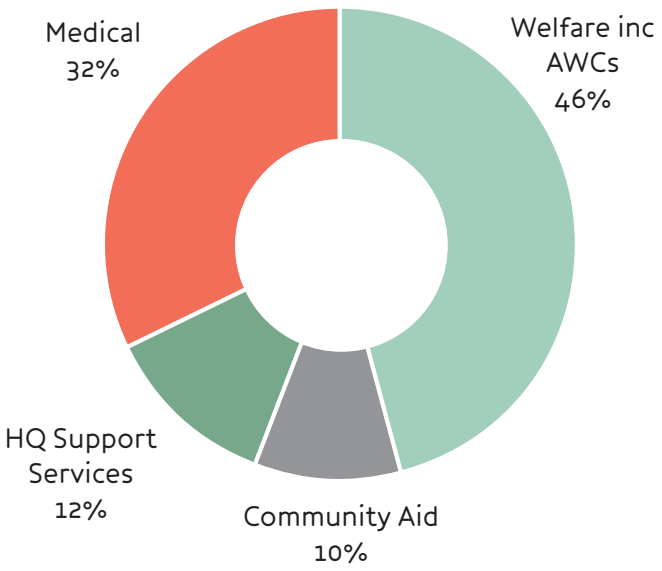
The Field Director of the GWT(N) in Nepal is responsible for daily operational management of the GWT(N) and implementing services to our beneficiaries in accordance with Trust policies.

OUR STAFF IN NEPAL

STAFF NUMBERS BY LOCATION (at 1 July 2024)

AWC	STAFF
Bheri	7
Baglung	5
Bagmati	42
Gulmi	6
Kaski	60
Lamjung	6
Gorkha	6
Syangja	8
Tanahun	9
Chitwan	17
Butwal	30
Rumjatar	6
Diktel	6
Bhojpur	7
Khandbari	6
Tehrathum	6
Taplejung	6
Phidim	7
Dharan	59
Darjeeling/Dehradun	10
Damak	27
Singpoly	5
Pokhara	
Medical	19
Welfare	23
Community Aid	51
AWC Projects	14
Governance & Support	62
TOTAL	**510**

STAFF NUMBERS BY TYPE (at 1 July 2024)



OUR NEW AMBASSADORS

Our Ambassadors work in partnership with us to help widen our appeal, reach new audiences, and promote our cause. This year, Kenton and Levison joined the Trust as Ambassadors:

KENTON COOL

Kenton is one of the world's leading mountaineers who has a deep love for the big mountains, having climbed extensively around the world, including rock faces and peaks in Europe, Asia, and the Americas. His mountaineering achievements are all the more astonishing when we learn that he was told he would never walk unaided again, after a serious climbing accident in his early twenties. In May 2024, Kenton summitted Mount Everest for the 18th time, a non-Nepali record and an achievement that gained worldwide media coverage.

LEVISON WOOD

Levison is a professional explorer, writer and photographer. Levison has travelled and filmed in over one hundred countries worldwide, and his expeditions include walking the length of the river Nile, the Himalayas, all of central America and circumnavigating the Arabian Peninsula. Levison spent a number of years as a Regular Officer in the Parachute Regiment, and his military service has seen him deploy on operations and exercises on five continents. Levison's connection to the Trust dates back to 2019 when, during a visit to Nepal, he was able to experience the work of the Trust first-hand.

GWT VALUES

TRUST	At GWT we build a culture of 'trust' by consistently creating a work environment that values respect, collaboration, inclusivity, honesty, integrity, fairness, confidentiality and effective communication.
TRANSPARENCY	At GWT we ensure transparency by open decision making, setting clear targets and objectives, consistent performance management, providing and learning from honest feedback, equal opportunities and by being accountable for our actions.
TEAMWORK	At GWT we foster teamwork by clearly defining common goals, providing resources and high support, regular, clear communication, constructive resolution of conflicts, celebrating achievements and effective collaboration.
EXCELLENCE	At GWT we pursue excellence by setting high standards, encouraging innovation, continuous improvement, developing staff potential and by optimising resources to ensure the best possible outcomes for our beneficiaries.
COMPASSION	At GWT we promote compassion by safeguarding, treating staff, beneficiaries and others with kindness, care, empathy and dignity.

OUR STAFF

VOLUNTEERS

The Trust is again grateful for the support of its volunteers in-year, the majority of whom take the form of community fundraisers - hosting various initiatives among their own communities to raise funds for our work.

We also work with volunteers on our events, primarily the Doko Challenge events which took place in Wimbledon and Leeds this year. We are also grateful to the volunteers who help with Trailwalker each year, manning checkpoints, cheering people on and assisting with logistics.

Without their dedication, time and hard work these events would not be possible.

EQUALITY, DIVERSITY AND INCLUSION

The Trust is committed to promoting and supporting diversity through the creation of an environment in which individuals are treated on the sole basis of their relevant merits and abilities. All staff and trustees share this commitment. The Trust will not tolerate any discrimination or behaviour towards an individual in respect of age, disability, race, religion, gender or sexual orientation, which is offensive, discriminatory or hostile towards the individual.

Through the provision of reasonable adjustments within the workplace, the Trust seeks to maximise the talent and opportunities for both potential and current employees. Arrangements will be made, wherever possible, for retraining employees to enable them to perform work identified as appropriate to their aptitude and ability.

The Trust complies with all UK legislation and applies this as best practice in Nepal wherever practicable, in accordance with Nepal statutory regulations.

SAFEGUARDING

The Trust operates a zero-tolerance approach to dealing with safeguarding issues for all staff, contractors, visitors and beneficiaries, regardless of location. As an organisation, we strive to maintain an environment that is free from harassment, abuse and mistreatment in all of our operations and activities.

This approach is reinforced through regular training, both during initial induction training and thereafter with annual Individual Continuous Training (ICT) combined with regular briefings to beneficiaries and communities. The Policy is visibly displayed across all locations and is regularly reminded to Line Managers, Safeguarding leads and all staff whether on training serials or visits. This is all based on a robust safeguarding policy which is regularly reviewed.

The policy aims to:

- Promote and prioritise the safety and wellbeing of staff and vulnerable beneficiaries;
- Provide assurance to the families of beneficiaries, donors and other stakeholders that GWT takes reasonable steps to manage risks and keep vulnerable individuals safe;
- Ensure that everyone understands their roles and responsibilities in respect of safeguarding and is provided with the necessary information, training and support on safeguarding matters;
- Prevent the employment of individuals in working with vulnerable beneficiaries where they have been deemed by the relevant authorities or GWT to pose an unacceptable risk to vulnerable groups;
- Ensure that appropriate action is taken in the event of any allegations or suspicions regarding harm to staff or vulnerable beneficiaries arising from contact with GWT staff, contract staff or volunteers, whether the alleged harm has taken place on GWT premises or not.

GWT's Safeguarding Policy also seeks to effectively manage the risks associated with activities and events involving vulnerable beneficiaries through:

- Completing a risk assessment process which involves identifying risks and means of reducing or eliminating them;
- Ensuring that the appropriate disclosure checks are conducted, depending on eligibility, for any individuals starting or moving into work which involves working with vulnerable beneficiaries;
- Requiring new employees and individuals involved in working with vulnerable beneficiaries to familiarise themselves with the content of this policy and the associated Standards.

The assurance of the understanding and implementation of the GWT Safeguarding Policy is led by the Head of Assurance, however the GWT Board and the Executive are also closely involved in monitoring the level of knowledge by all staff and beneficiaries. There is also a dedicated Trustee-Director as the Safeguarding lead on the GWT Board who conducts at least two visits to Nepal each year.

In 2023 further actions have included all Safeguarding roles being explicitly written into Job Descriptions and records formally being kept of all Safeguarding training. There is also now a designated Safeguarding lead on Sexual Violence and Harassment A relationship with Save the Children has developed to better inform GWT on safeguarding requirements which culminated in a 2-day safeguarding training conference in September 2024. Additionally, from July 2024, a dedicated 12 person Safeguarding Cell has been established to monitor, evaluate and deal with both safeguarding and protection issues.

ENVIRONMENTAL MATTERS

The Trust is committed to minimising the impact that its processes have on the environment and to providing a safe working environment for our employees.

In accordance with the UK Government's Streamlined Energy & Carbon Reporting policy, the Trust is a low energy consumer in the UK and is therefore exempt from providing detailed energy consumption disclosures.

In the UK, we continue to ensure that wherever possible our fundraising materials are produced from sustainable and recycled materials and that our events seek to minimise the use of plastics. Items the Trust sells at retail are sourced as locally as costs allow.

In Nepal, the Trust seeks to reduce its environmental footprint in a number of ways. The use of solar panels in both the HQ and across our AWC network helps mitigate energy consumption. Travel by vehicle and domestic airlines has been reduced through the greater use of online conference and communication facilities as a direct result of the digitisation of our welfare network.

Equally, the procurement of materials and labour close to project sites minimises the Trust's overall carbon footprint reducing airmiles and vehicle miles as well as supporting local economies.

TRAINING

The Trust is committed to ensuring that staff are properly trained for their roles as well as helping maintain motivation and supporting continued professional development.

In the UK there are generous training budgets assigned to each staff member who are encouraged to maximise use of them to hone their expertise and stay abreast of current sector trends and best practices.

In Nepal the same importance is placed on training - though more often in a group setting owing to the number of staff. Team building and training events took places regularly across the year, particularly within the RWEPP and Medical teams.

Given the remote nature of their work, a Train the Trainer approach is often favoured, allowing selected staff members to learn skills and return to their AWC to inculcate the learning through the wider organisation.

A wholesale review of GWT(N)'s training needs was conducted to provide greater visibility of individual and organisational training requirements by centralising them under the Head of Support and Training (HoST). This has allowed HoST to better manage and monitor all training requirements, provide cost reductions, increase effectiveness and reducing duplication.

One of the key project activities for the transition to the new EMRS is to ensure that there is appropriate training for all users in Nepal, including Train the Trainer, workshops, webinars and on-line training material.

OUR POLICIES AND DISCLOSURES

RISKS

All activities are subject to regular risk review by the Board of Trustees. Major risks are, for this purpose, those that could have a significant effect on:

- The Trust's operational performance, including risks to personnel and volunteers.
- The Trust's ability to achieve its Objects.
- Meeting the expectations of beneficiaries and supporters.
- The Trust's reputation and integrity.
- The Trust's assets.

The Trustees review all risks on an ongoing basis and satisfy themselves that adequate procedures are in place to minimise and manage the risks identified. Where possible and appropriate, risks are covered by insurance.

The Trust's financial Reserves policy is assessed and set at a level which enables the Trust to help manage its risks.

OUR PRINCIPAL RISKS AND UNCERTAINTIES

All key risks appear in the Trust's Risk Register and include operational and financial risks. The key risks are identified as:

a. Operational Risks

- **Disruption of services due to natural disaster in Nepal.** GWT operates in a country that is extremely prone to natural disasters and where its internal resilience and institutions are relatively fragile. GWT has a disaster resilience plan which is regularly reviewed and practised. Our infrastructure maintains plans and supplies with which to respond and the Trust has a fully funded designated Disaster Response fund.
- **Loss of value of Sterling or extreme fluctuations in rates of exchange (ROE).** This has the potential to impact GWT's ability to meet its obligations in Nepal and limit the response to a changing or emerging need. GWT has a ROE immunisation plan that is regularly reviewed and the Trust's investment strategy is designed to help minimise the effect of currency fluctuation, spread risk and ensure retention of adequate reserves.
- **MOD Grants in Aid**. GWT receives grants in aid for both support costs and the provision of medical services which, if not increased in line with Nepal inflation, would lead to an erosion of value over time. Agreement has been received for additional funding for medical services, reflecting increased costs and usage.
- The impact of a funding shortfall might be addressed through additional funding from donors or to limit GWT's liability through a reduction in scope of activity and/or increase in individual contribution.
- **FCDO Grant**. A reduction in funding or adverse fluctuation in ROE will result in a reduction of the Trust's RWEPP programme and have an adverse effect on the Trust's ability to deliver other community and individual aid. This risk has now been realised with a withdrawal of FCDO funding by March 2025. Detailed plans for a restructuring of RWEPP to provide a viable and enduring option for the provision of water funded by GWT commenced at 30 June 2024 with the loss of 30 staff and will be fully implemented during 2024/25.
- **Cyber Security and data protection**. The Trust places high importance in maintaining compliance with the Data Protection Act 2018 and the EU General Data Protection Regulation. This applies to both supporter information in UK and personal medical data of our beneficiaries in Nepal. Our cyber security has been augmented with the investment in and successful implementation of significant IT enhancements throughout our organisational network in Nepal. In addition, cyber penetration testing of our networks in both UK and Nepal was conducted by external specialist agencies.
- **Investment Performance insufficient to maintain appropriate level of financial reserves**. Investment performance is susceptible to adverse global political and economic climate. This is countered through a regularly reviewed investment portfolio to negate, as far as possible, external pressures and remain sufficiently diversified.

b. Financial Risks

- **Investment performance insufficient to maintain an appropriate level of financial reserves**. The Trust maintains sufficient reserves to meet all of its obligations and these are regularly reviewed by the Investment committee and our Fund Managers in order

to ensure that the balance of the portfolio is appropriate. This is supported by developing and maintaining contingency fundraising plans.

- **Exchange Rate Risk**. The Trust monitors the ROE on a daily basis. Over the long term the ROE moves to counteract the differential in inflation between two countries but over periods of up to 10 years politics and financial confidence can cause significant movements up or down away from this trend. As inflation has traditionally been higher in Nepal than UK the movement has benefited the Pound and assisted our work in Nepal. Over the last 2-3 years, the global supply challenges following the pandemic, the war in Ukraine and subsequent cost of living crisis driven by global fuel prices has seen fluctuations and a strengthening in the value of Sterling against the Nepal Rupee. At present, a 1% change to the average rate creates an increase or reduction in costs of £276,000 but it also changes the value of our liabilities on the balance sheet by £389,000 so our net assets can change significantly one year to the next. To mitigate against adverse movements funds to cover three months cash flow are held in Nepalese Rupees and the investment portfolio is spread across a wide range of currencies.

INVESTMENT POLICY AND PERFORMANCE

The Trust meets the key challenges of short-term liquidity, cash flow flexibility and long-term capital growth by holding cash in a short-term portfolio while splitting investments between medium-term and long-term portfolios. In addition, there is a strategic portfolio invested in alternative investments and global smaller companies. The purpose of the two main investment portfolios is to delineate the Trust's requirements between monies that are held as an immediate reserve to cover cash flow requirements (c. 18 months) and truly long-term monies that can weather capital volatility over a 5-7 year investment time horizon.

The medium term portfolio seeks a return that is better than SONIA (Sterling Overnight Index Average) and over the past 12 months to 30 June 2024 delivered 5.0% compared to 5.3% for the benchmark.

The long-term portfolio seeks a return that is better than both a composite benchmark and an inflation target of CPI + 4%; over the past 12 months, the long-term portfolio returned 11.0% compared to 15.6% for the benchmark but well ahead of our inflation target which rose 6.0% over the year. The strategic portfolio delivered 3.9% compared to 6.1% for the benchmark over the same period.

Investment Risk – the risks & how do we mitigate these through our investment strategy?

Investment risk covers a variety of areas and the Investment Committee, on behalf of the Trustees, regularly reviews counterparty, custody, capital loss, market, liquidity, regulatory and sustainability risks as well as the investment process of the Trust's fund manager to ensure that all industry safeguards are in place. The Investment Committee has guarded against two key areas of risk.

The first risk is loss of capital and hence our decision to invest in a well-diversified global portfolio across different asset classes to reduce the risk of loss from a single investment or strategy. To minimise volatility risk, we also aim to protect investments from sudden variations in market movements by balancing levels of risk and return between short-term, medium-term and long-term portfolios.

The second area is currency risk as the Trust's fundraising activities and the MOD's grant in aid are made in a different currency (Sterling) to the recipient beneficiaries (Nepalese Rupee – NPR). It is difficult to mitigate this risk as there are few investments that can be made in Nepal and the NPR has been in steady decline against Sterling over the past 25 years. The solution has been to keep some short-term monies in Nepal in NPR, have some exposure to the US Dollar in the medium-term portfolio and to have a large weighting of global equities in the long-term portfolio.

Increasing exposure to global equities has provided access to a wider and more diversified investment universe that historically has enhanced returns and reduced the concentration risk more prevalent in UK domestic indices. It has enabled our fund manager to invest in global themes such as digitalisation, automation, climate change, ageing demographics and evolving consumption that are increasingly relevant in the world today. Sustainability lies at the heart of our fund manager's investment process ensuring that environmental, social and governance (ESG) risks are also monitored and minimised.

Going Concern

The Trust has undertaken a robust assessment of the continued global economic challenges and their impact on the ability of the Trust to operate as a Going Concern.

The main areas of financial risk have been identified as:

- Reduction in fundraising income.
- Material volatility in the rate of exchange.
- Sustained high inflation (UK and Nepal).
- Constraints in Government Grant funding and failure to match the increasing cost of activity.
- Reduction in valuation of the investment portfolio.

When agreeing the budget for 2024/25, Trustees have been able to draw on the evidence of fundraising performance during 2023/24 in which, despite the challenges of the continued cost of living pressures, has remained strong, and increase levels of charitable activity, with above inflationary increases in both the Welfare Pension and the Disability Support Grant. When assessing the required level of reserves, Trustees have maintained the optimal level of free reserves at 18 months of routine expenditure to reflect continued economic and political uncertainty.

The Trust has applied a sensitivity assessment to future income projections and the investment portfolio, to understand the extent to which reductions can be managed without impacting on long term commitments and the ability to deliver charitable activities to our beneficiaries. Financial performance is scrutinised on a regular basis by the Finance Committee and the Main Board so that any shortfall in income will be identified to Trustees in a timely manner.

Trustees have concluded that the Trust remains in a strong financial position and operates as a Going Concern.

ADDITIONAL POLICIES

The Trust is committed to sustainable development, meeting the needs of our beneficiaries without compromising the ability of future generations to meet their own requirements and this is a guiding principle within our work in Nepal. Concern for the environment is an integral and fundamental part of this commitment and our aim is to reduce the impact of our operations on the environment. This aim is promulgated through the Environmental Policy.

DIRECTOR'S STATEMENTS

Statement of how directors have complied with their duties to have regard to matters in Section 172(1) of the Companies Act 2006.

A director of a company must act in a way he/she considers, in good faith, would be the most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard to the following matters:

(a) **The likely consequences of any decision in the long-term:** The Trust's future work is defined through a five-year Strategy Review; the current review period runs to 2025 having been endorsed by Trustees on 16 September 2020. The Strategy Review was brought forward to 2024 to align with the transition of Chair GWT and was presented to the Board in September 2024 for implementation from 2025.

(b) **The interests of the company's employees:** Our employees are our key asset and Trustees are committed to promoting a highly motivated workforce through inclusion in the workplace, promoting and supporting training and development opportunities and supporting their physical and mental wellbeing. In Nepal, regular staff surveys are undertaken, and a Staff Council has been introduced to enhance communication.

(c) **The need to foster the company's business relationships with suppliers, customers and others:** The Trust seeks to manage its relationships with suppliers in an open and transparent way, ensuring there is fairness in all aspects of the tender process. At a local level in Nepal the Trust liaises with local authorities and federal Governmental structures through our Welfare Officers located around the country. From a Strategic perspective the Trust's relationship with the Government of Nepal centres on the annual Brigade of Gurkhas Welfare Coordination Committee (BGWCC) which endorses the Trust's work and provides our licence to operate.

(d) **The impact of the company's operations on the community and environment:** The Trust's work is intrinsically linked with local communities, and our network of Welfare Officers work closely with local administrations. Our long-term partnership with FCDO has improved the lives of hundreds of communities through the provision of potable water and sanitation.

(e) **The desirability of the company maintaining a reputation for high standards of business conduct:** Trustees seek to maintain the reputation and esteem in which the Trust is held by both beneficiaries and supporters, through openness and clarity in our objectives and deliverables and ensuring that maximum benefit reaches our core beneficiaries enabling them to "Live with Dignity". There is a robust governance structure with committees and Trustees meeting on a regular basis.

(f) **The need to act fairly as between members of the company:** Trustees expect all within the Trust to uphold the highest standards and be seen as an exemplar to other similar organisations. To support consistent standards the Trust has a Values & Standards document, a Competency Framework, Appraisal Reporting policy and procedures and a Discipline policy and procedures within GWT(N) Standing Instructions, Staff Handbook and TACOS.

Statement summarising how directors have engaged with suppliers, customers and others in a business relationship with the company.

The Trust assesses the need of its beneficiaries through a Pensioner Risk Assessment, from which a Pensioner Care Plan is developed by our Welfare Officers and medical staff. The plans are regularly reviewed to ensure that the level of care is appropriate, and our Internal Audit and Assurance programmes assess the level of compliance and achievement.

The long-term grant arrangement with FCDO for the provision of potable water and sanitation is based on an agreed target and annual assessment of performance. This has led to the programme achieving an A or A+ rating with a low risk rating each year since grading was introduced in 2012. The grading for this Financial Year was once again an A+. Dir GWT(N) has the lead for the senior management of the relationship with FCDO staff based at the British Embassy; day to day management of the programme is invested in the RWEPP Programme Director.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also directors of The Gurkha Welfare Trust for the purposes of company law, are responsible for preparing the Trustees' Annual report (including the Group Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions, disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charitable company's constitution.

They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the company and the group'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.

This Trustees' Report incorporating the Strategic Report was approved and authorised for issue by the Board of Trustees on 10 December 2024 and signed on its behalf by:

Major General Gerald Strickland DSO MBE
Chair
Original signed and dated 10 December 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GURKHA WELFARE TRUST

OPINION

We have audited the financial statements of The Gurkha Welfare Trust ('the charitable company') and its subsidiaries ('the group') for the year ended 30 June 2024 which comprise Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Consolidated Statement of Cash Flows, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 30 June 2024 and of the group's 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.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 trustee's 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 or the group'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 contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 our audit

- the information given in the trustees' report, which includes the directors' report prepared

for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; 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.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 42, the trustees (who are also the directors of the charitable company for the purposes of company law) 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.

AUDITOR'S 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 auditor's report.

EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members including internal specialists and significant component audit teams. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit

procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), employment law, and Anti-fraud, bribery and corruption legislation. We also considered compliance with local legislation for the group's overseas operations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, welfare pension payments and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, component auditors and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing audit procedures to test the timing of income and welfare pension payments, reviewing of component auditor working papers, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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.

Tara Westcott
Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP
Statutory Auditor
St James House
St James Square
Cheltenham
GL50 3PR

Original signed and dated 18 December 2024

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2024

(incorporates the consolidated income and expenditure account)

	Notes	Unrestricted		Restricted	2023-24	2022-23
		General	Designated		Total	Total
		£000	£000	£000	£000	£000
Income from:	3					
Donations and legacies						
Donations	3a	4,195	0	2,479	6,674	6,437
Legacies	3b	6,924	0	0	6,924	6,657
Grants						
Ministry of Defence	3c	0	0	3,595	3,595	3,335
Charitable activities	3d					
Ministry of Defence		0	0	4,900	4,900	2,750
Foreign, Commonwealth and Development Office		0	0	1,639	1,639	1,746
Medical Services		0	0	541	541	395
Other trading activities						
Fundraising Events	3e	520	0	0	520	553
Retail		25	0	0	25	23
Investments	3f	3,136	0	0	3,136	2,703
Total		**14,800**	**0**	**13,154**	**27,954**	**24,599**
Expenditure on:	4					
Raising funds						
Fundraising	4e	2,827	0	0	2,827	2,488
Investment management costs	4e	364	0	0	364	355
Charitable activities						
Individual aid	4a	4,109	18	3,648	7,775	8,131
Medical Aid	4b	3,736	0	5,657	9,393	9,333
Residential Homes	4c	0	463	1	464	473
Community aid	4d	145	424	3,074	3,643	3,664
Sub Total Expenditure		**11,181**	**905**	**12,380**	**24,466**	**24,444**
Movement in constructive obligation	4f/14	3,188	0	0	3,188	(3,844)
Total		**14,369**	**905**	**12,380**	**27,654**	**20,600**
Net income/(expenditure) before other gains and losses		431	(905)	774	300	3,999
Other gains and losses						
Net gains/(losses) on investments	9	6,018	0	0	6,018	473
Net income/(expenditure)		6,449	(905)	774	6,318	4,472
Transfers between funds	17&18	1,869	(1,417)	(452)	0	0
		8,318	(2,322)	322	6,318	4,472
Other recognised gains/(losses)						
Profit & loss revaluation (loss)/gain		(39)	0	0	(39)	(39)
Net Movement in Funds		8,279	(2,322)	322	6,279	4,433
Reconciliation of funds						
Funds brought forward		38,916	18,479	937	58,332	53,899
Total Funds Carried Forward		**47,195**	**16,157**	**1,259**	**64,611**	**58,332**

NOTES

The consolidated statement of financial activities includes the income and expenditure account.

There are no other gains and losses other than those shown above.

All the Trust's activities are derived from continuing activities.

Profit for Companies Act purposes (before unrealised gains and losses) is: £314,000 including movement in constructive obligation (2022/23: £4,001,000).

Net Income/(expenditure) before movement in constructive obligation: £3,488,000 (2022/23: £155,000).

See Note 19 for a comparative statement of financial activities for year ended 30th June 2023.

The notes on pages 51 to 77 form part of these accounts.

CONSOLIDATED AND CHARITY BALANCE SHEET AT 30 JUNE 2024

Company registration number 05098581

	Notes	Group		Charity	
		2024	2023	**2024**	2023
		£000	£000	**£000**	£000
Fixed assets:					
Intangible assets	7	**36**	81	**36**	81
Tangible assets	8	**2,133**	1,939	**1,542**	1,348
Investments	9	**92,935**	82,342	**92,935**	82,342
Total fixed assets		**95,104**	84,362	**94,513**	83,771
Current assets					
Medication, project & trading stock		**391**	506	**374**	494
Debtors	10	**1,366**	1,891	**1,355**	1,890
Cash at bank and in hand		**8,163**	8,562	**7,969**	8,381
Total current assets		**9,920**	10,959	**9,698**	10,765
Liabilities					
Creditors: amounts falling due within one year	11	**(1,769)**	(1,533)	**(1,692)**	(1,475)
Provisions for liabilities falling due within one year					
Constructive Obligation	14a	**(4,144)**	(3,867)	**(4,144)**	(3,867)
Net current assets or liabilities		**4,008**	5,559	**3,863**	5,423
Provisions for liabilities falling due after more than one year					
Constructive Obligation	14b	**(34,500)**	(31,589)	**(34,500)**	(31,589)
Total net assets or liabilities		**64,611**	58,332	**63,875**	57,605
Funds:					
Restricted funds	18	**1,259**	937	**1,259**	937
Unrestricted funds					
General		**85,839**	74,372	**85,103**	73,645
Welfare pension reserve		**(38,644)**	(35,456)	**(38,644)**	(35,456)
Net General funds	17	**47,195**	38,916	**46,459**	38,189
Designated	17	**16,157**	18,479	**16,157**	18,479
Unrestricted funds after provision for liabilities and charges		**63,352**	57,395	**62,616**	56,668
Total funds		**64,611**	58,332	**63,875**	57,605

NOTES

The net income for the Trust for the year ended 30 June 2024 was £6,279,000 (2023: £4,433,000). The net income for the Charity for the year ended 30 June 2024 was £6,270,000 (2023: £4,327,000). As permitted by Section 408 of the Companies Act 2006, no separate Statement of Funds or Income and Expenditure account has been presented for the Charity only.

Approved and authorised for issue by the Board of Trustees on 10 December 2024 and signed on their behalf by:

Major General G M Strickland DSO MBE
Chairman
10 December 2024

The notes on pages 51 to 77 form part of these accounts.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

	Notes below	2023/24 £000	2022/23 £000
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	Note A	1,459	(1,541)
Cash flows from investing activities:			
Dividends and interest from investments		3,136	2,702
Purchase of Intangibles		(20)	(20)
Purchase of property, plant and equipment		(432)	(401)
Proceeds from sale of investments		8,562	8,994
Purchase of investments		(13,909)	(6,560)
Net cash (used in)/provided by investing activities		(2,663)	4,715
Operating activities			
Change in cash and cash equivalents in the reporting period		(1,204)	3,174
Cash and cash equivalents at the beginning of the reporting period	Note B	14,982	11,808
Cash and cash equivalents at the end of the reporting period	Note B	**13,778**	14,982

NOTES	2023/24	2022/23
A. Reconciliation of net income to net cashflow from	**£000**	**£000**
	6,318	4,472
Net income for the reporting period (as per SOFA)		
Adjustments for:	303	398
Depreciation and amortisation	(6,018)	(473)
Losses on investments	(33)	(45)
Investments donated	(3,136)	(2,703)
Dividends and interest from investments	(39)	(39)
(Losses) on foreign exchange	115	(135)
Decrease/(Increase) in stocks	525	215
Decrease in debtors	236	613
Increase in creditors	3,188	(3,844)
Increase/(Decrease) in constructive obligation	1,459	(1,541)
Net Cash provided by/(used in) operating activities		

B. Analysis of cash and cash equivalents	2023/24	2022/23	Cash flow in year
	£000	£000	£000
Cash in hand and at bank	**8,163**	8,562	(399)
Notice deposits (less than 3 months)	**5,615**	6,420	(805)
Total cash and cash equivalents	**13,778**	14,982	(1,204)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2024

1. BASIS OF PREPARATION

Statement of compliance

The financial statements are prepared under the historical cost convention as modified to include the revaluation of investments at fair value. The format of the financial statements has been presented to comply with the Companies Act 2006 and FRS 102 The Financial Reporting Standard applicable in the UK and Ireland and the Statement of Recommended Practice Accounting and Reporting by Charities ("SORP 2015 updated 2019"). The Charity is a Public Benefit Entity as defined by FRS 102.

General information

The Charity is a private company limited by guarantee, incorporated in England and Wales (company number: 05098581) and a charity registered in England and Wales (charity number: 1103669). The Charity's registered office address is:

P.O Box 2170, 22 Queen Street, Salisbury SP2 2EX.

Basis of Consolidation

These financial statements consolidate the results, assets and liabilities of the Charity's trading subsidiary, GWT Trading Limited, on a line by line basis. The statements also include consolidation of the Ex Servicemen and Families Support Society, a not for profit company registered in Nepal 2 July 2018 for the legal ownership of land assets purchased by GWT in Nepal.

The Charity's own Statement of Financial Activities has not been presented, as permitted by section 408 of the Companies Act 2006. The Charity's net income for the year as an individual entity, after movement in the constructive obligation and other recognised gains and losses was a surplus of £6,270,000 (2022/23: £4,327,000).

Going concern

The Trust has undertaken a robust assessment of the continued global economic challenges and their impact on the ability of the Trust to operate as a Going Concern.

The main areas of financial risk have been identified as:

- Reduction in fundraising income;
- Material volatility in the rate of exchange;
- Sustained high inflation (UK and Nepal);
- Constraints in Government Grant funding and failure to match the increasing cost of activity; and
- Reduction in valuation of the investment portfolio.

When agreeing the budget for 2024/25, Trustees have been able to draw on the evidence of fundraising performance during 2023/24 in which, despite the challenges of the continued cost of living pressures has remained strong, and increase levels of charitable activity, with above inflationary increases in both the Welfare Pension and the Disability Support Grant. When assessing the required level of reserves, Trustees have maintained the optimal level of free reserves at 18 months of routine expenditure to reflect continued economic uncertainty.

The Trust has applied a sensitivity assessment to future income projections and the investment portfolio, to understand the extent to which reductions can be managed without impacting on long term commitments and the ability to deliver charitable activities to our beneficiaries. Financial performance is scrutinised on a regular basis by the Finance Committee and the Main Board and therefore any shortfall in income will be identified to Trustees in a timely manner.

Trustees have concluded that the Trust remains in a strong financial position and operates as a Going Concern.

Significant judgments and sources estimation uncertainty

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Charity's accounting policies. The key judgements that have been applied by management relate to:

- Constructive obligation: The valuation of the constructive obligation is based on the following assumptions:
  - Future long term inflation rate in Nepal at 7.0% per annum.
  - Future payments have been discounted at 7.0% per annum.
  - Life expectancy for our beneficiaries is based on the Nepali Government Mortality tables extended to age 110 to reflect the increased longevity of our beneficiaries.
  - There are anticipated 35 new Welfare Pension entrants per year for each of the next five years, with an average age at joining of 73.
  - 50% of former soldier pensions will be transferred to a widow.
  - There are a further 85 future new Disability Support Grant beneficiaries.
- Legacies: Income is accrued when there is entitlement through the earlier of cash receipt or Estate Accounts (entitlement), it is possible to reliably estimate the amount receivable (measurement) and there is probability of receipt.
- Depreciation/Amortisation: The rates of depreciation for tangible fixed assets and amortisation for intangible fixed assets are selected by management based on their estimate of normal economic life taking into consideration the environment in which the assets are deployed.

2. PRINCIPAL ACCOUNTING POLICIES

The following principal accounting policies have been applied:

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.

Recognition of income is deferred where conditions specify that such income relates to future accounting periods or in relation to grants, where performance related conditions have not yet been met. Where donors specify that funds are for specific purposes such income is included in incoming resources of restricted funds.

Donations. Income from donations, covenants and gift aid includes receipts from fundraising events. Donations, together with the resulting tax credit from gift aid, are credited directly to the statement of financial activities when received by the Trust. Donations and all other receipts (including capital receipts) from fundraising are reported gross and the related fundraising costs are reported in raising funds.

Gifts in Kind are recognised in respect of personnel funded by the Ministry of Defence in roles which would have to be replicated by the Trust. An equivalent cost is also reported within staff costs. Gifts in Kind are recognised in respect of donated goods either in support of fundraising activity or in direct support of the provision of charitable activity. An equivalent cost is also reported within the cost of fundraising or the appropriate cost of charitable activity.

Legacies are recognised and credited directly to the statement of financial activities based on the earlier of settlement of the estate and issue of Estate Accounts or receipt of payment.

Grant Income. Income from government and other grants, whether 'capital' grants or 'revenue' 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.

Income from other trading activities is recognised as earned as the related goods are provided.

Interest and Dividends Receivable. Investment income is recognised on a receivable basis and when the amounts can be measured reliably. Interest on funds on deposit is included when receivable upon notification by the relevant banking institutions. Dividends receivable on assets held for investment purposes are receivable upon notification by the relevant investment institutions.

Expenditure

All expenditure is included in accordance with the accruals concept. Any liabilities as a result of legal or constructive obligations committing the Trust to expenditure have been included.

Cost of raising funds comprises costs directly attributable to fundraising and managing the investment portfolio. Charitable activity costs in the UK are incurred in running the Gurkha Welfare Advice Centre and in supporting the activities in Nepal. The costs of running the Trust's office and staff costs have been allocated on a time spent and area occupied basis to raising funds and charitable activity.

Governance costs are apportioned on the same basis as the office and staff costs and are disclosed in the notes comprising audit and legal fees and the costs associated with constitutional and statutory requirements.

Costs in Nepal have been allocated to the direct charitable activities. Direct costs include actual grants made, provision of medical services and costs related to people directly employed in delivering one of our charitable activities. Other direct costs such as staff costs and overheads of the Area Welfare Centres established for the delivery of more than one charitable activity are apportioned within support costs. Support costs also includes HQ staff and administrative overheads. Support and governance costs have been allocated to activity cost categories in a fair and appropriate method on a basis consistent with the use of resources by applying person days spent on the various activities or space occupied.

Grants payable to individuals may be subject to conditions. Expenditure on such performance-related grants is recognised to the extent that the recipient has complied with the conditions.

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received. Termination benefits are accounted for on an accrual basis and in line with FRS 102.

Taxation

Irrecoverable VAT is not separately analysed and is charged directly to the Statement of Financial Activities (SOFA) as part of the expenditure to which it relates.

Operating leases

Rental payments under operating leases are charged on a straight-line basis over the period of the lease.

Foreign currencies

Fixed assets in foreign currencies are converted to sterling at the exchange rate ruling at the time of purchase. Investments, current assets and liabilities in foreign currencies are converted into sterling at the exchange rate ruling at the balance sheet date. Transactions during the year in foreign currencies, mainly Nepalese rupees, are converted into sterling at the average rate of exchange for the month in which the transaction was undertaken. Exchange rate gains or losses are recorded as support costs to the activities to which they relate.

Pensions and retirement benefits

In the UK, the Trust makes contributions to employee individual defined contribution pension plans up to a maximum of 10% of salary.

Following changes under the Labour Act of Nepal in 2017 and the creation of the Social Security Fund (SSF) of Nepal, GWT enrolled with the scheme with contributions at a rate of 31% of staff salary; 20% employer contribution and 11% employee contribution.

The Provident Fund and Gratuity Fund previously managed on behalf of staff by GWT, was closed to all Nepal-based staff in 2021-22, with staff being given the option of either withdrawing funds or transferring to the SSF. As at 30 June 2024, the only funds remaining with Standard Chartered Bank Nepal Limited are in respect of the eight staff in Darjeeling who are not eligible to join the SSF.

Contributions for staff in both UK and Nepal are charged to the SOFA on the basis of amounts provided for the period.

Fund accounting

Funds held by the Trust are either:

- *Unrestricted general funds* – these are funds, which can be used in accordance with the charitable objects at the discretion of the Trustees.
- *Designated funds* – these are funds set aside by the Trustees out of unrestricted (general) funds for specific purposes.
- *Restricted funds* – these are unspent funds that can only be used for particular restricted purposes within the objects of the Trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised

even if the likelihood of an outflow with respect to any one item included in the same class of obligations might be small. In particular:

- Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

Investments

Listed investments are stated in the balance sheet at fair value. All movements in value arising from investment changes and revaluations are included in the Statement of Financial Activities (SOFA).

Fixed assets

The cost of minor additions or acquisitions of fixed assets under £5,000 is charged wholly to the SOFA in the year of purchase. Fixed assets above this amount are capitalised in the financial statements at cost. Donated fixed assets are brought into account at an estimate of their market value at the time of acquisition. Land, beneficially owned by the Trust, is valued at historical cost and is not depreciated.

Intangible Assets: Software which is considered as an asset in its own right, is disclosed as an intangible asset.

Tangible Assets: Software which is an integral function of enabling supporting hardware to function, is considered a part of the overall tangible fixed asset.

Amortisation

The costs of intangible fixed assets are amortised over the expected useful life of the assets. Amortisation rates are:

Software	33.33% per annum on a straight-line basis, in line with the related tangible asset useful economic life

Depreciation

Depreciation is provided on all tangible assets except land to write off the costs of the asset less any material residual value, by equal instalments over their expected useful lives. Depreciation rates are:

Completed buildings	10% per annum on a straight-line basis.
Vehicles and equipment	25% per annum on a straight-line basis.
Computers and software	33.33% per annum on a straight-line basis.

For all depreciable assets, a full year's depreciation is charged in the year of acquisition or completion and no depreciation is charged in the year of disposal.

Stocks

The stocks of medication, project materials and bought-in goods for sale are valued at the lower of cost and net realisable value on a first in first out basis.

Financial Instruments

Basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable are accounted for on the following basis:

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognised as expenditure.

Bank borrowings. Liabilities for borrowings which are subject to a market rate of interest are measured at the value of the amount advanced, less capital repayments.

3. INCOME

Total income includes income transferred from the charitable trust "Gurkha Welfare Trust", former charity number 1034080. The Trust is retained while it receives donations and legacy income.

	2023/24	2022/23
	£0	£0
a. Donations		
Donations from individuals	**4,958**	5,179
Donations from companies, trusts, clubs and organisations	**1,716**	1,258
	6,674	6,437
b. Legacies	**6,924**	6,657
c. Grants		
Ministry of Defence – to support operating costs in Nepal	**3,595**	3,335
d. Charitable Activities		
Ministry of Defence – for medical services	**4,900**	2,750
FCDO – for water and sanitation projects in remote locations	**1,639**	1,746
Provision of medical services	**541**	395
e. Other Trading Activities		
Fundraising events	**520**	553
Retail	**25**	23
f. Investments		
Investment dividends and interest	**2,805**	2,257
Bank interest	**331**	446
	3,136	2,703

Donations from companies and organisations includes gifts in kind of £94,090 (2022/23: £90,780) of which £88,700 represents the benefit of the Field Director who is a serving Army Officer employed by the Ministry of Defence. The benefit is determined as the cost which would be incurred if the Trust had to directly employ an equivalent position.

Future legacy income of £5,021,100 is expected in respect of legacies due which have been notified to the GWT.

4. EXPENDITURE

	Grants	Direct Costs	Support Costs		2023/24	2022/23
			Support	Governance	Totals	Totals
	£000	£000	£000	£000	£000	£000
a. Individual Aid						
Welfare pension	3,562	0	1,562	44	**5,168**	5,647
Care for the elderly	95	6	0	1	**102**	101
Disability support	234	0	132	3	**369**	348
Winter allowance	0	0	0	0	**0**	102
Welfare Grants & Support	885	121	436	12	**1,454**	1,286
UK welfare	250	409	4	19	**682**	647
Total Individual Aid	5,026	536	2,134	79	**7,775**	8,131
b. Medical Aid	3,254	5,037	1,016	86	**9,393**	9,333
c. Residential Homes	32	365	63	4	**464**	473
d. Disaster Response						
e. Community Aid						
School projects	180	515	369	9	**1,073**	1,272
COVID support	0	4	0	0	**4**	7
Water projects	0	1,433	1,129	4	**2,566**	2,385
Total Community Aid	180	1,952	1,498	13	**3,643**	3,664
Sub Total Charitable activities	8,492	7,890	4,711	182	**21,275**	21,601
f. Cost of generating funds						
Fundraising	0	2,141	602	84	2,827	2,488
Investments	0	344	18	2	**364**	355
Total costs of generating funds	0	2,485	619	86	3,191	2,843
Total Expenditure prior to movement in Constructive Obligation	**8,492**	**10,375**	**5,331**	**268**	**24,466**	24,444
g. Movement in Constructive Obligation	0	3,188	0	0	**3,188**	(3,844)
Total Expenditure	**8,492**	**13,563**	**5,331**	**268**	**27,654**	20,600

UK Welfare includes a grant of £250,000 (2022/23: £250,000) paid to The Army Benevolent Fund for the support of former Gurkhas who have retired in the UK. All other grants totalling £8,242,000 (2022/23: £8,136,000) were to individuals or small community groups.

The number of grants issued to individuals or communities on the table below are recorded on a beneficiary database based on British Army records which is subject to independent audit in Nepal. All grants to individuals require proof of identity before issue and community grants are only arranged with approval from the local community council.

Direct costs include the costs of employing staff who are engaged in the delivery of one charitable activity. Where staff are engaged in the delivery of more than one output their costs are included within Support costs and apportioned based on the average time spent. As a consequence the majority of the running costs of the Area Welfare Centres and their staff are included within Support Costs, whilst delivering front line services across a number of charitable activities. Support costs also include the apportioned costs of UK and Nepal HQs.

Activity	Beneficiaries	Notes
Welfare Pensions:	2,907 June 24	There were 3,175 recipients at the start of the year and 49 new recipients. 75 ceased due to their move to the UK and a further 4 were ceased as they moved to a Residential Home and were then in receipt of the RH Allowance. On the death of an ex-serviceman pensioner, the welfare pension is transferred to his eligible widow. A detailed database of all welfare pensioners is maintained based on data from British Army records. Payments are made on a quarterly basis and require proof of identity. Following net movements, there are 2,907 recipients at 30 June 2024.
Home Care:	292	We provided grants to 292 carers in support of the most vulnerable beneficiaries. Carers are provided with regular training and support to enable them to carry out their carer responsibilities.
Disability Support:	246 June 24	The number of recipients is 246 at 30 June 2024. This data is held on the same database as the welfare pensioners and is subject to both proof of identity and medical requirement. In addition there are 28 siblings in receipt of a reduced grant.
Welfare (Hardship) grants:	1,908	These grants were awarded for cases of special need not covered by the other awards. Each grant is individually assessed and approved by a senior member of staff. For 23-24 this included 71 earthquake-resilient houses and the retrofit and enhancement of 73 of our earliest EQ homes, to ensure they are now suitable for our aging beneficiaries (including access ramps, handles and false ceilings). A further five replacement homes/significant repairs were funded from the Disaster Reserve following severe damage from storms and monsoon landslips. 60 water sealed toilets were provided to our beneficiaries.
Residential Care:	41 permanent residents	Our 2 Residential Homes have a capacity of 48 including respite care and rehabilitation. There were 41 permanent residents at the 30 June 2024.
Medical Services including Rehabilitation services:	Over 23,000 accessing Primary Medical Care	Over 23,000 beneficiaries accessed Primary Medical Care services through GWT Medical Centres. Over 266 patients were supported in palliative care either in their own home or at our Residential Homes. More than 120 patients supported in their homes through the provision of medical aids including hospital beds and oxygen concentrators. ~2,400 treated over four rural community medical camps. Over 21 beneficiaries supported through rehabilitation services at the Residential Homes and over 9,000 rehabilitation sessions were provided either through our medical centres or in the homes of beneficiaries.

School projects:	112 (projects)	Communities were assisted through the repair, extension or new build of a school. Every project is arranged with and authorised by the local community committee and requires a community contribution. 2 major builds, 4 major refurbishments, 12 minor extensions and 92 minor re-furbishment projects were completed in-year; a further 2 minor extensions in very remote areas will be completed early 2024/25.
Rural WASH and Sanitation projects:	23 projects (1,868 households, 1,907 tapstands)	23 major water and sanitation projects including 11 funded by FCDO and 12 funded by GWT. Emergency preparedness training delivered to local communities.

Further information on the grants can be found in the Trustees' Annual Report.

The total charitable activity expenditure of £21,275,000 represents 87% of total expenditure before the movement in the constructive obligation.

Analysis of Support Costs

	People	Premises & vehicles	Services	Legal & Professional	Currency	Sub Total Support	Sub Total Governance	Total
	£000	£000	£000	£000	£000	£000	£000	£000
a. Individual Aid	1,589	400	193	4	(52)	**2,134**	79	**2,213**
b. Medical Aid	754	188	94	4	(24)	**1,016**	86	**1,102**
c. Residential Homes	47	12	6	0	(2)	**63**	4	**67**
d. Community Aid	1,059	108	339	1	(9)	**1,498**	13	**1,511**
e. Fundraising	382	70	103	47	0	**602**	84	**686**
f. Investment management	11	2	3	2	0	**18**	2	**20**
Total	**3,842**	**780**	**738**	**58**	**(87)**	**5,331**	**268**	**5,599**
Basis of allocation	**Time spent**	**Space & time**	**Time spent**	**Direct**	**Pro rata with cost**		**Attribution & time**	

5. GOVERNANCE COSTS

Apportioned governance costs were:

	2023/24 Total	2022/23 Total
	£000	£000
Staff employment costs	**114**	108
Staff & trustee other costs	**54**	50
Premises costs	**23**	26
Office services	**21**	17
Legal & professional	**56**	56
	268	257

6. STAFF, TRUSTEE AND GOVERNANCE COSTS

a. Staff numbers

The trust employed the following average number of staff:		**2023/24**	2022/23
UK:	Administration & fundraising	**22**	19
	Welfare	**9**	8
Nepal:	Individual aid inc welfare, Residential Homes and general staff	**245**	246
	Medical services	**145**	147
	Water projects	**107**	112
	Schools projects	**5**	5
		533	537

b. Staff costs

		2023/24	2022/23
		£000	£000
UK:	Salaries	**1,179**	1,020
	Benefits	**12**	13
	Social security costs	**123**	111
	Pension	**110**	94
		1,424	1,238
Nepal:	Salaries	**4,650**	4,848
	Benefits	**79**	83
	Pension (see Note 13)	**479**	455
	Gratuity (see Note 13)	**329**	317
	Discretionary Compensation Payments (see below)	**424**	0
		5,961	5,703
		7,385	6,941

The number of employees whose emoluments exceeded £60,000 for the year was:

	2023/24	2022/23
	Number	Number
£60,001 - £70,000	**3**	3
£70,001 - £80,000	**-**	-
£80,001 - £90,000	**-**	-
£90,001 - £100,000	**-**	-
£100,001 - £110,000	**1**	2
£110,001 - £120,000	**1**	-

Key people in the Trust in UK and Nepal with delegated authority from the Trustees are the CEO and the Senior Management Teams in UK and Nepal as detailed at page 1. With the exception of the Director GWT(N) and Field Director GWT(N), the cost of employing the Senior Management Teams is borne by the Trust. The combined salary and benefits cost to the Trust totalling £687,626 (2022/23: £656,804).

Both the Director GWT(N) and the Field Director GWT(N) are seconded from the British Army with their costs being met by the MOD.

There were no redundancy payments during the year (2022/23: Nil).

Discretionary compensation payments: whilst there was no legal entitlement to redundancy under the Nepal Labour Act (2017), the payments were made at the discretion of Trustees to RWEPP staff on the cessation of their employment with GWT(N), in recognition of their service with GWT(N).

Trustees' expenses, remuneration and donations

In 2023/24 no Trustee received any remuneration or pension (2022/23: Nil) but seven Trustees were either reimbursed or expenses were paid on their behalf of £30,547: principally on travel to Nepal but also in respect of attendance at meetings at in London (2022/23: six Trustees were either reimbursed or expenses were paid on their behalf of £29,393). Trustees donated a total of £1,543 (2022/23: £1,760).

Related party transactions

Colonel David Robinson is a Trustee of The Gurkha Museum Trust and Patrick Grant is a member of The Gurkha Museum Trust Capital Appeal Board. The Gurkha Welfare Trust made payments to The Gurkha Museum Trust during 2023/24 totalling £8,099 (2022/23: payments - £7,200).

Net expenditure

Net expenditure for the period is stated after charging:

			2023/24	2022/23
			£000	£000
Audit Fees	UK excluding VAT	Crowe U.K. LLP UK	**31**	30
	Nepal:	CSC & Co	**14**	15
Audit Expenses in Nepal		CSC & Co	**5**	3
		Joshi and Bhandari	**0**	2
Tax Advisory Services		Crowe U.K. LLP UK	**6**	3
Cybercrime Protection Services (exc VAT)		Crowe U.K. LLP UK	**18**	0
Actuarial fees		M/s K A Pandit (India)	**2**	2

7. INTANGIBLE ASSETS

a. Group

	Computer Software	Assets Under Construction	Total
	£000	**£000**	**£000**
Cost			
At 1 July 2023	297	0	297
Additions	0	20	20
Asset transfers	20	(20)	0
At 30 June 2024	317	0	317
Amortisation			
At 1 July 2023	(216)	0	(216)
Amortisation	(65)	0	(65)
At 30 June 2024	(281)	0	(281)
Net Book Value			
At 1 July 2023	81	0	81
At 30 June 2024	36	0	36

b. Charity

	Computer Software	Assets Under Construction	Total
	£000	**£000**	**£000**
Cost			
At 1 July 2023	285	0	285
Additions	0	20	20
Asset transfers	20	(20)	0
At 30 June 2024	305	0	305
Amortisation			
At 1 July 2023	(204)	0	(204)
Amortisation	(65)	0	(65)
At 30 June 2024	(269)	0	(269)
Net Book Value			
At 1 July 2023	81	0	81
At 30 June 2024	36	0	36

8. TANGIBLE FIXED ASSETS, GROUP AND CHARITY

a. Group

	Freehold Land & Buildings	Leasehold Property	Vehicles & Equipment	IT	Assets in Construction	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 July 2023	2,448	1,363	764	311	12	4,898
Additions	0	0	0	0	432	432
Asset transfers	48	265	0	0	(313)	0
Disposals	0	0	(44)	0	0	(44)
At 30 June 2024	2,496	1,628	720	311	131	5,286
Depreciation						
At 1 July 2023	(1,398)	(554)	(696)	(311)	0	(2,959)
Depreciation	(44)	(163)	(31)	0	0	(238)
Disposals	0	0	44	0	0	44
At 30 June 2024	(1,442)	(717)	(683)	(311)	0	(3,153)
Net Book Value						
At 1 July 2023	1,050	809	68	0	12	1,939
At 30 June 2024	1,054	911	37	0	131	2,133

b. Charity

	Freehold Land & Buildings	Leasehold Property	Vehicles & Equipment	IT	Assets in Construction	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 July 2023	1,857	1,363	764	311	12	4,307
Additions	0	0	0	0	432	432
Asset transfers	48	265	0	0	(313)	0
Disposals	0	0	(44)	0	0	(44)
At 30 June 2024	1,905	1,628	720	311	131	4,695
Depreciation						
At 1 July 2023	(1,398)	(554)	(696)	(311)	0	(2,959)
Depreciation	(44)	(163)	(31)	0	0	(238)
Disposals	0	0	44	0	0	44
At 30 June 2024	(1,442)	(717)	(683)	(311)	0	(3,153)
Net Book Value						
At 1 July 2023	459	809	68	0	12	1,348
At 30 June 2024	463	911	37	0	131	1,542

9. INVESTMENTS, GROUP AND CHARITY

The historical cost of investments at 30 June 2024 (including investment cash) was £89,942,801 (2023: £85,613,072). 94% of the investment assets are placed in a mixed portfolio of thematic funds.

Listed investments		**2023/24**	2022/23
		£000	£000
Liquidity Fund		**2,992**	0
Fixed interest			
	UK	**4,040**	1,744
Equities			
	UK	**28**	0
	Alternative investments	**2,562**	2,427
	Multi Asset	**72,310**	66,142
	Property	**5,388**	5,609
		87,320	75,922
	Cash held as part of investment portfolio	**5,615**	6,420
		92,935	82,342

Major movements in investments during the year were:

	2023/24	2022/23
	£000	£000
Opening market value (excl. Cash)	**75,922**	77,837
Purchases	**13,909**	6,560
Disposal proceeds	**(8,562)**	(8,994)
Gains (Losses) on investments	**6,018**	473
Investments donated	**33**	46
Closing market value (excl cash)	**87,320**	75,922

Investment in subsidiary; GWT Trading Ltd

GWT owns 100% of the issued share capital of GWT Trading Ltd, being 2 ordinary shares with a nominal value of £1. GWT Trading Ltd is registered in England and Wales No. 02986861 and its registered office is 22 Queen Street, Salisbury SP1 1EY.

GWT Trading LTD income statement for the year ended 30 June 2024

	2023/24	2022/23
	£	£
Turnover	**383,893**	244,842
Cost of sales	**(231,049)**	(102,766)
Gross profit	**152,844**	142,076
Administrative expenses	**(7,845)**	(5,167)
Operating profit	**144,999**	136,909
Profit for the financial year before taxation	**144,999**	136,909
Tax on profit on ordinary activities	**0**	0
Profit for the financial year after taxation	**144,999**	136,909

GWT Trading Ltd Statement of Changes in Equity	2023/24		2022/23	
	£	£	£	£
	P&L	Share Capital	P&L	Share Capital
Total funds brought forward	**136,909**	2	55,669	2
Profit for the year	**144,999**	0	136,909	0
Gift Aid payment	(136,909)	0	(55,669)	0
Retained earnings at year end	144,999	2	136,909	2

The company has no recognised gains or losses other than the profit in both periods. All amounts relate to continuing activities.

GWT Trading Ltd Balance Sheet at 30 June 2024	2024	2023
	£	£
Fixed Assets		
Intangibles	**0**	**0**
Total Fixed Assets	**0**	0
Current Assets		
Stock	**17,169**	12,814
Debtors	**10,586**	2,407
Cash at bank and in hand	**193,729**	180,822
	221,484	196,043
Creditors - amounts falling due within one year	**(76,483)**	(59,132)
Net Current Assets	**145,001**	136,911
Net Assets	**145,001**	136,911
Share Capital	**2**	2
Retained Profit	**144,999**	136,909
	145,001	136,911

Ex Servicemen and Families Support Society

The GWT Group includes the consolidation of the Ex Servicemen and Families Support Society, a not for profit company registered in Nepal for the legal ownership of land assets purchased by GWT(N). The Directors of the company are all employees of GWT(N) and they must resign their role as Director when their employment is terminated. It is therefore deemed that GWT(N) has control of the Ex Servicemen and Families Support Society and the results are consolidated into the GWT results from 1 July 2020 with the subsidiary retaining all of its profits. Legal ownership of land assets at Kaski was transferred to the company during 2020/21 and a further asset at Damak was transferred during 2022/23. Work is on-going to enable the transfer of further assets in Dharan, Damak, Bagmati, Kaski and Gulmi.

The following GWT(N) employees are the Directors of the Ex Serviceman and Families Support Society:

Yam Bahadur Rana (to 24 September 2024)
Shyamkumar Rai
Pim Bahadur Gurung
Siddhartha Gurung
Lila Pun Sherchan
Phatta Bahadur Gurung (from 24 September 2024)

The Ex Servicemen and Families Support Society was registered in Nepal on 2 July 2018: Registration number 192748/74/075. The registered address is Pokhara Lekhnath Metropolitan Municipality, Ward Number 10, Ramghat.

The trading results for the Ex Servicemen and Families Support Society the year ended 30 June 2024, as extracted from the financial statements are summarised below:

Ex Servicemen and Families Support Society Income and Expenditure for the Year ended 30 June 2024

	2023/24	2022/23
Income and Expenditure	**£**	£
Income	**298**	276
Administrative expenses	**(277)**	(276)
Operating profit	**21**	-
Currency (loss)	**(14)**	(4)
Profit/(loss) for the financial year	**7**	(4)

Ex Servicemen and Families Support Society Balance Sheet at 30 June 2024	**2024**	2023
	£	£
Fixed Assets		
Tangible Fixed Asset	**590,970**	590,970
Total Fixed Assets	**590,970**	590,970
Current Assets		
Cash at Bank	**410**	388
Creditors falling due within 1 year	**(127)**	(122)
Net Current Assets	**283**	266
Net Assets	**591,253**	591,236
Share Capital	**615**	615
Reserves	**590,638**	590,622
	591,253	591,237

10. DEBTORS

	Group		Charity	
	2024	2023	**2024**	2023
	£000	£000	**£000**	£000
Trade Debtors	**383**	601	**383**	601
Prepayments and Accrued Income	**390**	361	**379**	360
Legacies	**393**	509	**393**	509
Other Debtors	**200**	420	**200**	420
	1,366	1,891	**1,355**	1,890

11. CREDITORS

	Group		Charity	
	2024	2023	**2024**	2023
	£000	£000	**£000**	£000
Trade Creditors	**327**	379	**320**	373
Amounts owed to group and associated undertakings	**0**	0	**0**	1
Accruals/deferred income	**230**	215	**160**	162
Taxation & social security	**39**	41	**39**	41
Other Creditors	**1,173**	898	**1,173**	898
	1,769	1,533	**1,692**	1,475

12. FINANCIAL INSTRUMENTS

	Group		Charity	
	2023/24	2022/23	**2023/24**	2022/23
	£000	£000	**£000**	£000
Financial assets measured at fair value				
Investments in shares	**87,320**	75,922	**87,320**	75,922
Other liabilities measured at fair value				
Constructive obligations (see Note 14)	**38,645**	35,456	**38,645**	35,456
Net financial instruments	**48,675**	40,465	**48,675**	40,465

The constructive obligation is measured at fair value based on the expected amounts payable, discounted at an appropriate market rate. The Trust has no loans or overdrafts and has no forward currency contracts or hedging arrangements.

13. PENSIONS AND LEAVING BENEFITS

The charity provides defined contribution pension arrangements for its employees in the UK, and UK employees based in Nepal. Each employee is able to either join the Government's NEST scheme or arrange their own personal pension plan and the charity contributes 2% of salary for every 1% contributed by the employee, up to a maximum of 10%. Contributions are charged to the statement of financial activities in the year in which they are made. The assets of the plans are held separately from those of the charity. The contributions made by the charity in 2023/24 were £121,100 (2022/23: £104,935). Contributions are disclosed in Note 6 – Staff Costs within both UK and Nepal based on the permanent location of the staff. No further liability arose other than these payments.

The retirement benefits in Nepal previously consist of a defined contribution Provident Fund with 10% contributions from both employer and employee. The Provident Fund is held by the Gurkha Welfare Scheme Staff Retirement Benefit Fund (SRBF), an independent body. In addition, Nepali Labour Laws required employers to contribute to a Gratuity fund. Traditionally this was accumulated in a fund and paid to employees on leaving based on years of service and an independent gratuity fund was established to match the liability. In 2017, under the Labour Act Nepal the gratuity changed from a defined benefit to a defined contribution scheme.

In accordance with the Labour Act, in November 2019, the Trust enrolled in the new Social Security Fund (SSF) of Nepal with combined contributions at a rate of 31% of staff salary; 20% employer contribution and 11% employee contribution. The majority of staff were required to transfer funds to the new SSF.

In line with Government of Nepal direction, during 2021/22, Trustees decided that the SRBF should be closed for all Nepal-based employees and staff offered the choice of either withdrawing accumulated funds and accepting any taxation liability or transferring funds to the SSF. As at 30 June 2024, the account remains solely for the eight staff employed in Darjeeling who are not eligible to contribute to the SSF.

The Trust has no further liability other than the monthly payments recognised in the SOFA.

14. CONSTRUCTIVE OBLIGATION

a. Provision for liabilities falling due within one year.

The Trust has recognised for some years a long-term constructive obligation, as defined by SORP (revised 2019), in respect of its welfare pensions. The SORP requires that such "constructive obligations", even though they are not legally binding liabilities, be recognised on a charity's balance sheet. From 2014/15 the Trust has recognised a similar obligation for the welfare support provided through the Disability Support Grant (DSG) to the disabled children of welfare pensioners who were not able to support themselves when their parents were deceased.

An independent actuarial assessment of the net present value of future payments for both the welfare pension and the DSG, as at 30 June 2024, has been obtained using the following long-term assumptions:

- The level of benefit agreed for welfare pensions for 2024/25, NPR 210,000 per annum (NPR 192,000 in 2023/24) and DSG of NPR 210,000 (NPR 153,600 in 2023/24) will increase with inflation at 7.0% over the long term (7.0% in 2023/24).
- An annual festival allowance of NPR 17,500 for 2024/25 is payable to beneficiaries (NPR 3,000 for 2023/24).
- An estimated number of 2,907 welfare pensioners (2022/23: 3,175) with an average age of 81.37.
- There are 246 direct DSG beneficiaries (2022/23: 239) with an average age of 58.74 and 28 eligible siblings receiving a reduced rate of DSG.
- Mortality rates are based on Government of Nepal rates adjusted to reflect the increased longevity of the Trust's beneficiaries.
- An estimated 1,470 ex-Gurkhas who left the service in the late 1960's and early 1970's and 140 ex Indian Army who served before 1947 who are not in receipt of a service pension may apply for a welfare pension in the future. A provision has been included for 35 new entrants for each of the next five years with an average joining age of 73.
- Provision has been included for an estimated 82 future DSG beneficiaries (85 at 30 June 2023)
- Future payments have been discounted at 7.0% pa (2022/23: 7.0%), which represents an assessment of the average yield on high-quality bonds in Nepal.

The value of the obligation is particularly sensitive to the exchange rate of NPR to GBP with an average for the year at NPR 165.41/£ (2022/23: NPR 155.09/£).

Based on the exchange rate of NPR166.47/£, (2022/23: NPR163.73/£) that applied on 30th June 2024, the value of the obligation for the welfare pension falling due within one year is £3,797,000 (2022/23: £3,626,000). The liability to cover the disability support grant due within one year is £347,000 (2022/23: £241,000). The combined total constructive obligation falling due within one year is £4,144,000 (2022/23: £3,867,000.

b. Provision for liabilities falling due after more than one year.

The Trust has recognised for some years a long-term constructive obligation, as defined by SORP (revised 2019), in respect of its welfare pensions. The SORP requires that such "constructive obligations", even though they are not legally binding liabilities, be recognised on a charity's balance sheet. From 2014/15 the Trust has recognised a similar obligation for the welfare support provided through the Disability Support Grant (DSG) to the disabled children of welfare pensioners who were not able to support themselves when their parents were deceased.

An independent actuarial assessment of the net present value of future payments for both the welfare pension and the DSG, as at 30 June 2024, has been obtained using the following long-term assumptions:

- The level of benefit agreed for welfare pensions for 2024/25, NPR 210,000 per annum (NPR 192,000 in 2023/24) and DSG of NPR 210,000 (NPR 153,600 in 2023/24) will increase with inflation at 7.0% over the long term (7.0% in 2023/24).
- An annual festival allowance of NPR 17,500 for 2024/25 is payable to beneficiaries (NPR 3,000 for 2023/24).
- An estimated number of 2,907 welfare pensioners (2022/23: 3,175) with an average age of 81.37.
- There are 246 direct DSG beneficiaries (2022/23: 239) with an average age of 58.74 and 28 eligible siblings receiving a reduced rate of DSG.
- Mortality rates are based on Government of Nepal rates adjusted to reflect the increased longevity of the Trust's beneficiaries.
- An estimated 1,470 ex-Gurkhas who left the service in the late 1960's and early 1970's and 140 ex Indian Army who served before 1947 who are not in receipt of a service pension may apply for a welfare pension in the future. A provision has been included for 35 new entrants for each of the next

five years with an average joining age of 73.

- Provision has been included for an estimated 82 future DSG beneficiaries (85 at 30 June 2023)
- Future payments have been discounted at 7.0% pa (2022/23: 7.0%), which represents an assessment of the average yield on high-quality bonds in Nepal.

The value of the obligation is particularly sensitive to the exchange rate of NPR to GBP with an average for the year at NPR 165.41/£ (2022/23: NPR 155.09/£).

Based on the exchange rate of NPR166.47/£, (2022/23: NPR163.73/£) that applied on 30th June 2024, the value of the obligation for the welfare pension falling due after more than one year is £25,807,000 (2022/23: £25,228,000). The liability to cover the disability support grant due after more than one year is £8,693,000 (2022/23: £6,361,00). The combined total constructive obligation due after more than one year is £34,500,000 (2022/23: £31,589,000).

Based on the exchange rate of NPR166.47/£, (2022/23: NPR163.73/£) that applied on 30th June 2024, the total value of the obligation for the welfare pension was £29,604,000. This is an increase of £750,000 on the figure for 2022/23 of £28,854,000. The total liability to cover DSG has increased by £2,438,000 to £9,040,000, (2022/23: £6,602,000). The combined total constructive obligation is £38,644,000.

The increase in valuation reflects above inflationary increases in welfare payments to core beneficiaries, approved by Trustees when agreeing the budget for 2024/25. Trustees have also approved the equalisation of the Disability Support Grant with the Welfare Pension at NPR17,500 per month.

	Balance at 1 July 2023	Movement in Actuarial Valuation	Movement in Rate of Exchange	Balance at 30 June 2024
	£000	£000	£000	**£000**
Welfare Pension	**28,854**	1,245	(495)	**29,604**
Disability Support Grant	**6,602**	2,589	(151)	**9,040**
Total Constructive Obligation	**35,456**	**3,834**	**(646)**	**38,644**
Due within one year				
Welfare Pension	3,626			3,797
Disability Support Grant	241			347
Total due within one year	**3,867**			**4,144**
Due after more than one year				
Welfare Pension	25,228			25,807
Disability Support Grant	6,361			8,693
Total due after more than one year	**31,589**			**34,500**

15. OPERATING LEASES AND OTHER COMMITMENTS

At 30 June 2024 the group's future minimum operating lease payments are as follows:

	2023/24	2022/23
	£000	£000
UK Property lease		
Within 1 year	**93**	91
Between 1 to 5 years	**253**	347
Over 5 years	**0**	0
Nepal Property		
Within 1 year	**34**	22
Between 1 to 5 years	**30**	37
Over 5 years	**18**	15

Lease payments for the year which are recognised as expenses within the SOFA totalled £145,400 (2022/23: £135,700).

Capital commitments at the balance sheet date:

The Trust has capital commitments which are not provided for elsewhere in the accounts of £62,000 (AWCs Bheri and Dharan retrofit). This represents the cost of the contracted commitment less the cost of payments already made.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS OF THE GROUP AND CHARITY

a. Analysis of Net Assets between Funds of the Group

	Unrestricted General	Unrestricted Designated	Restricted	Total
	£000	£000	£000	£000
Intangible assets	36	0	0	36
Tangible assets	1,323	735	75	2,133
Investments	77,513	15,422	0	92,935
Current assets	8,736	0	1,184	9,920
Current liabilities	(1,769)	0	0	(1,769)
Constructive obligation	(38,644)	0	0	(38,644)
	47,195	16,157	1,259	64,611

b. Analysis of Net Assets between Funds of the Charity

	Unrestricted General	Unrestricted Designated	Restricted	Total
	£000	£000	£000	£000
Intangible assets	36	0	0	36
Tangible assets	732	735	75	1,542
Investments	77,513	15,422	0	92,935
Current assets	8,514	0	1,184	9,698
Current liabilities	(1,692)	0	0	(1,692)
Constructive obligation	(38,644)	0	0	(38,644)
	46,459	16,157	1,259	63,875

The unrestricted designated fund provides for:

- Running costs of the Residential Homes for 20 years (to 2034)
- A major improvement fund for the Residential Homes
- A Disaster Response fund.

17. UNRESTRICTED FUNDS OF THE GROUP AND CHARITY

a. Unrestricted Funds of the Group

	Balance at 1 July 2023	Incoming resources in the year	Outgoing resources in the year	Gains and Transfers	Movement in obligation	Balance at 30 June 2024
	£000	£000	£000	£000	£000	£000
Designated funds						
RWEPP	**500**	0	0	(500)	0	0
RWEPP restructuring	**640**	0	(424)	(216)	0	0
Disaster response	**8,610**	0	(18)	299	0	8,891
Residential homes	**8,729**	0	(463)	(1,000)	0	7,266
Total designated funds	**18,479**	0	(905)	(1,417)	0	16,157
General funds	**38,916**	14,800	(11,181)	7,848	(3,188)	47,195
Total unrestricted funds	**57,395**	**14,800**	**(12,086)**	**6,431**	**(3,188)**	**63,352**

b. Unrestricted Funds of the Charity

	Balance at 1 July 2023	Incoming resources in the year	Outgoing resources in the year	Gains and Transfers	Movement in obligation	Balance at 30 June 2024
	£000	£000	£000	£000	£000	£000
Designated funds						
RWEPP	**500**	0	0	(500)	0	0
RWEPP restructuring	**640**	0	(424)	(216)	0	0
Disaster response	**8,610**	0	(18)	299	0	8,891
Residential homes	**8,729**	0	(463)	(1,000)	0	7,266
Total designated funds	**18,479**	0	(905)	(1,417)	0	16,157
General funds	**38,189**	14,416	(10,805)	7,847	(3,188)	46,459
Total unrestricted funds	**56,668**	**14,416**	**(11,710)**	**6,430**	**(3,188)**	**62,616**

Unrestricted funds, both general and designated, are expendable at the discretion of the Trustees in the furtherance of the Trust's objectives. The designated funds have been earmarked by the Trustees for particular purposes, but the designations have an administrative purpose only and do not legally restrict the Trustees' discretion to apply the funds.

Trustees took the prudent precaution in 2011-12 of creating a designated fund to cover the running costs of the residential homes for twenty years so that the homes would not be a drain on other activities. Trustees have also identified the requirement to increase the fund to include major works (£400,000) for the next nine years. The transfer in represents a reduction in the fund to reflect the continued increase in the rate of exchange between the Nepal Rupee and Sterling, in part offsetting inflation in Nepal. The fund is currently valued at £7,266,000 assuming long term inflation in Nepal of 7.0%.

In June 2018, following advice from leading seismologists, Trustees created a designated fund to enable an immediate response to any future natural disasters. This fund was used during 2023/24 to provide five significant repairs or replacement of homes following damage by storms and landslips during the 2023 monsoon. The fund was adjusted for the effects of year end inflation and the rate of exchange with the fund totalling £8,891,000 at 30 June 2024.

As a result of reductions in UK Government funding, FCDO advised that funding under the RWEPP Grant Agreement would end early in 2024. The RWEPP designated fund is therefore no longer required and is

transferred back to unrestricted funds.

At 30 June 2023, Trustees had identified the likely requirement for additional costs of restructuring following the withdrawal of FCDO funding, and set aside designated funds of £640,000. Outgoing resources of £424,000 reflect the discretionary compensation payments made to 30 RWEPP staff whose employment contracts were terminated at 30 June 2024, and the provision for payments to a further 15 RWEPP staff whose contracts will end at 30 June 2025. The balance (£216,000) is transferred back to unrestricted funds.

18. RESTRICTED FUNDS OF THE CHARITY

		Balance at 1 July 2023	Income	Expenditure	Transfers	Balance at 30 June 2024
		£000	£000	£000	£000	£000
a.	**Grants to individuals/Individual Aid:**					
	Welfare pensions & DSG	0	53	(53)	0	0
	Welfare grants	148	801	(825)	0	124
	Gurkha Welfare Advice Centre	0	3	(3)	0	0
		148	857	(881)	0	124
b.	**Medical:**					
	MOD Grant In Aid Medical	0	4,900	(4,808)	0	92
	Medical	0	679	(658)	0	21
	Medical camps	45	137	(182)	0	0
		45	5,725	(5,657)	0	113
c.	**Residential Homes:**	0	1	(1)	0	0
d.	**Water projects:**					
	Water projects – FCDO	81	1,639	(1,639)	(17)	65
	Water projects – other	237	728	(503)	0	461
		318	2,367	(2,142)	(17)	526
e.	**Schools projects:**					
	Neal Turkington Fund	10	2	(4)	0	8
	Schools	44	436	(446)	0	35
		54	438	(450)	0	43
f.	**Community COVID projects**					
	COVID equipment	6	0	(4)	0	3
		6	0	(4)	0	3
g.	**Other grants:**					
	Vehicles & equipment	12	0	(12)	0	0
	Infrastructure	0	170	0	(170)	0
	MOD Grant in Aid Support	354	3,595	(3,234)	(264)	450
		366	3,765	(3,246)	(434)	450
		937	13,154	(12,380)	(451)	1,259

a. Grants to individuals

Restricted funds for welfare pensions are obtained from individuals that regularly donate to a pensioner support fund as well as other advertising and appeals. Welfare grants include delivering earthquake-resilient homes. Funds carried forward to 2024/25 are for specific donor supported earthquake-resilient homes and toilets.

b. Medical

The MOD Medical grant-in-aid is provided in support of medical services to our beneficiaries. Four medical camps were delivered to rural communities.

c. Residential Homes

A donation for the provision of care provided through the Residential Homes.

d. Water projects

FCDO funding is provided through an accountable grant agreement for the rural water and sanitation programme with additional funding coming from charitable trusts and individuals. The balance at 30 June 2024, reflects the net book value of assets funded through the agreement which continue to be in use in support of the agreement. A successful rural water and sanitation appeal in early 2024 will provide funding for the delivery of water projects to Gurkha communities during 2024/25.

e. Schools projects

Several individuals, corporates and charitable trusts have sponsored two major builds and a significant number of minor builds and refurbishments. A memorial fund in memory of Neal Turkington, lost in action while serving in Afghanistan, funded two major build projects in 2013. A final project is on-going and scheduled for completion in 2024/25.

f. Community COVID Projects

Expenditure reflects the final distribution of Personal Protective Equipment (PPE), oximeters and oxygen concentrator which had been funded by a donor in 2021, in response to the COVID-19 pandemic.

g. Other grants

The MOD grant-in-aid is provided to support the administration and infrastructure costs of the GWT(N). Following initial procurement delays, new motorbikes were finally brought into service, included those funded through restricted donations. A generous donor has supported GWT through the funding of the rebuilding of AWC Damak. This project was completed and capitalised in 2024.

The following notes, numbers 19 to 24, refer to financial year 2022/23 and are included for comparative purposes only.

19. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 30TH JUNE 2023

	Notes	Unrestricted		Restricted	2022-23
		General	Designated		Total
		£000	£000	£000	£000
Income from:	3				
Donations and legacies					
Donations	3a	4,602	0	1,835	6,437
Legacies	3b	6,657	0	0	6,657
Grants					
Ministry of Defence	3c	0	0	3,335	3,335
Charitable activities	3d				
Ministry of Defence		0	0	2,750	2,750
Foreign, Commonwealth and Development Office		0	0	1,746	1,746
Medical services		0	0	395	395
Other trading activities					
Fundraising Events	3e	467	0	86	553
Retail		23	0	0	23
Investments	3f	2,703	0	0	2,703
Total		**14,452**	**0**	**10,147**	**24,599**
Expenditure on:	4				
Raising funds					
Fundraising	4f	2,488	0	0	2,488
Investment management costs	4f	355	0	0	355
Charitable activities					
Individual aid	4a	4,576	29	3,526	8,131
Medical aid	4b	5,853	18	3,462	9,333
Disaster response	4d	0	0	0	0
Residential Homes	4c	0	463	10	473
Community aid	4e	476	0	3,188	3,664
Sub Total Expenditure		**13,748**	**510**	**10,186**	**24,444**
Movement in constructive obligation	4g/14	(3,844)	0	0	(3,844)
Total		**9,904**	**510**	**10,186**	**20,600**
Net income/(expenditure) before other gains and losses		4,548	(510)	(39)	3,999
Other gains and losses					
Net gains/(losses) on investments	9	473	0	0	473
Net income/(expenditure)		5,021	(510)	(39)	4,472
Transfers between funds	17&18	1,027	(639)	(388)	0
		6,048	(1,149)	(427)	4,472
Other recognised gains/(losses)					
Profit & loss revaluation (loss)/gain		(39)	0	0	(39)
Net movement in funds		6,009	(1,149)	(427)	4,433
Reconciliation of funds					
Funds brought forward		32,907	19,628	1,364	53,899
Total Funds Carried Forward		**38,916**	**18,479**	**937**	**58,332**

20. COMPARATIVE STATEMENT OF EXPENDITURE 2022-23

	Grants	Direct Costs	Support Costs		2022/23
			Support	Governance	Totals
Charitable activities	£000	£000	£000	£000	**£000**
a. Individual Aid					
Welfare pension	3,739	0	1,864	44	**5,647**
Care for the elderly	94	5	1	1	**101**
Disability support	220	0	125	3	**348**
Winter allowance	53	0	48	1	**102**
Welfare Grants & Support	708	108	460	10	**1,286**
UK welfare	250	374	4	19	**647**
Total individual aid	5,064	487	2,502	78	**8,131**
b. Medical aid	2,862	5,209	1,179	83	**9,333**
c. Residential Homes	29	367	73	4	**473**
d. Disaster Response	0	0	0	0	**0**
e. Community aid					
School projects	181	648	433	10	**1,272**
COVID support	0	7	0	0	**7**
Water projects	0	1,644	736	5	**2,385**
Total community aid	181	2,299	1,169	15	**3,664**
Sub Total Charitable activities	8,136	8,362	4,923	180	**21,601**
f. Cost of generating funds					
Fundraising	0	1,895	518	75	**2,488**
Investments	0	337	16	2	**355**
Total costs of generating funds	0	2,232	534	77	**2,843**
Total Expenditure prior to movement in Constructive Obligation	**8,136**	**10,594**	**5,457**	**257**	**24,444**
g. Movement in Constructive Obligation	0	(3,844)	0	0	**(3,844)**
Total Expenditure	**8,136**	**6,750**	**5,457**	**257**	**20,600**

21. COMPARATIVE ANALYSIS OF SUPPORT COSTS 2022-23

	People	Premises & vehicles	Services	Legal & Professional	Currency	Sub Total Support	Sub Total Governance	Total
	£000	£000	£000	£000	£000	£000	£000	£000
a. Individual Aid	1,671	430	181	3	217	**2,502**	**78**	**2,580**
b. Medical Aid	787	201	88	3	100	**1,179**	**83**	**1,263**
c. Residential Homes	49	13	5	0	6	**73**	**4**	**77**
d. Community Aid	658	121	352	1	37	**1,169**	**15**	**1,183**
e. Fundraising	339	68	88	23	0	**518**	**75**	**593**
f. Investment management	11	2	3	0	0	**16**	**2**	**18**
Total	**3,515**	**835**	**717**	**30**	**360**	**5,457**	**257**	**5,714**
Basis of allocation	**Time spent**	**Space & time**	**Time spent**	**Direct**	**Pro rata with cost**		**Attribution & time**	

22. COMPARATIVE ANALYSIS OF NET ASSETS BETWEEN FUNDS, GROUP AND CHARITY 2022-23

a. Analysis of Net Assets between Funds of the Group

	Unrestricted General	Unrestricted Designated	Restricted	Total
	£000	£000	£000	£000
Intangible assets	81	0	0	81
Tangible assets	1,123	735	81	1,939
Investments	64,598	17,744	0	82,342
Current assets	10,103	0	856	10,959
Current liabilities	(1,533)	0	0	(1,533)
Constructive obligation	(35,456)	0	0	(35,456)
	38,916	18,479	937	58,332

b. Analysis of Net Assets between Funds of the Charity

	Unrestricted General	Unrestricted Designated	Restricted	Total
	£000	£000	£000	£000
Intangible assets	81	0	0	81
Tangible assets	532	735	81	1,348
Investments	64,598	17,744	0	82,342
Current assets	9,909	0	856	10,765
Current liabilities	(1,475)	0	0	(1,475)
Constructive obligation	(35,456)	0	0	(35,456)
	38,189	18,479	937	57,605

The unrestricted designated fund provides for:

- Running costs of the Residential Homes for 20 years (to 2034)
- A major improvement fund for the Residential Homes
- A Disaster Response fund
- GWT funding commitment to RWEPP to 2024
- RWEPP restructuring on cessation of FCDO funding 2024.

23. COMPARATIVE UNRESTRICTED FUNDS OF THE GROUP AND CHARITY 2022-23

a. Unrestricted Funds of the Group

	Balance at 1 July 2022	Incoming resources in the year	Outgoing resources in the year	Gains and Transfers	Movement in obligation	Balance at 30 June 2023
	£000	£000	£000	£000	£000	£000
Designated funds						
RWEPP	**2,000**	0	0	(1,500)	0	500
RWEPP restructuring	**0**	0	0	640	0	640
Disaster response	**8,709**	0	(47)	(52)	0	8,610
Residential homes	**8,919**	**0**	(463)	273	0	8,729
Total designated funds	**19,628**	0	(510)	(639)	0	18,479
General funds	**32,907**	14,452	(13,748)	1,461	3,844	38,916
Total unrestricted funds	**52,535**	**14,452**	**(14,258)**	**822**	**3,844**	**57,395**

b. Unrestricted Funds of the Charity

	Balance at 1 July 2022	Incoming resources in the year	Outgoing resources in the year	Gains and Transfers	Movement in obligation	Balance at 30 June 2023
	£000	£000	£000	£000	£000	£000
Designated funds						
RWEPP	**2,000**	0	0	(1,500)	0	500
RWEPP restructuring	**0**	0	0	640	0	640
Disaster response	**8,709**	0	(47)	(52)	0	8,610
Residential homes	**8,919**	**0**	(463)	273	0	8,729
Total designated funds	**19,628**	0	(510)	(639)	0	18,479
General funds	**32,286**	14,207	(13,640)	1,492	3,844	38,189
Total unrestricted funds	**51,914**	**14,207**	**(14,150)**	**853**	**3,844**	**56,668**

Unrestricted funds, both general and designated, are expendable at the discretion of the Trustees in the furtherance of the Trust's objectives. The designated funds have been earmarked by the Trustees for particular purposes, but the designations have an administrative purpose only and do not legally restrict the Trustees' discretion to apply the funds.

Trustees took the prudent precaution in 2011-12 of creating a designated fund to cover the running costs of the residential homes for the next twenty years so that the homes would not be a drain on other activities. Trustees have identified the requirement to increase the fund to include major works (£400,000) for the next ten years. A further transfer-in of £273,000 represents the increase in valuation of the Residential Homes funds within the investment portfolio. The fund is currently valued at £8,729,000 assuming long term inflation in Nepal of 7.0%.

In June 2018, following advice from leading seismologists, Trustees created a designated fund to enable an immediate response to any future natural disasters. This fund was used during 2022/23 to provide 7 significant repairs or replacement of earthquake-resilient homes following damage by storms and landslips during the 2022 monsoon. The fund was adjusted for the effects of year end inflation and the rate of exchange with the fund totalling £8,610,000 at 30 June 2023.

As a result of reductions in UK Government funding, FCDO has advised that funding under the RWEPP Grant Agreement will end early in 2024. Trustees had identified the requirement for funds to meet the financial commitment against the planned FCDO programme for the duration of the agreement; this has been reduced to one year at £500,000 for 2023/24.

Trustees have identified the likely requirement for additional costs of restructuring following the withdrawal of FCDO funding, and have agreed to set aside designated funds of £640,000.

24. COMPARATIVE RESTRICTED FUNDS OF THE CHARITY 2022-23

		Balance at 1 July 22	Income	Expenditure	Transfers	Balance at 30 June 23
		£000	£000	£000	£000	£000
a.	**Grants to individuals:**					
	Welfare pensions & DSG	0	79	(79)	0	0
	Welfare grants	613	333	(798)	0	148
	Gurkha Welfare Advice Centre	0	3	(3)	0	0
		613	415	(880)	0	148
b.	**Medical:**					
	MOD Grant In Aid Medical	0	2,750	(2,750)	0	0
	Medical	0	547	(547)	0	0
	Medical camps	30	180	(165)	0	45
		30	3,477	(3,462)	0	45
c.	**Residential Homes:**	0	10	(10)	0	0
d.	**Water projects:**					
	Water projects – FCDO	98	1,746	(1,763)	0	81
	Water projects – other	10	868	(641)	0	237
		108	2,614	(2,404)	0	318
e.	**Schools projects:**					
	Neal Turkington Fund	18	0	(8)	0	10
	Schools	67	289	(312)	0	44
		85	289	(320)	0	54
f.	**Community COVID projects**					
	COVID equipment	12	0	(6)	0	6
		12	0	(6)	0	6
g.	**Other grants:**					
	Vehicles & equipment	5	7	0	0	12
	MOD Grant in Aid Support	511	3,335	(3,104)	(388)	354
		516	3,342	(3,104)	(388)	366
		1,364	10,147	(10,186)	(388)	937

a. Grants to individuals

Restricted funds for welfare pensions are obtained from individuals that regularly donate to a pensioner support fund as well as other advertising and appeals. Welfare grants include delivering earthquake-resilient homes. Excess funds raised in 2022/23 will enable delivery of the earthquake-resilient homes programme in 2023/24.

b. Medical

The MOD Medical grant-in-aid is provided in support of medical services to our beneficiaries. Only four medical camps were delivered and the donor agreed that funds could be carried forward to 2023/24.

c. Residential Homes

A donation for the provision of care provided through the Residential Homes.

d. Water projects

FCDO funding is provided through an accountable grant agreement for the rural water and sanitation programme with additional funding coming from charitable trusts and individuals. The balance at 30 June 2023, reflects the net book value of assets funded through the agreement which continue to be in use in support of the agreement.

e. Schools projects

Several individuals and charitable trusts have sponsored the rebuilding of schools. Restricted funds are carried forward to 2023/24 to enable completion of two specific projects. A memorial fund in memory of Neal Turkington, lost in action while serving in Afghanistan, funded two major build projects in 2013. A final project has been identified for completion during 2023/24.

f. Community COVID Projects

COVID-19 support to the wider community continued during 2022/23. This was principally through the distribution of Personal Protective Equipment (PPE), oximeters and oxygen concentrator which had been funded by a donor in June 2021.

g. Other grants

The MOD grant-in-aid is provided to support the administration and infrastructure costs of the GWT(N). Delays have been experienced in the procurement of replacement motorbikes over the last year. The process is underway, and donor funds are carried forward to 2023/24 when the bikes should come into service.

SPECIAL THANKS

We are immensely grateful to all the individual donors, community groups, charitable trusts and corporate partners for their commitment in supporting us throughout the year.

AEB Charitable Trust
Belstone Management Services Ltd
Benesco Charity Limited
Brigade of Gurkhas
Gurkha Brigade Association
Heritage Knives Nepal
Jersey Overseas Aid
Jones Kemp
Lord Barnby's Foundation
Ministry of Defence
Mr Alasdair and Mrs Lisa Robertson
Mr John James Delaney MC
Mr John Martin
Mr Nigel Wood
Mr Robin Rawlings
Mrs Annette Giddins
Mrs Mary Tennyson d'Eyncourt
Richemont International Ltd
Sir Edward Lewis Foundation
The Alan Chinery Charitable Trust
The Cadogan Charity
The Callendar Charitable Trust
The Castanea Trust
The Derek Raphael Trust
The Dyers' Company Charitable Trust
The Eddie Dinshaw Foundation
The Faslane Trust
The Fathers Family
The Freddie Green and Family Charitable Trust
The Gurkha Welfare Trust Jersey
The Hadley Trust
The John Rawding Charitable Trust
The Kenneally International Foundation
The Kilpatrick Fraser Charitable Trust
The Kirby Laing Foundation
The Manali Trust
The Medlock Charitable Trust
The MJB Charitable Trust
The Mr and Mrs J M B Trust
The Patrick & Helena Frost Foundation
The Petros Settlement Trust
The Queen Mary's Roehampton Trust
The Richard and Anne King Charitable Trust
The Ridgeback Charitable Trust
The Rose Family Trust
The Rossie Foundation
The Sir Victor Blank Charitable Settlement
The Talbot Trust
The Wigoder Family Foundation
UK Aid
Universal Gurkha Security Services Ltd
Vigilance Properties Ltd
Worth Waynflete Foundation
X-Press Feeders

We also remember with much gratitude those no longer with us who generously left a gift in their Will.

Our fundraising year also included:

- Trailwalker UK
- London Marathon
- The Doko Challenge
- Gurkha Golf Day
- The Band of the Brigade of Gurkhas in Concert
- Carols by Candlelight
- Teddy Bear Auction
- The GWT Annual Auction
- The GWT Raffle

The Gurkha Welfare Trust
PO Box 2170, 22 Queen Street, Salisbury SP2 2EX
Tel: 01722 323 955 | Email: info@gwt.org.uk | www.gwt.org.uk

Registered Charity No 1103669.
Company Limited by Guarantee No 5098581. Registered in England.

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Registered with FUNDRAISING REGULATOR

THE GURKHA WELFARE TRUST

England & Wales - Charity number 1103669

Accounts

THE GURKHA WELFARE TRUST

The Gurkha Welfare Trust

Annual Report & Accounts

1 July 22 - 30 June 23

TRUSTEES, OFFICIALS AND ADVISORS TO THE TRUST

PATRON

King Charles III

VICE-PATRON

Dame Joanna Lumley DBE

TRUSTEE DIRECTORS

Lieutenant General R Wardlaw OBE (Chairman)*

S J Cooper Esq

J G R David Esq

P M A Grant Esq

Mrs R Kearsley (from 13 April 2023)

Dr J D Keeling MBA, MB BS, FRCGP, DRCOG

Mrs A Levin

Major (Retd) Hemchandra Rai MBE BEM

Colonel D Rex MVO ***

Colonel D J Robinson**

Ms C L Turner (to 14 December 2022)

AUDIT AND FINANCE COMMITTEES

S J Cooper Esq (Chair)

Mrs R Kearsley (from 13 April 2023)

Dr J D Keeling MBA, MB BS, FRCGP, DRCOG

Ms C L Turner (to 14 December 2022)

INVESTMENT COMMITTEE

P M A Grant (Chair)

Major General (Ret'd) J J Cole CBE (to 17 September 2022) ****

J G R David Esq

Brigadier M Fayers (from 17 September 2022)

P M Rigg Esq

A Brown Esq

GOVERNANCE COMMITTEE

Mrs A Levin (Chair)

Colonel D Rex MVO ***

Colonel D J Robinson**

MEMBERS

Major General (Ret'd) J J Cole CBE (to 17 September 2022) ****

Brigadier J L Clark CBE ****

Brigadier M Fayers (from 17 September 2022) ****

Brigadier P S Reehal MBE ****

Major General G M Strickland DSO MBE ****

** Ex officio Trustee – Colonel Commandant Brigade of Gurkhas*

*** Ex officio Trustee – Colonel Brigade of Gurkhas*

**** Nominated – Gurkha Brigade Association*

***** Nominated - The Royal Gurkha Rifles, The Queen's Gurkha Engineers, The Queen's Gurkha Signals and The Queen's Own Gurkha Logistic Regiment*

SENIOR MANAGEMENT TEAM – GURKHA WELFARE TRUST

Al Howard Esq – CEO

Colonel (Ret'd) Nigel Rowe – COS and Company Secretary

Adam Bentham Esq – Head of Fundraising and Communications

Captain (Ret'd) Gary Ghale – Head of Gurkha Welfare (UK)

Francine Coles – Head of Finance

SENIOR MANAGEMENT TEAM – GURKHA WELFARE TRUST (NEPAL)

Lieutenant Colonel Matt Hing RLC – Field Director, GWT(N)

Lieutenant Colonel (Ret'd) Yam Bahadur Rana, Deputy Field Director, GWT(N) (to 31 August 2023)

Captain (Ret'd) Phatta Bahadur Gurung (from 1 September 2023)

Dr Gerda Pohl – Medical Director, GWT(N)

Deepak Shrestha Esq – Project Director RWEPP

Aahat Regmi Esq – Finance Director, GWT(N)

FIELD DIRECTOR

Colonel Paul Smith*

** Defence Attaché - providing advice on political and military affairs, focal point for veterans groups and in-country assurance.*

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REGISTERED ADDRESS

The Gurkha Welfare Trust
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Registered Charity Number: 1103669

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WELCOME
FROM THE CHAIRMAN

Launched in 1969 to provide welfare support to Gurkha ex-servicemen and their families, The Gurkha Welfare Trust remains just as vital today, providing welfare support through the monthly pension to over 3,000 of our most vulnerable beneficiaries and medical support to over 28,000 beneficiaries.

Throughout the last 53 years the Trust has evolved to meet the needs of our veterans and their families and today we provide our support through our network of 21 Area Welfare Centres with modern medical facilities providing an international standard of primary medical care.

With an aging demographic, I am immensely proud to see how our staff and services have evolved; our investment in greater mobility has enabled an increased focus on delivering all services to the beneficiaries in their own homes and thereby avoiding the often arduous travel to our Centres, which can sometimes take several days.

During the last year we have increased our rehabilitation services with outstanding results – to be able to see someone previously bed-bound, become upright and mobile within their own home again, gets to the heart of our activity.

Unfortunately, these services do not come without their financial challenges; the Trust is working closely with the Ministry of Defence to secure the provision of future medical services in line with NHS primary care services. We are also extremely grateful to a number of specialists who have volunteered their time to travel to Nepal and provide training and assurance of the services we deliver.

The withdrawal of UK Overseas Aid funding over the next 18 months will impact the Trust directly. As the sole partner with DfID/FCDO for the delivery of clean, accessible water to communities throughout Nepal for over 30 years, the Trust has made a profoundly positive impact through the rural water and sanitation programmes. Whilst we will be seeking to increase our fundraising to fill some of the funding gap, we will be unable to continue at the current level of activity. Many of the staff within the water team are experts in their field and have worked with the Trust for many years; the loss of a considerable proportion of the team is disappointing and hard for all.

The geographic position of Nepal between two huge tectonic plates leads to a high risk of earthquakes. Since the last major earthquakes in 2015, the Trust has been building earthquake resilient homes for our most vulnerable pensioners and is mid-way through a retrofit programme across our Welfare Centres to ensure they can withstand the effects of a future earthquake. Following a disaster, our Area Welfare Centres will be the hubs from which we launch our disaster response and support both our own beneficiaries and their communities It is therefore essential that our staff and buildings are resilient and will remain intact. We have seen in the most recent earthquakes in rural western Nepal, that many of the older traditional homes and buildings have collapsed leading to fatalities. Whilst a rural area, thankfully all our staff and beneficiaries remained safe and unharmed. Earthquakes are sudden and strike without warning – our disaster planning and financial disaster response reserves enable the Trust to provide an immediate and effective response.

All of this work can only be achieved through the dedication and commitment of our staff in both Nepal and the UK. This report provides details as to just how much has been achieved, for which, on behalf of the Board, I pass on my sincere thanks and gratitude.

Jai Gurkha!

Lieutenant General Richard Wardlaw OBE
Chairman, The Gurkha Welfare Trust

WELCOME
FROM THE CEO

Dear Supporter,

This financial year has been marked by some superlative highs and sadly tempered by some significant lows.

On 15th January 2023, Yeti airlines flight 691 crashed in Pokhara killing all 72 occupants on board. Tragically, this included Dr Ganesh Thapa, a valued and much respected member of GWT. Our thoughts and prayers are with his family and loved ones.

On 22nd April 2023, Capt (Retd) Ram Bahadur Limbu, the last living Gurkha recipient of the Victoria Cross passed away. GWT had been providing medical assistance and when I visited him in December 2022 he was on excellent form. However, after a protracted period of ill health he passed away aged 83.

On a happier note it has been a year of, literally, high achievement for one of our GWT Ambassadors, Hari Budha Magar, who became the first above knee double amputee to scale Mount Everest on 19th May. Hari lost both his legs to an IED explosion in Afghanistan in 2010 while serving in 1 RGR. He has been inspirational in highlighting the plight and needs of the physically disabled in Nepal and elsewhere. We wait to hear details of his next awe inspiring challenge!

Another GWT Ambassador, Johnny Fenn was also engaged in a gargantuan challenge by walking the length of Nepal, some 1500 miles. Johnny is no stranger to Nepal having previously headed up GWT's operations in Nepal for several years while serving in the Gurkhas. He completed his journey on 30th April after some 4 months and losing 16.5% of his body weight in the process!

We also welcomed a new Ambassador in to the GWT fold, Mira Rai. Mira is an accomplished ultra-endurance athlete who is inspiring a new generation of young women to achieve their dreams and goals.

With the cost of living crisis and high inflationary environment in UK following on from Covid, fundraising has continued to be challenging. However, our supporters have continued to display typical loyalty and generosity to our cause even during times of financial pressures for which we are, as always, extremely grateful. All the details on our fundraising activity can be found in this Annual Report but suffice it to say that we have met our targets which allow us to continue to support our veterans in Nepal.

In Nepal, our teams have continued supporting our veterans and communities tirelessly. In particular, our RWEPP team, which provides clean accessible water to remote communities received, once again, an A* rating from FCDO. Unfortunately, due to the conflation of a number of events – the reduction in ODA spending to 0.5% of GDP, the war in Ukraine and Nepal's impending elevation from less developed to middle income status, our 30 year relationship with FCDO (formerly DfID) was due to end on 30th June 2024; although with the provision of additional funding this has now been extended to 30th March 2025. Given the ongoing requirement for water throughout Nepal, GWT will continue to build water projects into the future, sadly but necessarily, on a reduced scale.

Other work this year has been the continued construction of earthquake resilient homes for our most vulnerable beneficiaries and the retrofitting of our Welfare Centres around the country to ensure that these vital platforms for the delivery of support are equally resilient to ensure continuity of support even during times of natural disaster.

The next financial year will be no less busy for the UK and Nepal based teams. Our ageing beneficiary population continue to register their eligibility for our standard leading medical services which coupled with their increasingly complex medical needs and soaring rates of inflation has seen a dramatic increase in the cost of this vital service. Discussions with the MOD to increase its funding of these services continue in order to allow us to maintain current levels of service.

With the cessation of FCDO funding for water projects we will be restructuring our water department and ensuring a smooth transition so that our new GWT funded entity provides continuity of delivery.

As ever, I will sign off with a thank you to you all for your continued support which has been exceptional even during these challenging economic circumstances. Each and every donation makes a huge difference to the lives of our former Gurkhas in Nepal.

Al Howard
Chief Executive Officer, The Gurkha Welfare Trust

THE GURKHA WELFARE TRUST

The Gurkha Welfare Trust provides vital support to Gurkha veterans, their families and communities in Nepal. We have been working in Nepal for over 50 years, delivering essential financial and medical aid to Gurkha veterans and widows, and working with local communities to provide access to clean water and education.

WHO ARE THE GURKHAS?

The Gurkhas are soldiers from Nepal who are recruited into the British Army (or the Indian Army), and for over 200 years have committed themselves to the service of the British Crown.

To this day, the Gurkhas remain renowned for their loyalty, professionalism and bravery, and in military service have been awarded a total of 13 Victoria Crosses.

OBJECTS:

The Trust's Objects are:

- To relieve either generally or individually Gurkhas and their dependants and other persons in Gurkha community areas, who are in conditions of need, hardship or distress.
- To promote the education of Gurkhas, dependants and other persons in Gurkha community areas.
- To make provision for the medical diagnosis and treatment of Gurkhas and their dependants and other persons in Gurkha community areas who are in need of such diagnosis or treatment and for the prevention of any disease or adverse conditions which may affect any such person: and
- Such other charitable purposes which are in the opinion of the Trustees connected directly or indirectly with the foregoing purposes as the Trustees from time to time think fit.

The Trust's Vision is: "Gurkhas living with dignity". Welfare support is delivered against the following priorities:

- The provision of a Welfare Pension.
- The provision of welfare/emergency grants.
- The provision of medical support: a free primary healthcare scheme for beneficiaries and subsidised hospital care.
- The provision of water and sanitation projects.
- The running of two Residential Homes (RH).
- A programme of building earthquake resilient homes for beneficiaries.
- The building of schools and community centres.
- The Trust raises funds in support of welfare programmes involving individuals and communities in Nepal and also in an advisory capacity in support of ex-Gurkhas in UK.

OUR HISTORY

The Gurkha Welfare Trust provides vital support to Gurkha veterans, their families and communities in Nepal.

We have been working in Nepal for over 50 years, delivering essential financial and medical aid to Gurkha veterans and widows, and working with local communities to provide access to clean water and education.

In the late 1960s, following the end of various Eastern conflicts, there was a significant reduction in the number of serving Gurkhas in the British Army. It was realised that many Gurkha soldiers and their dependants or widows in Nepal faced destitution in old age. Many of these soldiers had served in the World Wars; however, they had not served the 15 years needed to qualify for an Army pension.

Unlike their British counterparts who could rely on the welfare state in old age, the Nepali Gurkhas had no such safety net.

Debt of honour

In recognition of the country's debt of honour to these soldiers, a public appeal, led by eight of our greatest wartime Field Marshals raised £1m to establish The Gurkha Welfare Trust (advert in The Times pictured below).

The Trust then began to create a network of bases in Nepal to distribute financial aid to retired soldiers who had met with disasters such as landslides and floods. We also bought land for ex-Gurkhas to become subsistence farmers and provide enough food to support their families.

From that arrangement we later began paying our regular Welfare Pension payment, expanded our remit to include community initiatives like schools and water projects and developed a comprehensive medical scheme across Nepal.

SUPPORTING GURKHA HEROES

Gurkha veteran Jitbahadur Gurung fought alongside the British Army in World War Two. Enlisting in 1940, Jitbahadur served in India, Singapore and Malaysia, before being captured by the Japanese and held as a prisoner of war.

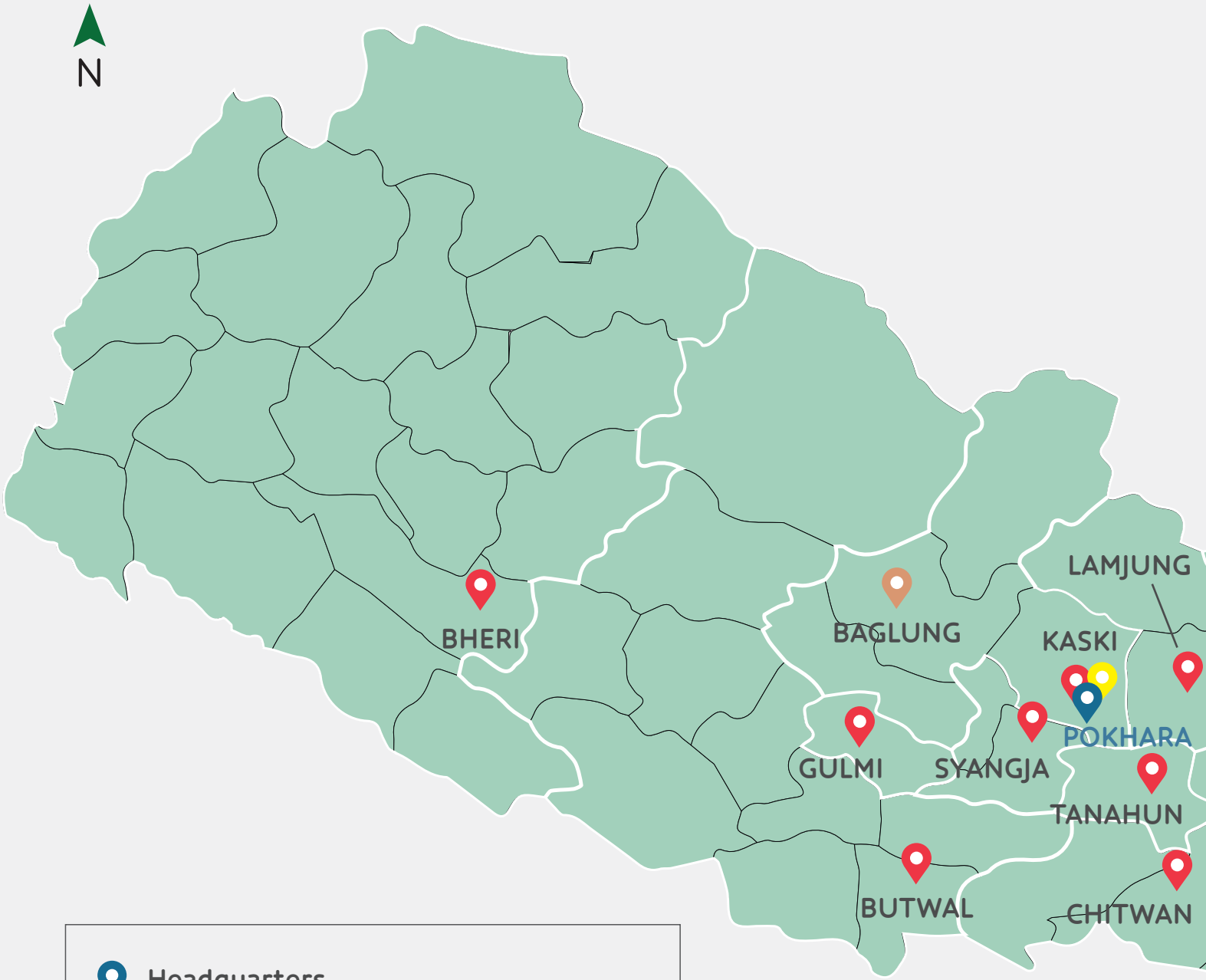
"I fought against the Japanese and was captured in Singapore, kept a prisoner until 1945. We were given corn and soybeans to eat. We used to wear clothes that had been thrown away."

When Jitbahadur and his comrades were liberated, they boarded a ship back to India. It took him days to walk back to his remote village in the hills of Nepal. *"Having enlisted in 1940 and being away for such a long time without any contacts, my family and villagers had thought I had died. They were all surprised to see me back,"* he said.

Jitbahadur remained in his village in the years after the war, supporting himself and his young family on what he grew in the fields. They survived on what they could, but at times it was very difficult to get by. When we came to learn of Jitbahadur's situation, we began to support him with financial and medical aid.

"The pension helps father to buy and eat what he wants or wear what he wants to," said Gandhoj, Jitbahadur's son. *"It would have been difficult for him without the pension at this age. He is able to buy slippers, or else he would be walking barefoot!"*

Although we usually travel to the homes of Gurkha veterans and widows to deliver their pension and a health check-up, Jitbahadur prefers to travel to our Area Welfare Centre in Syangja. He's very fit for a 101 year-old, enjoying walks around his village and cutting grass for his buffalo during the day.


N
BHERI
BAGLUNG
LAMJUNG
KASKI
POKHARA
GULMI
SYANGJA
TANAHUN
BUTWAL
CHITWAN
Headquarters
Areas Welfare Centre (AWC) x 20
Residential Home (RH) x 2
Permanent Patrol Base (PB) x 2

HOW WE WORK

The Trustees have given due regard to the Charity Commission's guidance on reporting public benefit when planning the charity's activities and are satisfied that the Trust is fully compliant with the Charities Act 2011.

Benefit to our beneficiaries can be assessed in two distinct areas:

1. INDIVIDUAL AID

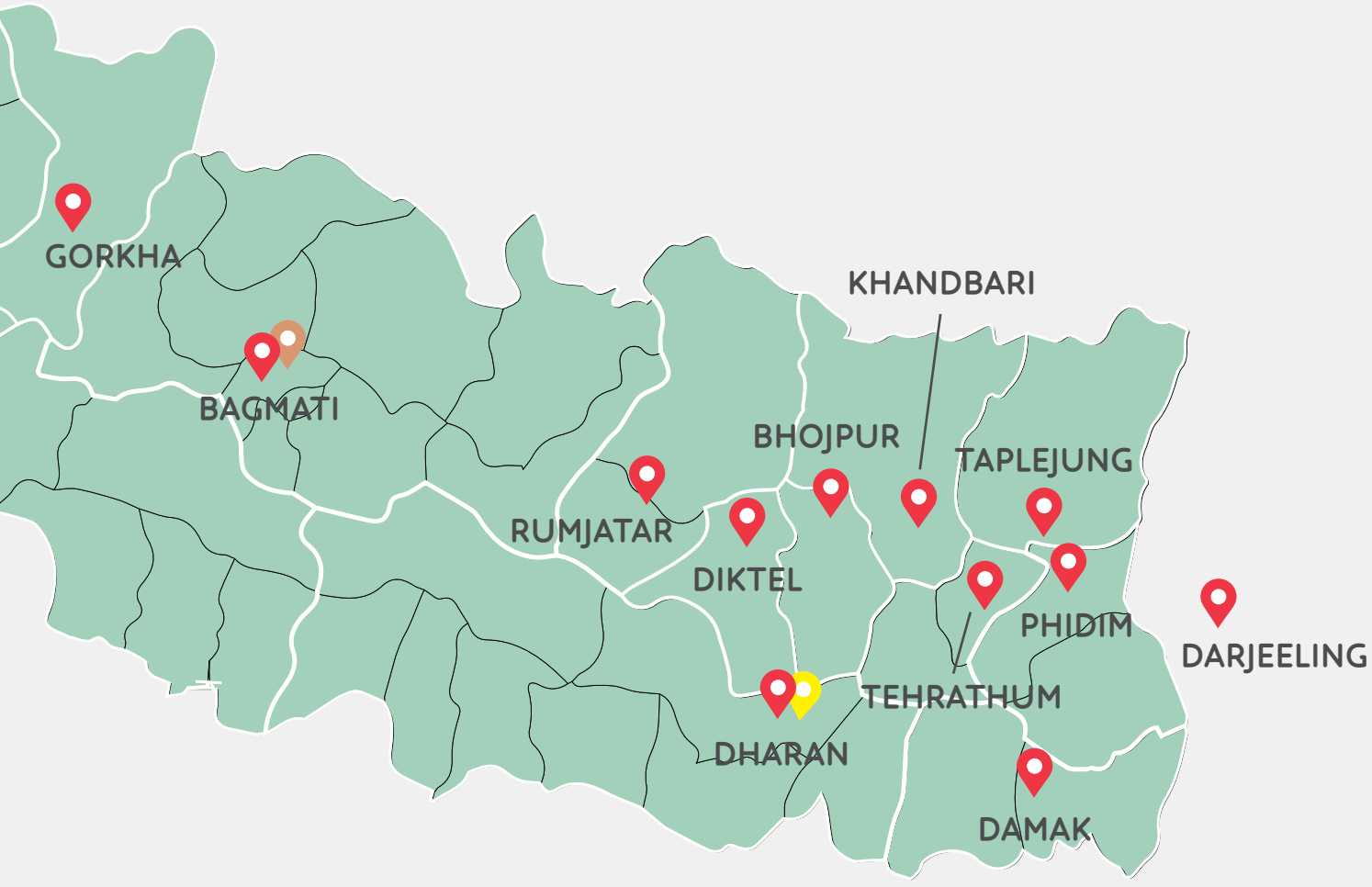
In the form of the Welfare Pension, Winter Allowance, Disability Support Grants, Welfare Grants, Home Carer's Allowance, Funeral Grants and our Earthquake - Resilient Homes. These are provided perennially to ensure that our core beneficiaries, Gurkha veterans and their families, are able to live with dignity.

Enhanced support is provided to veterans and widows living in our two Residential Homes, marked on the map below. In addition, free primary medical care is provided to all eligible individuals as well as subsidised secondary healthcare treatment.

2. COMMUNITY AID

Provided in the form of schools, accessible drinking water and medical camps. The primary beneficiaries of these activities are the general public.

All of this is coordinated via our network of Area Welfare Centres, marked on the map below.



OUR YEAR IN NUMBERS

1 July 2022- 30 June 2023

Provided NPR14,500 per month to over **3,400** Gurkha veterans and widows.

We distributed **954** Hardship Grants and **285** funeral grants.

Provided NPR11,600 per month of Disability Support Grants to **239** recipients.

Home Carers allowance was received by over **300** carers.

We supplied over **4,000** rice cookers to help those in need during the winter months.

We have built **2** major schools.
Completed **17** minor extensions.
Carried out **81** refurbishments.

Over **21,200** patients accessed our medical services.
Over **8,400** flu vaccines and **2,200** pneumococcal vaccines prescribed.
We gave palliative care to over **210** people.

We built **73** Earthquake Resilient Homes.

Over **13,360** Welfare Advice Centre cases in the UK.

Enabling grants through the ABF of £250k.

We provided Disaster Risk Reduction awareness training to over **4,160** people.

We have **36** permanent residents across **2** residential homes.

We supported **25** pensioners with rehabilitation in our residential homes.

We completed **36** water projects.
We installed over **1,590** tap stands.
Getting clean fresh water to over **8,800** people.

OUR IMPACT

For an organisation with relatively few resources in the UK, the Trust continues to deliver an impact far above its weight in Nepal, thanks to the incredible support from donors.

Though at its core, the support of elderly and vulnerable Gurkha pensioners remains a priority, the wider services across Nepal continue to deliver an exponential impact.

The medical service available to all Gurkha veterans and their dependants is now our most expensive service to deliver but also the one which generates the biggest impact across Nepal. In a country with no national health service and often little or no access to medical care at all, the professional service the Trust delivers grants veterans and their families the basic human right to effective healthcare.

The chart below indicates our charitable expenditure across the year.

CHARITABLE EXPENDITURE

Water and Sanitation (£2.39m)

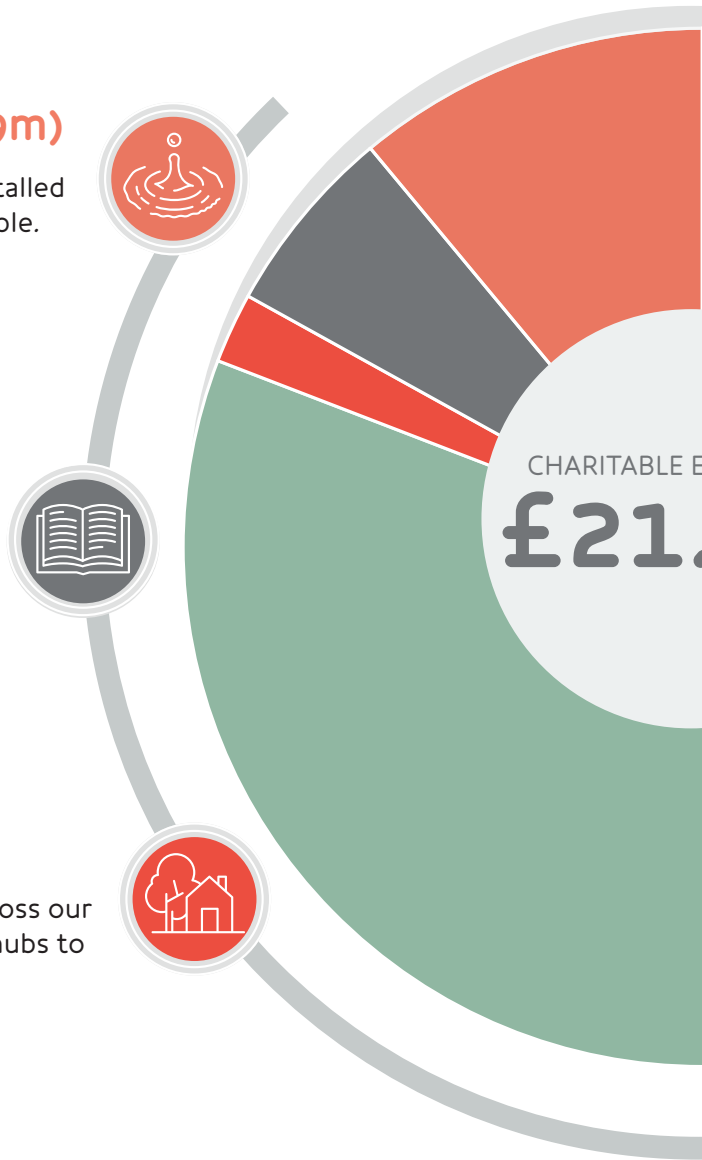
Last year we completed 44 water projects, installed 1,590 tap stands and benefited over 8,800 people.

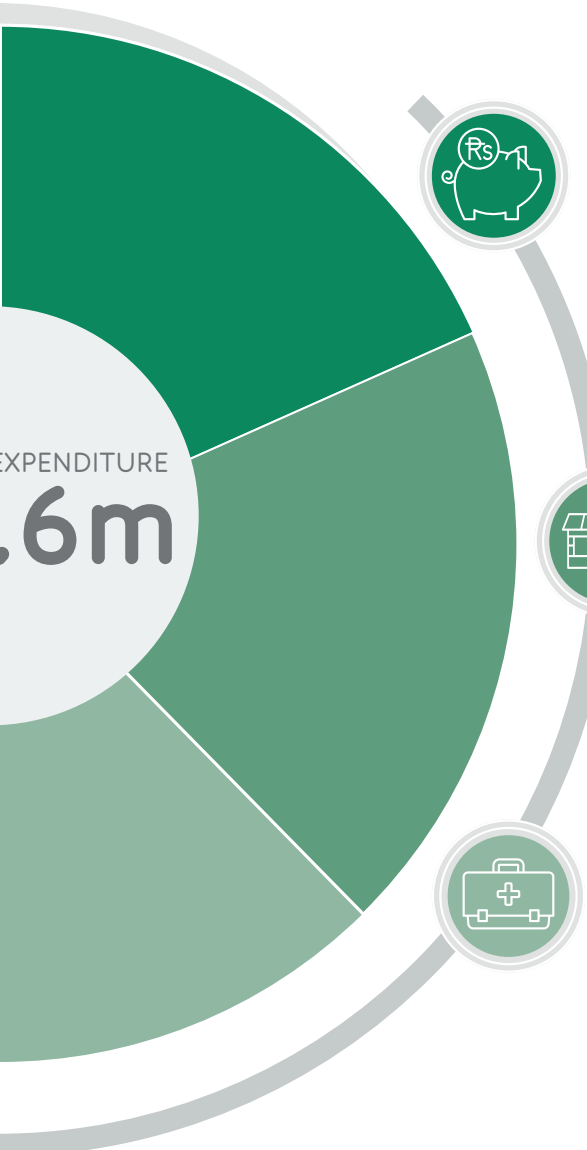
Schools (£1.27m)

We constructed two major two-storey schools including libraries and library training, 17 school extensions and 81 school refurbishments.

Residential Homes (£0.47m)

Last year there were 36 permanent residents across our two Residential Homes. They were also used as hubs to rehabilitate 25 patients.





Financial Aid (£3.96m)

We paid a pension worth 14,500 Nepali Rupees per month to over 3,400 vulnerable Gurkha veterans and widows.

We provided a Disability Support Grant to 239 people.

Welfare support (£4.17m)

During the year, we provided 954 hardship grants, 285 funeral grants and built 73 new earthquake-resilient homes for Gurkha veterans and widows.

We gave a Home Carer's Allowance to 302 people and distributed Rice Cookers to all welfare pensioners through the Winter Allowance.

Medical Aid (£9.33m)

Over 21,000 patients accessed GWT medical services and our medical teams undertook over 8,800 home visits. Over 5,000 rehabilitation treatment sessions were provided either in the home or through our medical centres.

We treated 120,920 medical cases and dispensed 53,481 items of medication. We treated over 2,200 patients at our four medical camps in Kalikot, Mugu, Bajura and Sankhuwasabha.

OUR PLANS FOR THE YEAR

Continued implementation of disaster resilience enhancements to the Area Welfare Centre (AWC) network:

This is a multi-phase programme ensuring that our permanent footprint is able to withstand and continue to operate in times of natural disaster. Progress this year includes:

a. AWC Rumjatar (March 2023)

b. AWC Phidim (March 2023)

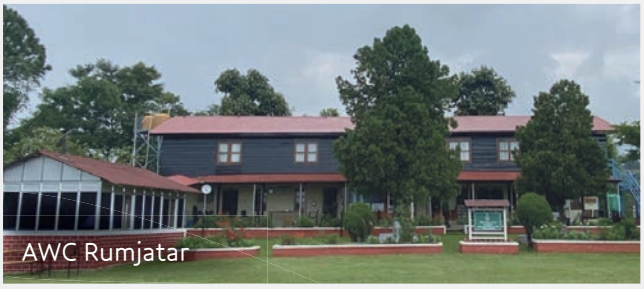
c. AWC Diktel (June 2023)

d. AWC Khandbari (June 2023)

e. AWC Bhojpur Rebuild (June 2023)

f. Patrol Base (PB) Myagdi moved location to PB Baglung (April 2023)

g. Family Stores in Butwal, Tanahun and Dharan (April 2023), DR Stores will be stocked once the retrofit is completed.


AWC Rumjatar

AWC Phidim

AWC Diktel

Engagement with MOD on further financial support for Nepal based veteran medical provision.

Discussions with MOD have been positive with a commitment to increase funding to ensure that there is no reduction in the current level of services and to ensure that this vital provision is future proofed against inflation.

Assessment of longer term options for medical provision in Darjeeling.

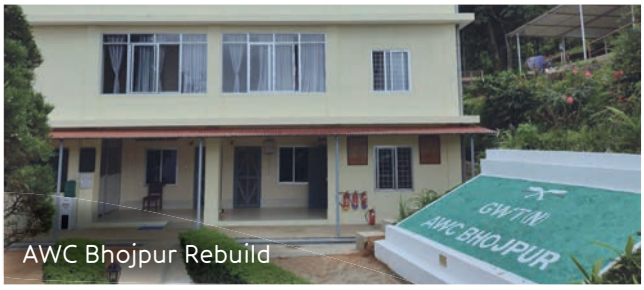
Following a review of available options, GWT signed an annually renewable 5-year agreement with International SOS, who currently provide our medical support in Darjeeling. This will allow a continuity of service and the ability to utilise International SOS's Indian support network, ensuring the best possible service for our beneficiaries.

Future Plans:

The following objectives have been identified for FY 2023/24:

- Conclude enhanced financial support for Nepal based medical services with MOD.
- Complete the second phase of AWC DR retrofits.
- Implement the restructuring of RWEPP.

AWC Khandbari



AWC Bhojpur Rebuild

गोर्खा
वेल्फेयर
ट्रस्ट

OUR FUNDRAISING PERFORMANCE

It is incredibly important for the Trust that it remains transparent to supporters in terms of the amount it raises and spends. Trust is the most important factor when considering a gift to charity and, as you might expect, our finances are run and reported on with military precision.

For every £1 we spent on fundraising last year, we raised £5.49.

Last year the Trust raised £13.67m through its fundraising, of which nearly half came in via legacies kindly left to the Trust by supporters in their Wills.

WHERE DOES MY DONATION GO?

Last year, for every £1 of income, The Gurkha Welfare Trust, spent just 12p on fundraising (including management of our investments) and 88p on supporting Gurkha veterans, widows and their wider communities.

Investment management **1.4%**

Fundraising **10.2%**

Charitable activity **88.4%**

FUNDRAISING STRATEGY

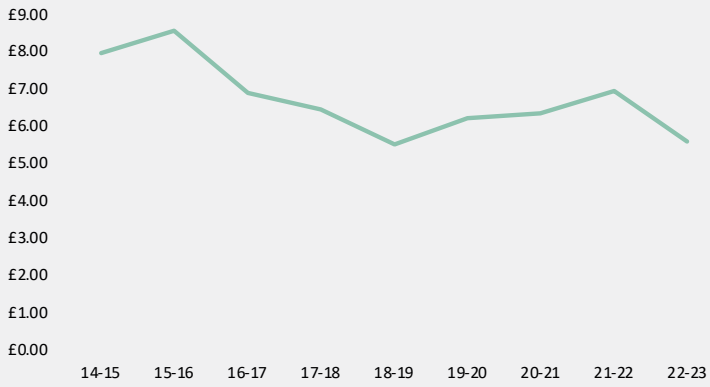
The Trust's current five-year fundraising strategy concluded at the end of this year (22/23). Its focus has been weighted towards the generation of funds from individual supporters via quarterly campaigns. This year was no exception and the British Public continued to show exceptional support for Gurkha veterans, their families and communities in Nepal despite economic cross winds in the UK.

As the Trust enters a new strategy, there is a need to further communicate the enormous span of activity that we now deliver in Nepal beyond the traditional Welfare Pension that we pay our most vulnerable Gurkha veterans and widows.

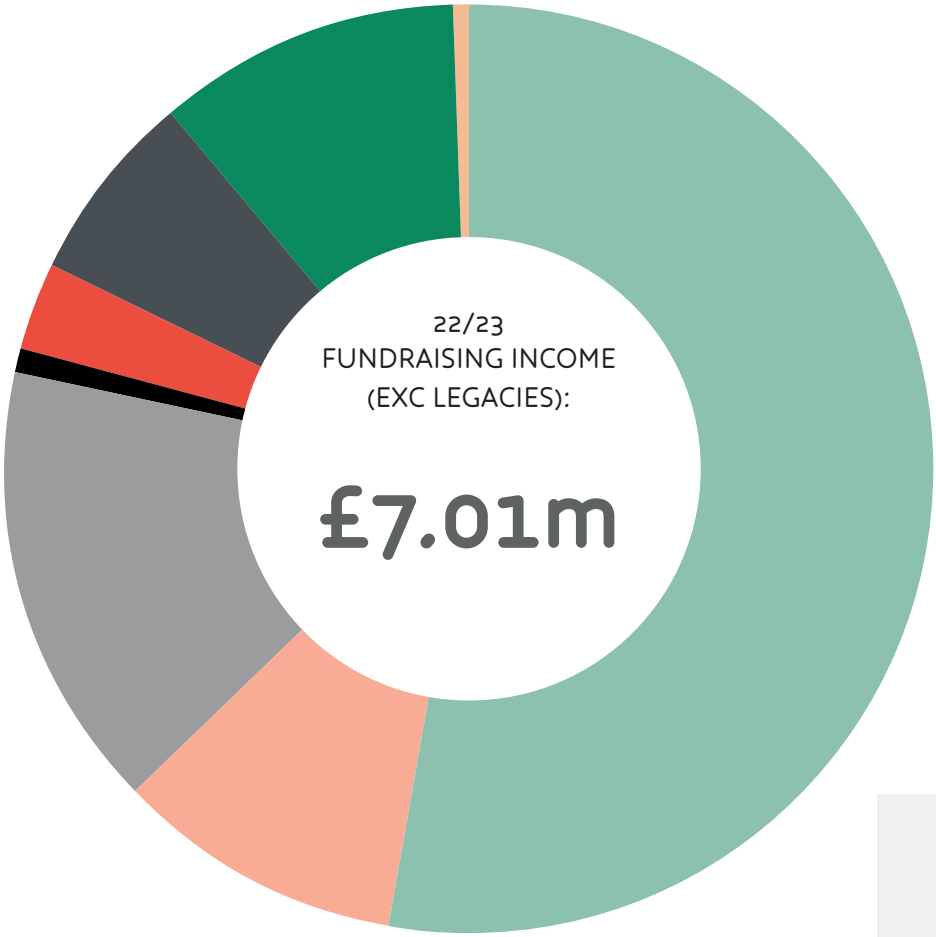
The strategy also needs to be delivered in the context of the post-pandemic cost-of-living crisis that has highlighted the need for more depth and resilience across other fundraising streams.

FUNDRAISING RETURN ON INVESTMENT (ROI)

The graph on the right shows the fundraising Return on Investment that the Trust has achieved in previous years. NCVO's Civil Society Almanac has tracked ROI from Fundraising from 10,000 sets of charity accounts across the past 18 years: The highest was £5.22 (2004/05) and the lowest £3.91 (2012/13). The average between 2000/01 and 2018/19 was £4.51. Last year GWT was able to achieve £5.49, in 2021/22 the ROI was higher at £6.93, reflecting the increased legacy income, and in 2020/21 £6.33.



FUNDRAISING INCOME



- Individual Giving
- Major Donors
- Trusts
- Corporates
- Community
- Events & Challenges
- Gift Aid
- Merchandise

Over the course of the year the total fundraising income was £13.670M.

Total fundraising expenditure was £2.488M.

Income was boosted significantly by strong legacy income, with an average of 76% of these gifts coming from known GWT supporters.

22/23
LEGACY INCOME:

£6.66m

76%

of which came from previous GWT supporters.

FUNDING PARTNERS

The Ministry of Defence (MOD) continues to provide an annual Grant in Aid (£3.3M) towards staff and administration costs of the GWT(N) in support of welfare delivery. This enhances value for money for donors as it allows, in conjunction with investment income, donations to be spent directly on welfare projects. The MOD also provides a £2.75M Grant in Aid in support of the Trust's healthcare provision for veterans in Nepal.

A five-year accountable grant agreement (£19M) with the UK's Foreign, Commonwealth and Development Office (FCDO) commenced on 1 July 2021, for the provision of Water, Sanitation and Hygiene and Emergency Preparedness. Unfortunately, due to Central Government funding cuts, FCDO were unable to fulfil their annual grant commitment and as a result in-year funding was reduced to £1.7M.

FUNDRAISING POLICY

- We communicate with supporters based on their preferences and only telephone or email people who have given us explicit consent to do so. For our Direct Mail programme, we use the Information Commissioner's Office (ICO) guidelines around 'legitimate interest' when contacting supporters. We provide clear information on how to opt out of receiving any communications from us via every channel we use.
- We have paid the levy to join The Fundraising Regulator and promote our association and aim to comply with their guidance on our website.
- We are registered with the Fundraising Preference Service and ensure nobody is contacted who logs their requests with them.
- We comply with the Fundraising Regulator's Fundraising Code of Practice.
- We ensure that our staff and our partner agencies are sighted on policies which safeguard our donors at every stage of their supporter journey. Individuals do not always recognise that they are vulnerable or that they might need additional help or assistance. As a result, staff (and fulfilment agencies) are given processes to help identify potential vulnerabilities and to then consider:
  - How they communicate (ie. tone/language/volume) with them and all the options available.
  - What they communicate to them and how it might impact the donor.
  - When to offer additional support.
- Our Safeguarding Guidelines for Vulnerable Supporters can be found at **www.gwt.org.uk/resources**.
- We do not share supporter details with any other organisation for marketing or fundraising purposes.
- We update donor details on our database according to their wishes and ensure our database is fully GDPR compliant.
- We have a procedure for logging complaints: **www.gwt.org.uk/complaints.** In total twelve complaints were received over the year; eleven were related to individual giving correspondence (or lack of), and one was in relation to one of our corporate partnerships.
- All staff have regular training on Data Protection.
- We update our Privacy Policy on a regular basis to comply with ICO guidance.
- We do not wealth screen in compliance with the GDPR.
- We only share donor data with third parties assisting us with our fundraising and we take every measure to ensure data is transferred securely via encryption and passwords and to secure servers.
- Our supporters are at the heart of everything we do and you can find "Our Vow to You" on our website.

The Charity Commission issued guidance "Charity Fundraising – a guide to Trustee duties" and the Fundraising checklist (CC20) in 2016. The 2023 assessment was reviewed by the Audit Committee in March 2023.

FUNDRAISING HIGHLIGHTS

Supporters generously raised funds for our work in a variety of ways over the year. Notable activities included:

DINNER AT THE HOUSE OF LORDS

The Rt Hon the Lord Lancaster of Kimbolton, TD PC hosted a special event at the House of Lords on the evening of 17th January in aid of the Trust.

The Band of the Brigade of Gurkhas and 2nd Battalion Royal Gurkha Rifles Pipes and Drums put on a rousing performance in Speaker's Court to kick off the fundraising event. Those watching the riveting show included the Speaker of the House of Commons. Afterward, guests moved to the House of Lords for a drinks reception, dinner, silent auction and speech from the Secretary of State for Defence, Rt Hon Ben Wallace MP.

TEAMS CONQUER TRAILWALKER 2022

This year, 764 individuals joined 191 teams to traverse the South Downs Way. Gurkha pipers were on hand to encourage teams through the start and finish lines.

Teams had a target to finish the 100km course in 30 hours or less, and put in an incredible effort to tackle the hilly route as fast as possible. The winning team was the Queen's Gurkha Signals, who crossed the finish line in an incredible 10 hours and 16 minutes. Coming in second were the Queen's Gurkha Engineers at 11 hours and one minute, and third to cross were the 'A Team' from The First Battalion, The Royal Gurkha Rifles at 11 hours and 38 minutes.

Net proceeds for the event of £139k were shared between GWT and Oxfam GB.

NEPAL STAFF TAKE ON EPIC CYCLE RIDE

In March, three of our staff from AWC Darjeeling cycled 135km in just two days through the stunning Himalayan foothills.

Vinod, Indra, and Rajendra started in Sikkim and rode through Namche, Singtam and Teesta, covering elevations up to 2,140m.

In total the team raised over £1,300 for the cause.

CHARITABLE ACTIVITIES

OUR MOST VULNERABLE GURKHAS

MOTIRAS GURUNG'S STORY

Rifleman Motiras Gurung is 100 years old and still clearly remembers the hardship he endured as a soldier.

Motiras enlisted in India in 1942. After training, he was posted to the 4th Gurkha Rifles. He served in the Burma conflict where he was injured, leading to medical discharge from the army.

"We used to carry the rifle fully loaded for 24 hours during the war. We had five magazines, a small shovel to dig the trenches and a bottle of water. We weren't allowed to drink without orders. During one of the patrols in the evening, we were ambushed. I was hit and I fell to the ground. I remember another friend was also hit behind me. I was immediately carried away... I don't know what happened after that. I was fortunate the bullet hit my arm, if it was 6 inches to the left, I may not have lived."

For many years Motiras worked as a labourer in India. When he returned to Nepal to be with his family, they struggled to survive on what little they could cultivate in the village. Motiras now receives a monthly pension and our mobile health team visits him regularly to check on his health.

"The money means we don't have to solely depend on our son or borrow money from others. We are able to spend on what we like... We have lived a life of hardship for so long, but we survived somehow. It is very good now that GWT is looking after us."

PENSIONER SUPPORT TEAMS

As our pensioners grow older, they are increasingly vulnerable, and many are reliant on home visits by our Mobile Support Teams who deliver pensions, carry out health checks and deliver medical equipment, mobility aids and medicines. Fifty-four percent of our pensioners are now over 80 years old, and over 60 of them are centenarians. Without our continued intervention, many of them would be totally isolated and unable to look after themselves.

Our medical teams undertook 8,870 home visits over the course of the year.

WELFARE PENSION

We pay a pension to thousands of impoverished Gurkha veterans or widows in Nepal who are not eligible to receive a British Army pension. The rate is calculated each year using a 'shopping basket' of basic goods such as rice, vegetables and firewood. For many people, this is their only source of income.

We also provide financial aid through other grants.

Disability Support Grants are provided for disabled dependants of Gurkha veterans and widows to help them live in comfort and with dignity. Without this financial support, and in the absence of a developed-world health system, disabilities can pose an insurmountable obstacle in Nepal.

The Home Carers Allowance is a grant for family members of Gurkha veterans or widows who care for them full time and are not able to work.

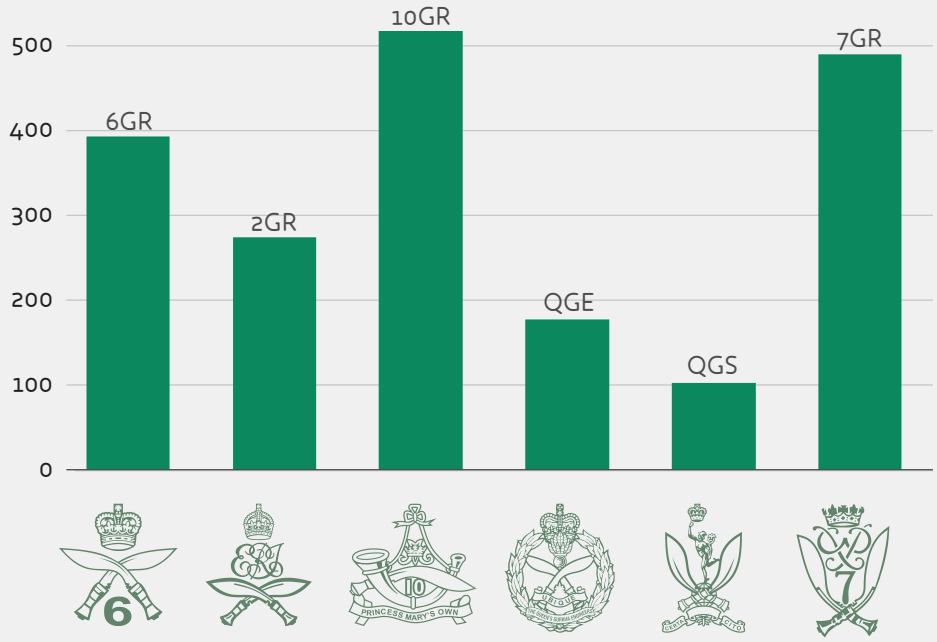
Last year we paid a pension worth 14,500 Nepali Rupees per month to over 3,400 vulnerable Gurkha veterans and widows. We provided a Disability Support Grant to 239 people, and a Home Carer's Allowance to 302 people.

CORE PENSIONER DEMOGRAPHICS

Broadly, those in receipt of the Trust's Welfare Pension are considered to be the most vulnerable of our beneficiaries in Nepal and as a result are furnished with the most support in the form of a pension, home visits, medical care, pharmaceuticals, rehabilitation services and more.

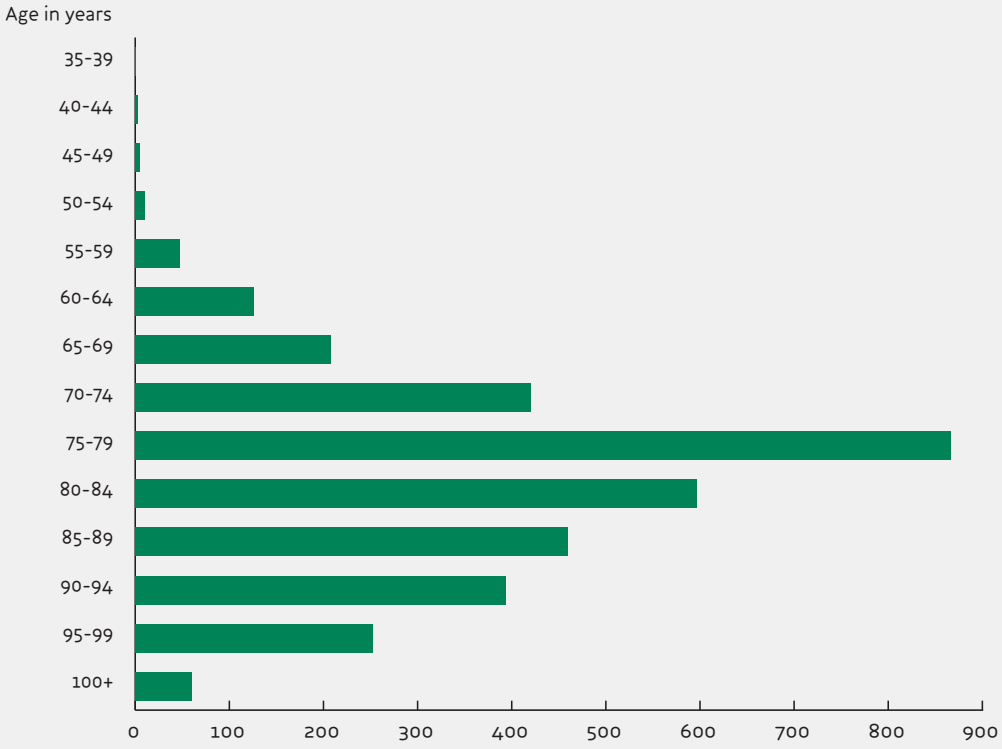
REGIMENT	CORE PENSIONERS
1GR	119
2GR	**275**
3GR	117
4GR	154
5GR	119
6GR	**394**
7GR	**491**
8GR	92
9GR	211
10GR	**518**
11GR	5
QGE	**178**
QGS	**104**
GTR	153
GCSPF	47
OTHER	198

CORE PENSIONERS BY REGIMENT



AWC	CORE PENSIONERS
Bheri	88
Gulmi	126
Kaski	311
Lamjung	81
Gorkha	81
Syangja	167
Tanahun	139
Chitwan	165
Burwal	357
Bagmati	246
Rumjatar	88
Diktel	129
Bhojpur	72
Khandbari	50
Tehrathum	57
Taplejung	61
Phidim	79
Dharan	378
Darjeeling	211
Damak	289

CORE PENSIONERS BY AGE GROUP



EMERGENCY HARDSHIP GRANT

We are needed the most during moments of tragedy. When disaster strikes in the form of fire, flood, landslide or earthquake, GWT is ready to provide immediate assistance, by offering financial and other support.

We awarded over 960 Emergency Hardship Grants providing emergency supplies, essential items and home repairs for those hit by disasters including heavy monsoon rain, floods and landslides across Nepal and have provided 12 rainwater harvesting projects providing drinking water for our most vulnerable pensioners.

WINTER ALLOWANCE

Our Winter Allowance is an additional annual gift distributed to all of our pensioners to ensure that they are equipped to endure the colder months of winter.

We delivered rice cookers to over 4,000 vulnerable veterans and widows to ensure they were able to eat hot meals over the colder months.

HOME CARERS ALLOWANCE

Sometimes, family members of our Pensioners care for them full-time. When this happens they are able to apply for a grant from us to support them as they are unable to work.

MEDICAL CAMPS

We provide free specialist outreach care for people living in communities in the remote hills of Nepal, where access to such services is impossible for most. We focus on long term disabling condition such as cataracts, loss of limbs and hearing loss, as well as chronic dental issues. Cataract surgery, hearing aids or the provision of artificial limbs or even dentures can make a huge difference to those living in discomfort.

We saw a total of 2,413 patients at our four medical camps in Kalikot, Mugu, Bajura and Sankhusaba.

At our Medical Camp in Manma, Kalikot District, we carried out 429 dental treatments (of which 272 partial or complete dentures), assisted 40 patients with rehabilitation (mobility aids and artificial limbs). The ENT team performed 42 ear operations, and provided 58 patients with hearing aids.

DISASTER PREPAREDNESS

Nepal is particularly prone to earthquakes and was hit most recently by a devastating earthquake in 2015. Many of our veterans and widows were affected and nationally the death toll was high. After distributing emergency aid in the immediate aftermath, and subsequently helping to rebuild communities, we have turned our attention to our longer-term strategy.

Resilience for the next earthquake is central to our thinking. We have delivered training to our own staff and in due course will expand this to include the communities we serve. We are distributing essential items across Nepal and we have improved our ability to communicate in the event of a disaster.

HOMES FOR HEROES

Kerbahadur's new earthquake-resilient home was built next to the home of his daughter-in-law, where he had lived previously and shared a room with his grandsons. Now he has the space to live comfortably and with dignity, which is more important than ever at 96 years old. Most essentially, this home will keep Kerbahadur and his family safe from earthquakes, landslides, and flooding in Nepal's unpredictable environment.

The Gurkha veteran and his family are also very grateful for the monthly Welfare Pension, which we are able to deliver thanks to generous donations from our supporters in the UK. "The amount that I receive is enough for me to buy food and clothing," Kerbahadur said. "It is the blessings of Lord Buddha! The British have compassion for us."

EARTHQUAKE RESILIENT HOMES

We are also taking pre-emptive action by building earthquake-resilient homes for Gurkha veterans and widows.

Last year, we built 73 new homes for Gurkha veterans and widows.

MEDICAL AID

We provide high standard primary healthcare to Gurkha veterans and their families living in Nepal. We do this through our regional medical clinics, via home visits by our medical outreach teams and by arranging subsidised treatment at carefully selected national hospitals.

Last year over 21,200 patients accessed the Trust's medical services. Over 8,400 flu vaccines were prescribed as well as 2,200 pneumococcal vaccines.

Palliative care was provided for 210 people and key medical equipment was loaned to over 150 pensioners.

CLEAN WATER AND SANITATION

Our water projects bring clean water and sanitation to remote communities in Nepal. We install individual tap stands and toilets to households and schools. By ensuring a safe water source and providing a comprehensive education programme on the importance of sanitation we see sharp drops in water-borne diseases such as dysentery.

Last year we completed 36 water projects, installed 1,590 tap stands and provided 8,800 people with access to clean water.

Simple Drip Irrigation projects were installed in over 230 households to enhance the nutritional status of new mothers. In addition, over 6,700 people were trained on the importance of effective sanitation.

It is not always remote villages that struggle with clean accessible water. Last year we undertook a major water project for the city of Dharan to mitigate the acute water shortages experienced during the dry season. This project benefits the city's inhabitants but also the 3,400 veterans that also reside there.

SCHOOL PROJECTS

Our schools programme builds, repairs and improves schools in remote regions of Nepal and in turn provides access to education and a better future for Nepali children.

Last year we completed two total school builds, 17 school extensions and 81 school refurbishments.

RESIDENTIAL HOMES

Our two Residential Homes provide round-the-clock care to Gurkha veterans and widows who would otherwise struggle to live alone. With no comparable facility in Nepal, they set the standard of care for the elderly. The Residential Homes also provide in-patient hubs for our Rehab Services with bed spaces dedicated to rehabilitating beneficiaries on a short-term residential basis.

Last year there were 36 permanent residents across the two homes and 25 pensioners who benefitted from the rehabilitation facility.

UK ADVICE SERVICES

Since the revised settlement ruling in 2009, many Gurkhas and their families choose to live in the UK. In collaboration with Headquarters Brigade of Gurkhas (HQBG), we established two Gurkha Welfare Advice Centres (GWAC) in 2010, one in Aldershot and another in Salisbury, to provide advice and signposting to government and charity support for those choosing to settle in the UK.

Last year the team saw over 13,360 Welfare Advice Centre cases in the UK and enabled grants through the ABF of £250k.

OUR FINANCIAL REVIEW

Against the backdrop of global economic uncertainty, it has been another challenging year. The wider global economic turmoil and impact of the war in Ukraine, created significant fluctuations in the financial markets resulting in increased inflation rates, supply chain challenges and cost of living pressures. The resultant cost of living pressures in the UK have impacted on Individual Giving and some of our participation events, although the GWT remains incredibly well supported.

The political uncertainty in the UK in autumn 22, resulted in significant fluctuations in the strength of Sterling and the NPR/GBP Rate of Exchange (ROE); falling by 12% at the lowest in September 2022, but recovering to an average rate for the year of NPR155.09/£ in line with our budget assumptions.

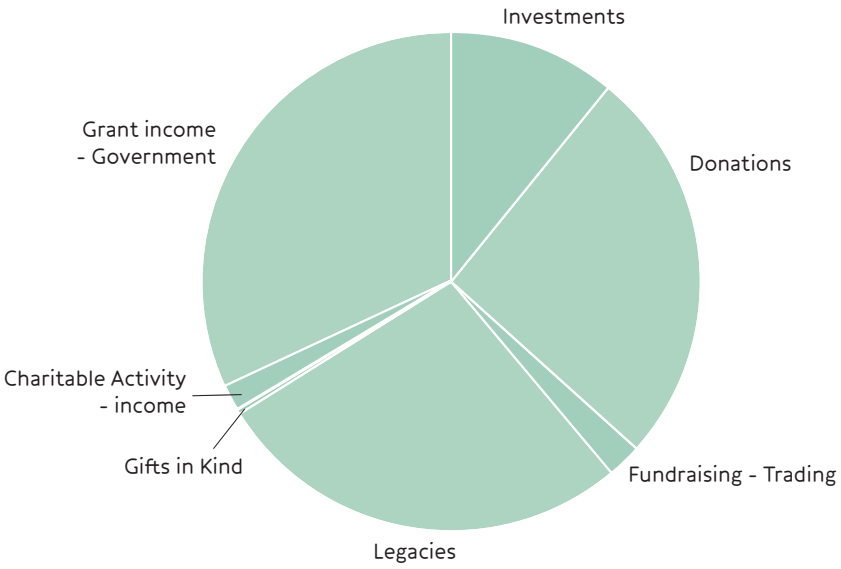
Subsequent cuts in government overseas aid funding has impacted on RWEPP both in-year and for the long-term.

INCOME

Trust income from all sources during the financial year 2022/23 was £24,599,000 (2021/22: £25,512,000).

Donations from individuals, companies, trusts and other organisations totalled £6,437,000 (2021/22: £6,993,000). We continue to be supported by the MOD who provided a grant of £3,335,000 (2021/22: £3,325,000) towards the cost of the means of delivery of our aid and a grant towards the provision of medical services £2,750,000 (2021/22: £2,525,000).

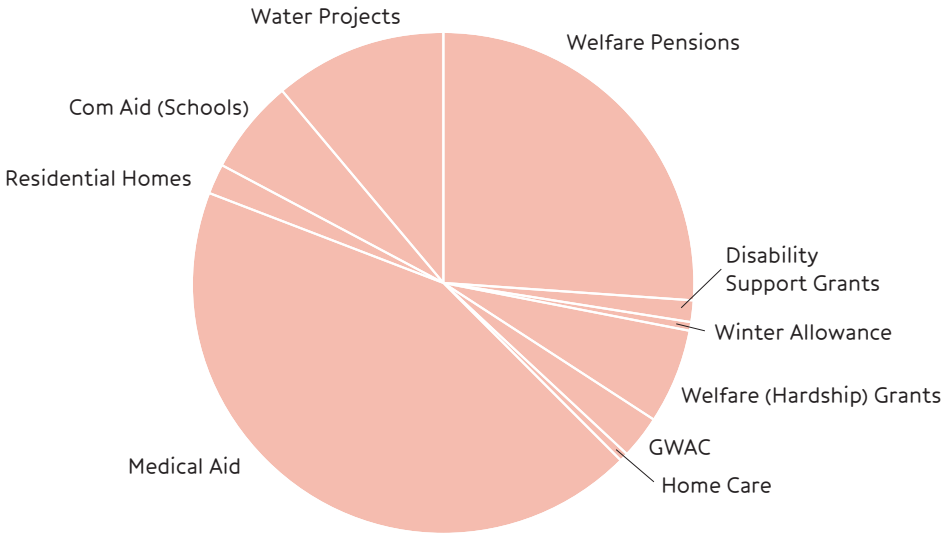
OUR INCOME



£24.6m

down 3.6% from 21-22

OUR EXPENDITURE



£24.4m

up 7.7% from 21-22

Under the RWEPP agreement with the FCDO we received £1,746,000 (2021/22: £1,933,000).

Legacy income totalled £6,657,000 (2021/22 £7,997,000). The use of Gift Aid generated additional income of £735,900 (2021/22: £803,900).

Investment income increased to £2,703,000 (2021/22: £2,045,000) reflecting strengthening in markets and increased interest rates for fixed deposit accounts in Nepal.

EXPENDITURE

Charitable expenditure totalled £21,601,000 (2021/22: £20,071,000). This represents 88% of total expenditure (prior to movement in the constructive obligation) of £24,444,000 (2021/22: £22,705,000).

Our cost of raising funds including investment management is £2,843,000 (2021/22: £2,634,000) of which 95% is covered by our investment income of £2,703,000.

Fundraising expenditure of £2,488,000 (2021/22: £2,262,000) continues to be effective raising income of £13,670,000 (2021/22: £15,684,000). This represents a Return on Investment of £5.49 for every £1 spent (2021/22: £6.93). The rate of return was higher in the previous year due to exceptionally high legacy income; however it remains above industry standards.

OUR LIABILITIES

We have committed to provide the monthly Welfare Pension and Disability Support Grant to all entitled beneficiaries. Using an actuarial valuation, the cost of the long term obligation is recognised in the annual accounts as a liability of £35.5M:

Welfare Pension: £28.9M
3,175 welfare pensioners
Average age: 81
DOWN £3.6M from June 2022

Disability Support Grant: £6.6M
239 recipients
Average age: 57
DOWN £0.2M from June 2022

RESERVES

There are three key areas against which we have specifically allocated resources: designated and restricted funds, and the Welfare Pension Constructive Obligation; these are explained below.

DESIGNATED FUNDS: The total designated funds at 30 June 2023 are £18,479,000 (2021/22: £19,628,000).

Residential Homes: £8,729,000 (2021/22: £8,919,000)

The Trustees are concerned that the level of running costs of the Residential Homes should not have a detrimental effect on our ability to provide support to the much wider community of Welfare Pensioners. Therefore, a designated fund has been created that is sufficient to meet the annual running costs for 20 years and £400,000 to cover major refurbishments costs, through to 2035.

Disaster Response: £8,610,000 (2021/22: £8,709,000)

Following specialist advice on the risk of future earthquakes, in June 2018, the Trustees agreed to the creation of a designated fund to allow an immediate response to natural disasters. This is equivalent to ~50% of the GWT expenditure in response to the 2015 earthquake, uplifted to current prices. Funds were allocated for the repair or replacement of 7 beneficiaries' homes during the year, destroyed as a result of the 2022 monsoon season (£29,000) Trustees agreed to the funding of secondary medical care claims for the treatment of COVID-related illness at a cost of £18,000 from the reserve. There was a net decrease to the Disaster Response designated reserve at the year-end reflecting an increase due to the rate of inflation offset by a reduction due to the rate exchange which had strengthened at 30 June 2023.

Rural Water and Emergency Preparedness (RWEPP): £1,140,000 (2021/22 £2,000,000)

GWT has agreed to continue to contribute £500,000 to RWEPP against planned FCDO expenditure for 2023-24 in line with the current Grant Agreement. Following the decision of FCDO to withdraw funding for the RWEPP Grant Agreement from 2024, Trustees have set aside designated funds of £640,000 to cover the potential costs of restructuring.

RESTRICTED FUNDS : The total restricted funds at 30 June 2023 are £937,000 (2021/22: £1,364,000).

Restricted income must be used for the specific purpose for which it was donated and the balance at 30 June 2023 includes:

Successful Earthquake Homes and hardship grants appeal for use in 2023/24: £148,000

Water appeal (May 23) for use in 2023/24: £237,000

School projects programmed over two years: £54,000

Medical camps for use in 2023/24: £45,000

Purchase of motorbikes in 2023/24: £12,000

Support Costs MOD for use in 2023/24: £354,000

CONSTRUCTIVE OBLIGATION: The liability at 30 June 2023 is £35,456,000 (2021/22: £39,300,000)

When a charity has created a valid expectation through past practice that it will meet a liability the Charity Commission requires it to recognise the liability on the balance sheet as a constructive obligation. The Trust considers that a constructive obligation has been created for the payment of the Welfare Pensions and the disability support grants. Based on WP and DSG beneficiary numbers at 30 June 2023 and key assumptions including: 35 new WP joiners for each of the next five years (average age 73), agreed increases in rates payable, extended mortality rates, long-term inflation at 7% and a discount rate at 7%. The actuarial calculation at 30 June 2023 ROE is £35,456,000; a decrease of £3,844,000 from June 2022, reflecting an above inflation uplift in the monthly allowance, offset by a significant rise in the rate of exchange at the year-end between the Nepalese Rupee and Sterling.

RESERVES POLICY

When setting the Trust's Reserve Policy the Board takes into account the key risks facing the Trust in delivering its key activities, in addition to funding for the Designated Funds and Constructive Obligation referenced above. These considerations include the following matters:

The Trust's clear and long-term objective of supporting the Welfare Pensioners in their declining years including the provision of welfare and medical support.

Essential provision for a period of readjustment for those in receipt of welfare support if the Trust should ever be required to reduce or cease its activities, for whatever reason.

The Trust's requirement to respond promptly and appropriately to new and unforeseen needs or challenges that might affect the way in which welfare support is delivered. Trustees specifically note the Trust carries out its welfare activities in a country where there are not only geophysical dangers such as earthquakes but also political, social and economic uncertainties. In addition, to deliver welfare support, the Trust depends on a number of partners whose support in the future is not guaranteed.

The impact of adverse changes to the rate of exchange between Sterling and the Nepali Rupee (NPR).

Economic adversity, as despite a strong supporter base, there is no guarantee that recent levels of income will be matched in the future or volatility in global markets with investments/assets failing to maintain their value.

If any of these uncertainties materialise, either singularly or in combination, the financial effects can be significant with movements of several million pounds.

Following the COVID pandemic and initial global supply challenges, exacerbated by the war in Ukraine, the Trust has faced a number of economic challenges. Rising inflation rates in both Nepal and the UK have seen costs increase, together with pressure on fundraising income. Global markets have been volatile – for example, whilst there was a net unrealised gain of £0.5M in investment valuations at 30 June 2023, in the subsequent period of July – October 2023, we have experienced a loss of £4.1M. If this had arisen just four months earlier, it would have broadly eliminated the net movement on funds of £4.4M for 2022/23 and reduced reserves by £4.1M.

The political uncertainty in the UK in autumn 2022 saw the Rate of Exchange between Sterling and the Nepal Rupee fall by over 9% from the rate at 1 July 2022. If low rates had endured for the remainder of the financial year, the Trust would have either incurred additional costs of £1.5M - £2.0M or faced the difficult decision to reduce charitable activity.

There is a significant risk of natural disaster in Nepal - either during the monsoon season with major landslips or as a result of earthquakes. Through

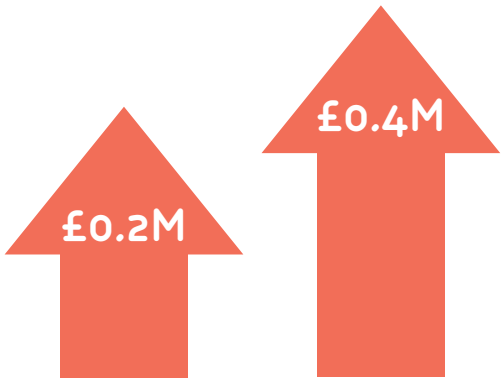
our planned programme of Earthquake resilient homes for our most vulnerable pensioners, the retrofit programme for the Area Welfare Centres and our community Disaster Response stores, the Trust seeks to mitigate the risks where practicable. In the recent earthquake in November in rural western Nepal, unfortunately the older traditionally constructed buildings suffered the most damage. In response to this unpredictable risk, we established the Designated Disaster Response reserve.

Given the above and the vital and unique nature of our work in Nepal, Trustees consider that the Trust ideally requires free reserves equivalent to 18 months of standard expenditure not covered by other provisions, which is approximately £31,466,000. This level of reserve will enable the Trust to adjust its infrastructure and respond quickly to any of these risks. The Reserve Policy seeks to maintain charitable activity and provide stability to our financial planning. It is reviewed annually during the budget setting process, taking account of current and future risks and the economic climate, both in the UK and Nepal, and consequential impact on the Trust's investment portfolio.

After taking the Constructive Obligation into account the Trust has total funds of £58,332,000 (2021/22: £53,899,000), however, the free reserves which are available in response to unforeseen challenges, and exclude tangible fixed assets, designated and restricted funds amount to £37,714,000 (2021/22: £31,828,000). This represents 120% of the minimum level of reserves deemed appropriate by the Trustees. With financial uncertainty anticipated for at least a further 12 – 24 months, this level of free reserves has enabled Trustees to agree a budget for 2023/24 and early planning for 2024/25 and maintain current levels of charitable activity.

COSTS AND LIABILITIES

For every 1% fall in ROE



Increase in costs

Increase in liabilities

OUR PEOPLE AND CULTURE

The Trust was established by Trust deed in November 1969 for the relief of hardship and distress among Gurkha ex-servicemen of the British Crown and their dependants. It was re-constituted, also by trust deed, in 1994. In April 2004 the Trust became a Charitable Company Limited by Guarantee (CCLG). These accounts amalgamate those of the unincorporated trust in compliance with the Charity Commission's uniting direction.

The development and execution of Trust policies is the responsibility of a Board of Trustees that meets three times each year. Their agenda is supported by a number of subordinate committees that consider investment, governance, audit and finance matters. The Board of Trustees are responsible for setting the strategic aims of the Trust.

The Finance Committee, a sub-committee of the Board with approval to make decisions on the Board's behalf is, among other responsibilities, tasked with setting salary levels of key personnel. In setting these salary levels consideration is given to benchmarking with equivalent roles in the wider industry.

TRUSTEE SELECTION

The Governance committee, currently comprising a Chairwoman and two Trustee-Directors, is responsible for oversight of Trustee selection.

In accordance with Charity Commission guidance on Trustee tenure, there is a steady turnover of Trustees. When a vacancy arises, a specialist recruitment organisation is engaged to invite suitably qualified candidates which are then shortlisted by a GWT selection panel and the final candidate selected by panel interview. The appointment is then reviewed and confirmed by the Board. All Trustees follow a generic training package to induct them into the work of the Trust and further role-specific training is sought for those

that require it. This also includes visiting our infrastructure and work in Nepal.

This process of Trustee recruitment has been further defined and clarified with regard to Independent Trustee-Directors by the Chair of the Governance committee in line with the Charity Commission's view that:

"The Board has a key impact on whether a charity thrives. The tone of the Board sets through its leadership, behaviour, culture and overall performance is critical to the charity's success. It is important to have a rigorous approach to trustee recruitment, performance and development, and to the Board's conduct. In an effective team, Board members feel it is safe to suggest, question and challenge ideas and address, rather than avoid, difficult topics."

We bid farewell to Cathy Turner who moves on to pastures new after 7 years as a Trustee-Director. Her role was advertised through Nurole and after a selection process and interviews with shortlisted candidates, Ms Ranjani Kearsley was selected. Ranjani brings with her a wealth of experience which will further enhance the expertise of not just the Audit and Finance committees, on which she will be a member but also at Board level.

Details of Trustee retirements and recruitment may be found on page 1.

MANAGEMENT PERSONNEL

The Trust's CEO is responsible for the day-to-day operation of the Trust. He directs and coordinates the work of the Salisbury headquarters and oversees the work of the Gurkha Welfare Trust (Nepal) and the Gurkha Welfare Advice Centres.

The Director of the GWT(N) provides assurance on authority, responsibility and accountability for the delivery of welfare support in Nepal in accordance with Trust policies, as well as insight into the political dynamics of Nepal. In addition, he acts as an interface between the Trust and the veteran community in Nepal.

The Field Director of the GWT(N) in Nepal is responsible for daily operational management of the GWT(N) and implementing welfare support in accordance with Trust policies.

MEET THE TEAM: SANO SUPPORTS OUR VULNERABLE PENSIONERS

For over three years, Sano Babu Katwal has worked as one of our Mobile Health Practitioners, travelling to the most remote regions of Nepal to deliver vital healthcare and medicines to Gurkha veterans and widows. Travelling with our Welfare officers, the team also deliver their monthly pension, which allows them to afford the food, fuel and clothing they need to live with dignity.

Sano Babu completed his certificate degree in General Medicine in 2016 at Biratnagar, and then worked at the National Academy of Medical Sciences in Kathmandu.

He went on to work with several different NGOs before joining our team in January 2020.

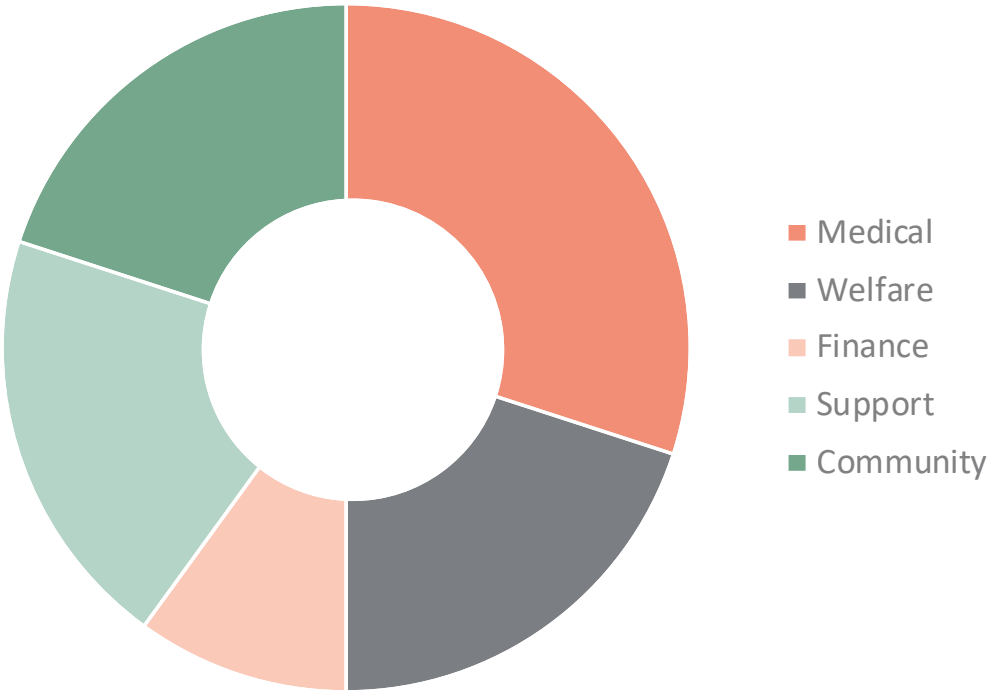
"I applied for this role with the GWT because of its strong reputation for values and standards in Nepal," Sano said. "The GWT is doing a very good job in Nepal compared to other organisations. Also, I love working with the elderly, so I was thrilled to join the Trust.

"Our excursions in the hills can take a couple of days, and sometimes we stay in hotels or tents. When we arrive at pensioners' homes, we first do greetings and then we begin by checking their vitals and handing over their medicines. During our home visits, the veterans and widows express their gratitude to the GWT.

"I once travelled for 10 hours on an unpaved path by motorbike, and then walked for two more hours uphill to reach a single pensioner.

"I really enjoy visiting the homes of elderly Bajes/Bojus (grandfathers/grandmothers) to deliver medicines, medical facilities and financial support. The smiles on their faces after we visit their homes brings me happiness."

OUR STAFF IN NEPAL



LOCATION	STAFF NUMBERS
Bheri	7
Baglung	4
Gulmi	6
Kaski	59
Lamjung	6
Gorkha	6
Syangja	8
Tanahun	9
Chitwan	15
Butwal	29
Bagmati	42
Rumjatar	6
Diktel	6
Bhojpur	7
Khandbari	6
Teherathum	6
Taplejung	6
Phidm	7
Dharan	60
Darjeeling	9
Damak	26
Singpoly	4
Pokhara	77
RWEPP	115

OUR VALUES

TRUST

At GWT (N), we build a culture of 'trust' by consistently creating a work environment that values respect, collaboration, inclusivity, honesty, integrity, fairness, confidentiality and effective communication.

विश्वास

GWT(N) मा हामी आदर भाव, सहकार्य, समावेशिता, ईमान्दारिता, निष्ठा, निष्पक्षता, गोपनियता र प्रभावकारी सञ्चारलाई मान्यता दिने वातावरणलाई दिगो रुपमा सिर्जित गरी आपसी **'विश्वास'**को संस्कृति निर्माण गर्दछौं।

TRANSPARENCY

At GWT (N), we ensure transparency by open decision making, setting clear targets and objectives, consistent performance management, providing and learning from honest feedback, equal opportunities and by being accountable for our actions.

पारदर्शिता

GWT (N) मा हामी स'ला निर्णय, स्पष्ट लक्ष्य र उद्देश्य निर्धारण, कार्यसम्पादन व्यवस्थापनमा एकरुपता, सही प्रतिक्रिया र त्यसबाट शिक्षा, समान अवसर प्रदान र कार्यप्रति जवाफदेहि भएर **'पारदर्शिता'**लाई स'निश्चित गर्दछौं।

TEAM WORK

At GWT (N), we foster teamwork by clearly defining common goals, providing resources and high support, regular, clear communication, constructive resolution of conflicts, celebrating achievements and effective collaboration.

सामूहिक कार्य

GWT (N) मा हामी श्रोत-साधन तथा पर्ण सहयोग, नियमित प्रष्ट सम्वाद र विवादहरुको रचनात्मक समाधान, प्राप्त उपलब्धिहरुको उच्च सम्मान र प्रभावकारी सहकार्य प्रदान गर्दै साझा लक्षहरुलाई स्पष्ट रुपमा परिभाषित गरी **'सामूहिक कार्य'** लाई प्रोत्साहित गर्दछौं।

EXCELLENCE

At GWT (N), we pursue excellence by setting high standards, encouraging innovation, continuous improvement, developing staff potential and by optimising resources to ensure the best possible outcomes for our beneficiaries.

उत्कृष्टता

GWT (N) मा हामी उच्चस्तर ाय मापदण्डहरु निर्धारण गरी नवीनतालाई प्रोत्साहन, नियमित स'धार, उपलब्ध श्रोत र साधनको सर्वोतम उपयोगबाट कर्मचार ीहरुको क्षमता अभिवृद्धि गर्दै से वाग्राहीलाई उत्कृष्ट प्रतिफलको निश्चितता प्रदान गरेर हाम्रो **'उत्कृष्टता'** प्रदर्शन गर्दछौं।

COMPASSION

At GWT (N), we promote compassion by safeguarding, treating staff, beneficiaries and others with kindness, care, empathy and dignity.

करूणाभाव

GWT (N) मा हामी सरक्षा प्रदान गर्दै सम्पर्ण कर्मचारी, सेवाग्राही र सबैलाई दया र सेवाको भावना सहित सहान भतिपर्वक मर्यादित व्यवहार गरेर **'करूणाभाव'** लाई प्रवर्द्धन गर्दछौं।

OUR AMBASSADORS

Our Ambassadors work in partnership with us to help widen our appeal, reach new audiences, and promote our cause.

HARI BUDHA MAGAR

Hari is a Nepalese double above knee amputee and record-breaking mountaineer. In 2017, Hari climbed Mera Peak, becoming the first double above knee amputee to summit a mountain taller than 6,000m. Hari was born in a remote village in Western Nepal. He joined the British Army at the age of 19 and served for 15 years with the Royal Gurkha Rifles. Hari was injured in Afghanistan in 2010, sustained multiple injuries and lost both of his legs above the knee. Hari dedicates his life to raising awareness of disability and inspiring others to conquer their dreams.

JOHNNY FENN

Johnny is a former British Army Officer with 25 years of service, including 16 years with the Brigade of Gurkhas. His Gurkha service took him to East Timor and Iraq, before being posted back to the UK as Deputy Chief of Staff for the Brigade of Gurkhas. On promotion to Lieutenant Colonel, Johnny was appointed British Military Advisor to ECOWAS in Nigeria, before completing his military service as the Field Director of The Gurkha Welfare Trust in Pokhara, Nepal. He is now a professional photographer and explorer, and he has travelled the globe on photographic adventures.

MIRA RAI

Mira Rai is a Nepali high altitude trail runner. Her first road running race was in the Kathmandu valley, during which she realised that long-distance running was her metier. Finding her footing in ultra-trail running, she won many races and quickly rose to fame as a record-breaking national hero, participating in international events throughout the world. Mira continues her racing career today and organises her own trail races throughout Nepal. She is an inspiration to countless young aspiring athletes across Nepal. In April 2023 she was presented with the Prabal Jana Sewa Shree, one of Nepal's highest civilian awards in recognition of her contribution to the country.

OUR STAFF IN UK

VOLUNTEERS

The Trust is again grateful for the support of its volunteers in-year, the majority of whom take the form of community fundraisers - hosting various initiatives among their own communities to raise funds for our work.

We also work with volunteers on our events, primarily the Doko Challenge events which took place in Wimbledon and Leeds this year. We are also grateful to the Oxfam volunteers and GWT volunteers who help with Trailwalker each year, manning checkpoints, cheering people on and assisting with logistics.

Without their donation of time and hard work these events would not be possible.

EQUALITY, DIVERSITY AND INCLUSION

The Trust is committed to promoting and supporting diversity through the creation of an environment in which individuals are treated on the sole basis of their relevant merits and abilities. All staff and trustees share this commitment. The Trust will not tolerate any discrimination or behaviour towards an individual in respect of age, disability, race, religion, gender or sexual orientation, which are offensive, discriminatory or hostile towards the individual.

Through the provision of reasonable adjustments within the workplace, the Trust seeks to maximise the talent and opportunities for both potential and current employees. Arrangements will be made, wherever possible, for retraining employees to enable them to perform work identified as appropriate to their aptitude and ability.

The Trust complies with all UK legislation and applies this as best practice in Nepal wherever practicable, in accordance with Nepal statutory regulations.

SAFEGUARDING

The Trust operates a zero-tolerance approach to dealing with safeguarding issues for all staff, contractors, visitors and beneficiaries, regardless of location. As an organisation, we strive to maintain an environment that is free from harassment, abuse and mistreatment in all of our operations and activities.

This approach is reinforced through regular training, both during initial induction training and thereafter with annual Individual Continuous Training (ICT) combined with regular briefings to beneficiaries and communities. The Policy is visibly displayed across all locations and is regularly reminded to Line Mangers, Safeguarding leads and all staff whether on training serials or visits. This is all based on a robust safeguarding policy which is regularly reviewed.

The policy aims to:

- Promote and prioritise the safety and wellbeing of staff and vulnerable beneficiaries;
- Provide assurance to the families of beneficiaries, donors and other stakeholders that GWT takes reasonable steps to manage risks and keep vulnerable individuals safe;
- Ensure that everyone understands their roles and responsibilities in respect of safeguarding and is provided with the necessary information, training and support on safeguarding matters;
- Prevent the employment of individuals in working with vulnerable beneficiaries where they have been deemed by the relevant authorities or GWT to pose an unacceptable risk to vulnerable groups;
- Ensure that appropriate action is taken in the event of any allegations or suspicions regarding harm to staff or vulnerable beneficiaries arising from contact with GWT staff, contract staff or

volunteers, whether the alleged harm has taken place on GWT premises or not.

GWT's Safeguarding Policy also seeks to effectively manage the risks associated with activities and events involving vulnerable beneficiaries through:

- Completing a risk assessment process which involves identifying risks and means of reducing or eliminating them;
- Ensuring that the appropriate disclosure checks are conducted, depending on eligibility, for any individuals starting or moving into work which involves working with vulnerable beneficiaries;
- Requiring new employees and individuals involved in working with vulnerable beneficiaries to familiarise themselves with the content of this policy and the associated Standards.

The Assurance of the understanding and implementation of the GWT Safeguarding Policy is led by the Head of Assurance, however the GWT Board and the Executive are also closely involved in monitoring the level of knowledge by all staff and beneficiaries. There is also a dedicated Trustee-Director as the Safeguarding lead on the GWT Board who conducts at least two visits to Nepal each year. In 2023 further actions have included all Safeguarding roles being explicitly written into Job Descriptions and records formally being kept of all Safeguarding training. There is also now a designated Safeguarding lead on Sexual Violence and Harassment.

ENVIRONMENTAL MATTERS

The Trust is committed to minimising the impact that its processes have on the environment and to providing a safe working environment for our employees.

In accordance with the UK Government's Streamlined Energy & Carbon Reporting policy, the Trust is a low energy consumer in the UK and is therefore exempt from providing detailed energy consumption disclosures.

In the UK, we continue to ensure that our fundraising materials are produced from sustainable and recycled materials and that our events seek to minimise the use of plastics. For the Trailwalker event in 2023 the Trust is aiming for no single-use plastics. Items the Trust sells at retail are sourced as locally as costs allow. We have also recently introduced a new webexpenses system, reducing the use of paper within the office.

In Nepal, the Trust seeks to reduce its environmental footprint in a number of ways. The use of solar panels in both the HQ and across our AWC network helps mitigate energy consumption. Travel by vehicle and domestic airlines has been reduced through the greater use of online conference and communication facilities as a direct result of the digitisation of our welfare network.

Equally, the procurement of materials and labour close to project sites minimises the Trust's overall carbon footprint reducing airmiles and vehicle miles as well as supporting local economies.

TRAINING

The Trust is committed to ensuring that staff are properly trained for their roles as well as helping maintain motivation and supporting continued professional development.

In the UK there are generous training budgets assigned to each staff member who are encouraged to maximise use of them to hone their expertise and stay abreast of current sector trends and best practices.

In Nepal the same importance is placed on training - though more often in a group setting owing to the amount of staff. Team building and training events took places regularly across the year, particularly within the RWEPP and Medical teams.

Given the remote nature of their work, a Train the Trainer approach is often favoured, allowing particular staff members to learn skills and return to their AWC to pass the learning on.

OUR POLICIES AND DISCLOSURES

RISKS

All activities are subject to regular risk review by the Board of Trustees. Major risks are, for this purpose, those that could have a significant effect on:

- The Trust's operational performance, including risks to personnel and volunteers.
- The Trust's ability to achieve its objects.
- Meeting the expectations of beneficiaries and supporters.
- The Trust's reputation and integrity.
- The Trust's assets.

The Trustees review all risks on an ongoing basis and satisfy themselves that adequate procedures are in place to minimise and manage the risks identified. Where possible and appropriate, risks are covered by insurance.

The Trust's financial Reserves policy is assessed and set at a level which enables the Trust to help manage its risks.

OUR PRINCIPAL RISKS AND UNCERTAINTIES

a. Operational Risks

All key risks appear in the Trust's Risk Register and include operational risks. The key risks are identified as:

- **Disruption of services due to natural disaster in Nepal.** GWT operates in a country that is extremely prone to natural disasters and where its internal resilience and institutions are relatively fragile. GWT has a disaster resilience plan which is regularly reviewed and practised. Our infrastructure maintains plans and supplies with which to respond and the Trust has a fully funded designated Disaster Response fund.
- **Loss of value of Sterling or extreme fluctuations in rates of exchange.** This has the potential to impact GWT's ability to meet its obligations in Nepal and limit the response to a changing or emerging need. GWT has a ROE immunisation plan that is regularly reviewed and the Trust's investment strategy is designed to help minimise the effect of currency fluctuation, spread risk and ensure retention of adequate reserves.
- **MOD Grants in Aid**. GWT receives grants in aid for both support costs and the provision of medical services which, if not increased in line with Nepal inflation, would lead to an erosion of value over time. Agreement has been received for additional funding for medical services, reflecting increased costs and usage.
- The impact of funding shortfall might be addressed through additional funding from donors or to limit GWT's liability through a reduction in scope of activity and/or increase in individual contribution.
- **FCDO grant**. A reduction in funding or adverse fluctuation in ROE will result in a reduction of the Trust's RWEPP programme and have an adverse effect on the Trust's ability to deliver other community and individual aid. This risk has now been realised with a withdrawal of FCDO funding by March 2025. Detailed plans for a restructuring of RWEPP in order to provide a viable and enduring option for the provision of water funded by GWT are being drafted.
- **Cyber Security and data protection**. The Trust places high importance in maintaining compliance with the Data Protection Act 2018 and the EU General Data Protection Regulation. This applies to both supporter information in UK and personal medical data of our beneficiaries in Nepal. Our cyber security has been augmented with the investment in and successful implementation of significant IT enhancements throughout our organisational network in Nepal.
- **Investment Performance insufficient to maintain appropriate level of financial reserves**. Investment performance is susceptible to adverse global political and economic climate. This is countered through a regularly reviewed investment portfolio to negate, as far as possible, external pressures and remain sufficiently diversified.

b. Financial Risks

The Trust faces a number of key financial risks. The Trustees consider that the following summarises those financial risks and their responses to them:

- **Investment performance insufficient to maintain an appropriate level of financial reserves**. The Trust maintains sufficient reserves to meet all of its obligations and these are regularly reviewed by the Investment committee and our Fund Managers in order to ensure that the balance of the portfolio is appropriate. This is supported by developing and maintaining contingency fundraising plans.

- **Exchange Rate Risk**. The Trust monitors the rate of exchange on a daily basis. Over the long term the rate of exchange moves to counteract the differential in inflation between two countries but over periods of up to 10 years politics and financial confidence can cause significant movements up or down away from this trend. As inflation has traditionally been higher in Nepal than UK the movement has benefited the Pound and assisted our work in Nepal. The global supply challenges following the pandemic, the war in Ukraine and subsequent cost of living crisis driven by global fuel prices has seen fluctuations in the value of Sterling throughout the year. As at the end of November 2022, the rate of exchange had recovered from the position in late September 2022, in which the rate had fallen by 9.1% from the 30 June 2022 year-end. At present, a 1% change to the average rate creates an increase or reduction in costs of £195,000 but it also changes the value of our liabilities on the balance sheet by £396,000 so our net assets can change significantly one year to the next. To mitigate against adverse movements funds to cover three months cash flow are held in Nepali Rupees and the investment portfolio is spread across a wide range of currencies.

INVESTMENT POLICY AND PERFORMANCE

The Trust meets the key challenges of short-term liquidity, cash flow flexibility and long-term capital growth by holding cash in a short-term portfolio while splitting investments between medium-term and long-term portfolios. In addition, there is a strategic portfolio invested in alternative investments and global smaller companies. The purpose of the two main investment portfolios is to delineate the Trust's requirements between monies that are held as an immediate reserve to cover cash flow requirements (c. 18 months) and truly long-term monies that can weather capital volatility over a 5-7 year investment time horizon.

The medium term portfolio seeks a return that is better than SONIA (Sterling Overnight Index Average) and over the past 12 months to 30 June 2023 delivered 2.2% compared to 3.2% for the benchmark.

The long-term portfolio seeks a return that is better than both a composite benchmark and an inflation target of CPI + 4%; over the past 12 months, the long-term portfolio returned 3.2% compared to 7.7% for the benchmark, whilst in the strategic portfolio, the alternatives portion returned -6.7% compared to 10.2% for the benchmark (SONIA + 2% from January 2023) and the smaller companies portion returned 4.7% compared to 7.0% for the benchmark. Whilst both portfolios under-performed their inflation plus targets this year they remain ahead of their benchmarks over the longer-term and are well-positioned to benefit from global economic trends in the future.

Investment Risk – the risks & how do we mitigate these through our investment strategy?

Investment risk covers a variety of areas and the Investment Committee, on behalf of the Trustees, regularly reviews counterparty, custody, capital loss, market, liquidity, regulatory and sustainability risks as well as the investment process of the Trust's fund manager to ensure that all industry safeguards are in place. The Investment Committee has guarded against two key areas of risk.

The first risk is loss of capital and hence our decision to invest in a well-diversified global portfolio across different asset classes to reduce the risk of loss from a single investment or strategy. To minimise volatility risk, we also aim to protect investments from sudden variations in market movements by balancing levels of risk and return between short-term, medium-term and long-term portfolios.

The second area is currency risk as the Trust's fundraising activities and the MOD's grant in aid are made in a different currency (Sterling) to the recipient beneficiaries (Nepali Rupee – NPR). It is difficult to mitigate this risk as there are few investments that can be made in Nepal and the NPR has been in steady decline against Sterling over the past 25 years. The solution has been to keep some short-term monies in Nepal in NPR, have some exposure to the US Dollar in the medium-term portfolio and to have a large weighting of global equities in the long-term portfolio.

Increasing exposure to global equities has provided access to a wider and more diversified investment universe that historically has enhanced returns and reduced the concentration risk more prevalent in UK domestic indices. It has enabled our fund manager to invest in global themes such as digitalisation, automation, climate change, ageing demographics and evolving consumption that are increasingly relevant in a post-COVID world. Sustainability lies at the heart of our fund manager's investment process ensuring that environmental, social and governance (ESG) risks are also monitored and minimised.

Going concern

The Trust has undertaken a robust assessment of the continued global economic effects following the pandemic and the effects of the war in Ukraine, and the impact on the ability of the Trust to operate as a Going Concern.

The main areas of financial risk have been identified as:

- Reduction in fundraising income;
- Material volatility in the rate of exchange;
- Sustained high inflation (UK and Nepal);
- Constraints in Government Grant funding and failure to match the increasing cost of activity ; and
- Reduction in valuation of the investment portfolio.

When agreeing the budget for 2023/24, Trustees have been able to draw on the evidence of fundraising performance during 2022/23 in which fundraising income remained stable and maintain levels of charitable activity. When assessing the required level of reserves, Trustees have maintained the optimal level of free reserves at 18 months of routine expenditure to reflect continued economic uncertainty.

The Trust has applied a sensitivity assessment to future income projections and the investment portfolio, to understand the extent to which reductions can be managed without impacting on long term commitments and the ability to deliver charitable activities to our beneficiaries. Financial performance is scrutinised on a regular basis by the Finance Committee and the Main Board so that any shortfall in income will be identified to Trustees in a timely manner.

Trustees have concluded that the Trust remains in a strong financial position and operates as a Going Concern.

ADDITIONAL POLICIES

The Trust is committed to sustainable development, meeting the needs of our beneficiaries without compromising the ability of future generations to meet their own requirements and this is a guiding principle within our work in Nepal. Concern for the environment is an integral and fundamental part of this commitment and our aim is to reduce the impact of our operations on the environment. This aim is promulgated through the Environmental Policy.

DIRECTOR'S STATEMENTS

Statement of how directors have complied with their duties to have regard to matters in Section 172(1) of the Companies Act 2006.

A director of a company must act in a way he/she considers, in good faith, would be the most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard to the following matters:

(a) **The likely consequences of any decision in the long-term:** The Trust's future work is defined through a five-year Strategy Review; the current review period runs to 2025 having been endorsed by Trustees on 16 September 2020.

(b) **The interests of the company's employees:** Our employees are our key asset and Trustees are committed to promoting a highly motivated workforce through inclusion in the workplace, promoting and supporting training and development opportunities and supporting their physical and mental wellbeing. In Nepal, regular staff surveys are undertaken, and a Staff Council has been introduced to enhance communication.

(c) **The need to foster the company's business relationships with suppliers, customers and others:** The Trust seeks to manage its relationships with suppliers in an open and transparent way, ensuring there is fairness in all aspects of the tender process. At a local level in Nepal the Trust liaises with local authorities and federal Governmental structures through our Welfare Officers located around the country. From a Strategic perspective the Trust's relationship with the Government of Nepal centres on the annual Brigade of Gurkhas Welfare Coordination Committee (BGWCC) which endorses the Trust's work and provides our license to operate.

(d) **The impact of the company's operations on the community and environment:** The Trust's work is intrinsically linked with local communities, and our network of Welfare Officers work closely with local administrations. Our long-term partnership with FCDO has improved the lives of hundreds of communities through the provision of potable water and sanitation.

(e) **The desirability of the company maintaining a reputation for high standards of business conduct:** Trustees seek to maintain the reputation and esteem in which the Trust is held by both beneficiaries and supporters, through openness and clarity in our objectives and deliverables and ensuring that

maximum benefit reaches our core beneficiaries enabling them to "Live with Dignity". There is a robust governance structure with committees and Trustees meeting on a regular basis.

(f) **The need to act fairly as between members of the company:** Trustees expect all within the Trust to uphold the highest standards and be seen as an exemplar to other similar organisations. To support consistent standards the Trust has a Values & Standards document, a Competency Framework, Appraisal Reporting policy and procedures and a Discipline policy and procedures within GWT(N) Standing Instructions, Staff Handbook and TACOS.

Statement summarising how directors have engaged with suppliers, customers and others in a business relationship with the company.

The Trust assesses the need of its beneficiaries through a Pensioner Risk Assessment, from which a Pensioner Care Plan is developed by our Welfare Officers and medical staff. The plans are regularly reviewed to ensure that the level of care is appropriate, and our Internal Audit and Assurance programmes assess the level of compliance and achievement.

The long-term grant arrangement with FCDO for the provision of potable water and sanitation is based on an agreed target and annual assessment of performance. This has led to the programme achieving an A or A+ rating with a low risk rating each year since grading was introduced in 2012. Dir GWT(N) has the lead for the senior management of the relationship with FCDO staff based at the British Embassy; day to day management of the programme is invested in the RWEPP Programme Director.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also directors of The Gurkha Welfare Trust for the purposes of company law, are responsible for preparing the Trustees' Annual report (including the Group Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions, disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charitable company's constitution.

They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the company and the group'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.

This Trustees' Report incorporating the Strategic Report was approved and authorised for issue by the Board of Trustees on 14 December 2023 and signed on its behalf by:

Lieutenant General R Wardlaw OBE
Chairman

Original signed and dated 14 December 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GURKHA WELFARE TRUST

OPINION

We have audited the financial statements of The Gurkha Welfare Trust ('the charitable company') and its subsidiaries ('the group') for the year ended 30 June 2023 which comprise Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Consolidated Statement of Cash Flows, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 30 June 2023 and of the group's 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.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 trustee's 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 or the group'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 contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 our audit

- the information given in the trustees' report, which includes the directors' report prepared

for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; 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.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 39, the trustees (who are also the directors of the charitable company for the purposes of company law) 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.

AUDITOR'S 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 auditor's report.

EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members including internal specialists and significant component audit teams. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Health and safety legislation, employment law, and Anti-fraud, bribery and corruption legislation. We also considered compliance with local legislation for the group's overseas operations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, welfare pension payments and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, component auditors and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing audit procedures to test the timing of income and welfare pension payments, reviewing of component auditor working papers, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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.

Tara Westcott
Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP
Statutory Auditor
St James House
St James Square
Cheltenham
GL50 3PR

Original signed and dated 15 December 2023

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2023

(incorporates the consolidated income and expenditure account)

	Notes	Unrestricted		Restricted	2022-23	2021-22
		General	Designated		Total	Total
		£000	£000	£000	£000	£000
Income from:	3					
Donations and legacies						
Donations	3a	4,602	0	1,835	6,437	6,993
Legacies	3b	6,657	0	0	6,657	7,997
Grants						
Ministry of Defence	3c	0	0	3,335	3,335	3,325
Charitable activities	3d					
Ministry of Defence		0	0	2,750	2,750	2,525
Foreign, Commonwealth and Development Office		0	0	1,746	1,746	1,933
Medical Services		0	0	395	395	0
Other trading activities						
Fundraising Events	3e	467	0	86	553	670
Retail		23	0	0	23	24
Investments	3f	2,703	0	0	2,703	2,045
Total		**14,452**	**0**	**10,147**	**24,599**	**25,512**
Expenditure on:	4					
Raising funds						
Fundraising	4f	2,488	0	0	2,488	2,262
Investment management costs	4f	355	0	0	355	372
Charitable activities						
Individual aid	4a	4,576	29	3,526	8,131	7,253
Medical Aid	4b	5,853	18	3,462	9,333	7,559
Disaster response	4d	0	0	0	0	49
Residential Homes	4c	0	463	10	473	468
Community aid	4e	476	0	3,188	3,664	4,742
Sub Total Expenditure		**13,748**	**510**	**10,186**	**24,444**	**22,705**
Movement in constructive obligation	4g/14	(3,844)	0	0	(3,844)	1,662
Total		**9,904**	**510**	**10,186**	**20,600**	**24,367**
Net income/(expenditure) before other gains and losses		4,548	(510)	(39)	3,999	1,145
Other gains and losses						
Net gains/(losses) on investments	9	473	0	0	473	(4,254)
Net income/(expenditure)		5,021	(510)	(39)	4,472	(3,109)
Transfers between funds	17&18	1,027	(639)	(388)	0	0
		6,048	(1,149)	(427)	4,472	(3,109)
Other recognised gains/(losses)						
Profit & loss revaluation (loss)/gain		(39)	0	0	(39)	41
Net Movement in Funds		6,009	(1,149)	(427)	4,433	(3,068)
Reconciliation of funds						
Funds brought forward		32,907	19,628	1,364	53,899	56,967
Total Funds Carried Forward		**38,916**	**18,479**	**937**	**58,332**	**53,899**

NOTES

The consolidated statement of financial activities includes the income and expenditure account.

There are no other gains and losses other than those shown above.

All the Trust's activities are derived from continuing activities.

Profit for Companies Act purposes (before unrealised gains and losses) is: £4,001,000 including movement in constructive obligation (2021/22: £1,497,000).

Net Income/(expenditure) before movement in constructive obligation: £155,000 (2021/22: £2,807,000).

See Note 19 for a comparative statement of financial activities for year ended 30th June 2022.

The notes on pages 47 to 72 form part of these accounts.

CONSOLIDATED AND CHARITY BALANCE SHEET AT 30 JUNE 2023

Company registration number 05098581

	Notes	Group		Charity	
		2023	2022	**2023**	2022
		£000	£000	**£000**	£000
Fixed assets:					
Intangible assets	7	**81**	155	**81**	151
Tangible assets	8	**1,939**	1,842	**1,348**	1,277
Investments	9	**82,342**	81,433	**82,342**	81,433
Total fixed assets		**84,362**	83,430	**83,771**	82,861
Current assets					
Medication, project & trading stock		**506**	371	**494**	363
Debtors	10	**1,891**	2,106	**1,890**	2,106
Cash at bank and in hand		**8,562**	8,212	**8,381**	8,166
Total current assets		**10,959**	10,689	**10,765**	10,635
Liabilities					
Creditors: amounts falling due within one year	11	**(1,533)**	(920)	**(1,475)**	(918)
Provisions for liabilities falling due within one year					
Constructive Obligation	14	**(3,867)**	(3,989)	**(3,867)**	(3,989)
Net current assets or liabilities		**5,559**	5,780	**5,423**	5,728
Provisions for liabilities falling due after more than one year					
Constructive Obligation	14	**(31,589)**	(35,311)	**(31,589)**	(35,311)
Total net assets or liabilities		**58,332**	53,899	**57,605**	53,278
Funds:					
Restricted funds	18	**937**	1,364	**937**	1,364
Unrestricted funds					
General		**74,372**	72,207	**73,645**	71,586
Welfare pension reserve		**(35,456)**	(39,300)	**(35,456)**	(39,300)
Net General funds	17	**38,916**	32,907	**38,189**	32,286
Designated	17	**18,479**	19,628	**18,479**	19,628
Unrestricted funds after provision for liabilities and charges		**57,395**	52,535	56,668	51,914
Total funds		**58,332**	53,899	**57,605**	53,278

NOTES

The net income for the Trust for the year ended 30 June 2023 was £4,472,000 (2022: expenditure £3,109,000). The net income for the Charity for the year ended 30 June 2023 was £4,327,000 (2022: expenditure £3,109,000). As permitted by Section 408 of the Companies Act 2006, no separate Statement of Funds or Income and Expenditure account has been presented for the Charity only.

Approved and authorised for issue by the Board of Trustees on 14 December 2023 and signed on their behalf by:

Lieutenant General R Wardlaw OBE
Chairman
14 December 2023

The notes on pages 47 to 72 form part of these accounts.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Notes below	2022/23 £000	2021/22 £000
Cash flows from operating activities:			
Net cash (used in)/provided by operating activities	Note A	(1,541)	7
Cash flows from investing activities:			
Dividends and interest from investments		2,702	2,045
Purchase of Intangibles		(20)	(142)
Purchase of property, plant and equipment		(401)	(165)
Proceeds from sale of investments		8,994	77,287
Purchase of investments		(6,560)	(76,234)
Net cash provided by investing activities		4,715	2,791
Operating activities			
Change in cash and cash equivalents in the reporting period		3,174	2,798
Cash and cash equivalents at the beginning of the reporting period	Note B	11,808	9,010
Cash and cash equivalents at the end of the reporting period	Note B	**14,982**	11,808

NOTES

A. Reconciliation of net income to net cashflow from	**2022/23 £000**	2021/22 £000
Net income/(expenditure) for the reporting period (as per SOFA)	4,472	(3,109)
Adjustments for:		
Depreciation and amortisation	398	385
(Gains)/Losses on investments	(473)	4,254
Investments donated	(45)	(15)
Dividends and interest from investments	(2,703)	(2,045)
(Losses)/Gains on foreign exchange	(39)	41
(Increase)/Decrease in stocks	(135)	40
Decrease/(Increase) in debtors	215	(1,370)
Increase/(Decrease) in creditors	613	164
(Decrease)/Increase in constructive obligation	(3,844)	1,662
Net Cash (used in)/provided by operating activities	(1,541)	7

B. Analysis of cash and cash equivalents	**2022/23**	2021/22	Cash flow in year
	£000	£000	£000
Cash in hand and at bank	**8,562**	8,212	350
Notice deposits (less than 3 months)	**6,420**	3,596	2,824
Total cash and cash equivalents	**14,982**	**11,808**	**3,174**

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2023

1. BASIS OF PREPARATION

Statement of compliance

The financial statements are prepared under the historical cost convention as modified to include the revaluation of investments at fair value. The format of the financial statements has been presented to comply with the Companies Act 2006 and FRS102 The Financial Reporting Standard applicable in the UK and Ireland and the Statement of Recommended Practice Accounting and Reporting by Charities ("SORP 2015 updated 2019"). The Charity is a Public Benefit Entity as defined by FRS102.

General information

The Charity is a private company limited by guarantee, incorporated in England and Wales (company number: 05098581) and a charity registered in England and Wales (charity number: 1103669). The Charity's registered office address is:

P.O Box 2170, 22 Queen Street, Salisbury SP2 2EX

Basis of Consolidation

These financial statements consolidate the results, assets and liabilities of the Charity's trading subsidiary, GWT Trading Limited, on a line by line basis. The statements also include consolidation of the Ex Servicemen and Families Support Society, a not for profit company registered in Nepal 2 July 2018 for the legal ownership of land assets purchased by GWT in Nepal.

The Charity's own Statement of Financial Activities has not been presented, as permitted by section 408 of the Companies Act 2006. The Charity's net income for the year as an individual entity, after movement in the constructive obligation and other recognised gains and losses was a surplus of £4,327,000 (2021/22: a deficit of £3,109,000).

Going concern

The Trust has undertaken a robust assessment of the continued global economic challenges and their impact on the ability of the Trust to operate as a Going Concern.

The main areas of financial risk have been identified as:

- Reduction in fundraising income;
- Material volatility in the rate of exchange;
- Sustained high inflation (UK and Nepal);
- Constraints in Government Grant funding and failure to match the increasing cost of activity ; and
- Reduction in valuation of the investment portfolio.

When agreeing the budget for 2023/24, Trustees have been able to draw on the evidence of fundraising performance during 2022/23 in which fundraising income remained stable and maintain levels of charitable activity. When assessing the required level of reserves, Trustees have maintained the optimal level of free reserves at 18 months of routine expenditure to reflect continued economic uncertainty.

The Trust has applied a sensitivity assessment to future income projections and the investment portfolio, to understand the extent to which reductions can be managed without impacting on long term commitments and the ability to deliver charitable activities to our beneficiaries. Financial performance is scrutinised on a regular basis by the Finance Committee and the Main Board and therefore any shortfall in income will be identified to Trustees in a timely manner.

Trustees have concluded that the Trust remains in a strong financial position and operates as a Going Concern.

Significant judgments and sources estimation uncertainty

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Charity's accounting policies. The key judgements that have been applied by management relate to:

- Constructive obligation: The valuation of the constructive obligation is based on the following assumptions:
  - Future long term inflation rate in Nepal at 7.0% per annum.

- Future payments have been discounted at 7.0% per annum.
- Life expectancy for our beneficiaries is based on the Nepali Government Mortality tables extended to age 110 to reflect the increased longevity of our beneficiaries.
- There are anticipated 35 new Welfare Pension entrants per year for each of the next five years, with an average age at joining of 73.
- 50% of former soldier pensions will be transferred to a widow.
- There are a further 85 future new Disability Support Grant beneficiaries.

- Legacies: Income is accrued when there is entitlement through the earlier of cash receipt or Estate Accounts (entitlement), it is possible to reliably estimate the amount receivable (measurement) and there is probability of receipt.
- Depreciation/Amortisation: The rates of depreciation for tangible fixed assets and amortisation for intangible fixed assets are selected by management based on their estimate of normal economic life taking into consideration the environment in which the assets are deployed.

2. PRINCIPAL ACCOUNTING POLICIES

The following principal accounting policies have been applied:

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.

Recognition of income is deferred where conditions specify that such income relates to future accounting periods. Where donors specify that funds are for specific purposes such income is included in incoming resources of restricted funds.

Donations. Income from donations, covenants and gift aid includes receipts from fundraising events. Donations, together with the resulting tax credit from gift aid, are credited directly to the statement of financial activities when received by the Trust. Donations and all other receipts (including capital receipts) from fundraising are reported gross and the related fundraising costs are reported in raising funds.

Gifts in Kind are recognised in respect of personnel funded by the Ministry of Defence in roles which would have to be replicated by the Trust. An equivalent cost is also reported within staff costs. Gifts in Kind are recognised in respect of donated goods either in support of fundraising activity or in direct support of the provision of charitable activity. An equivalent cost is also reported within the cost of fundraising or the appropriate cost of charitable activity.

Legacies are recognised and credited directly to the statement of financial activities based on the earlier of settlement of the estate and issue of Estate Accounts or receipt of payment.

Grant Income. Income from government and other grants, whether 'capital' grants or 'revenue' 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.

Income from other trading activities is recognised as earned as the related goods are provided.

Interest and Dividends Receivable. Investment income is recognised on a receivable basis and when the amounts can be measured reliably. Interest on funds on deposit is included when receivable upon notification by the relevant banking institutions. Dividends receivable on assets held for investment purposes are receivable upon notification by the relevant investment institutions.

Expenditure

All expenditure is included in accordance with the accruals concept. Any liabilities as a result of legal or constructive obligations committing the Trust to expenditure have been included.

Cost of raising funds comprises costs directly attributable to fundraising and managing the investment portfolio. Charitable activity costs in the UK are incurred in running the Gurkha Welfare Advice Centre and in supporting the activities in Nepal. The costs of running the Trust's office and staff costs have been allocated on a time spent and area occupied basis to raising funds and charitable activity.

Governance costs are apportioned on the same basis as the office and staff costs and are disclosed in the notes comprising audit and legal fees and the costs associated with constitutional and statutory requirements.

Costs in Nepal have been allocated to the direct charitable activities. Direct costs include actual grants made, provision of medical services and costs related to people directly employed in delivering one of our charitable activities. Other direct costs such as staff costs and overheads of the Area Welfare Centres established for the delivery of more than one charitable activity are apportioned within support costs. Support costs also includes HQ staff and administrative overheads. Support and governance costs have been allocated to activity cost categories in a fair and appropriate method on a basis consistent with the use of resources by applying person days spent on the various activities or space occupied.

Grants payable to individuals may be subject to conditions. Expenditure on such performance-related grants is recognised to the extent that the recipient has complied with the conditions.

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received. Termination benefits are accounted for on an accrual basis and in line with FRS 102.

Taxation

Irrecoverable VAT is not separately analysed and is charged directly to the Statement of Financial Activities (SOFA) as part of the expenditure to which it relates.

Operating leases

Rental payments under operating leases are charged on a straight-line basis over the period of the lease.

Foreign currencies

Fixed assets in foreign currencies are converted to sterling at the exchange rate ruling at the time of purchase. Investments, current assets and liabilities in foreign currencies are converted into sterling at the exchange rate ruling at the balance sheet date. Transactions during the year in foreign currencies, mainly Nepalese rupees, are converted into sterling at the average rate of exchange for the month in which the transaction was undertaken. Exchange rate gains or losses are recorded as support costs to the activities to which they relate.

Pensions and retirement benefits

In the UK, the Trust makes contributions to employee individual defined contribution pension plans up to a maximum of 10% of salary.

Following changes under the Labour Act of Nepal in 2017 and the creation of the Social Security Fund (SSF) of Nepal, GWT enrolled with the scheme with contributions at a rate of 31% of staff salary; 20% employer contribution and 11% employee contribution.

The Provident Fund and Gratuity Fund previously managed on behalf of staff by GWT, was closed to all Nepal-based staff in 2021-22, with staff being given the option of either withdrawing funds or transferring to the SSF. As at 30 June 2023, the only funds remaining with Standard Chartered Bank Nepal Limited are in respect of the eight staff in Darjeeling who are not eligible to join the SSF.

Contributions for staff in both UK and Nepal are charged to the SOFA on the basis of amounts provided for the period.

Fund accounting

Funds held by the Trust are either:

Unrestricted general funds – these are funds, which can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated funds – these are funds set aside by the Trustees out of unrestricted (general) funds for specific purposes.

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

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

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations might be small. In particular:

- Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

Investments

Listed investments are stated in the balance sheet at fair value. All movements in value arising from investment changes and revaluations are included in the Statement of Financial Activities (SOFA).

Fixed assets

The cost of minor additions or acquisitions of fixed assets under £5,000 is charged wholly to the SOFA in the year of purchase. Fixed assets above this amount are capitalised in the financial statements at cost. Donated fixed assets are brought into account at an estimate of their market value at the time of acquisition. Land, beneficially owned by the Trust, is valued at historical cost and is not depreciated.

Intangible Assets: Software which is considered as an asset in its own right, is disclosed as an intangible asset.

Tangible Assets: Software which is an integral function of enabling supporting hardware to function, is considered a part of the overall tangible fixed asset.

Amortisation

The costs of intangible fixed assets are amortised over the expected useful life of the assets. Amortisation rates are:

Software	33.33% per annum on a straight-line basis, in line with the related tangible asset useful economic life

Depreciation

Depreciation is provided on all tangible assets except land to write off the costs of the asset less any material residual value, by equal instalments over their expected useful lives. Depreciation rates are:

Completed buildings	10% per annum on a straight-line basis.
Vehicles and equipment	25% per annum on a straight-line basis.
Computers and software	33.33% per annum on a straight-line basis.

For all depreciable assets, a full year's depreciation is charged in the year of acquisition or completion and no depreciation is charged in the year of disposal.

Stocks

The stocks of medication, project materials and bought-in goods for sale are valued at the lower of cost and net realisable value on a first in first out basis.

Financial Instruments

Basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable are accounted for on the following basis:

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognised as expenditure.

Bank borrowings. Liabilities for borrowings which are subject to a market rate of interest are measured at the value of the amount advanced, less capital repayments.

3. INCOME

Total income includes income transferred from the charitable trust "Gurkha Welfare Trust", former charity number 1034080. The Trust is retained while it receives donations and legacy income.

	2022/23	2021/22
	£0	£0
a. Donations		
Donations from individuals	**5,179**	5,665
Donations from companies, trusts, clubs and organisations	**1,258**	1,328
	6,437	6,993
b. Legacies	**6,657**	7,997
c. Grants		
Ministry of Defence – to support operating costs in Nepal	**3,335**	3,325
d. Charitable Activities		
Ministry of Defence – for medical services	**2,750**	2,525
FCDO – for water and sanitation projects in remote locations	**1,746**	1,933
Provision of medical services	**395**	0
e. Other trading activities		
Fundraising events	**553**	670
Retail	**23**	24
f. Investments		
Investment dividends and interest	**2,257**	1,746
Bank interest	**446**	299

Donations from companies and organisations includes gifts in kind of £90,780 of which £83,700 represents the benefit of the Field Director who is a serving Army Officer employed by the Ministry of Defence. The benefit is determined as the cost which would be incurred if the Trust had to directly employ an equivalent position.

Future legacy income of £5,819,000 is expected in respect of legacies due which have been notified to the GWT.

4. EXPENDITURE

	Grants	Direct Costs	Support Costs		2022/23	2021/22
			Support	Governance	Totals	Totals
	£000	£000	£000	£000	£000	£000
a. Individual Aid						
Welfare pension	3,739	0	1,864	44	**5,647**	5,016
Care for the elderly	94	5	1	1	**101**	93
Disability support	220	0	125	3	**348**	284
Winter allowance	53	0	48	1	**102**	58
Welfare Grants & Support	708	108	460	10	**1,286**	1,208
UK welfare	250	374	4	19	**647**	594
Total individual aid	5,064	487	2,502	78	**8,131**	7,253
b. Medical aid	2,862	5,209	1,179	83	**9,333**	7,559
c. Residential Homes	29	367	73	4	**473**	468
d. Disaster Response	0	0	0	0	**0**	49
e. Community aid						
School projects	181	648	433	10	**1,272**	1,116
COVID support	0	7	0	0	**7**	77
Water projects	0	1,644	736	5	**2,385**	3,549
Total community aid	181	2,299	1,169	15	**3,664**	4,742
Sub Total Charitable activities	8,136	8,362	4,923	180	**21,601**	20,071
f. Cost of generating funds						
Fundraising	0	1,895	518	75	**2,488**	2,262
Investments	0	337	16	2	**355**	372
Total costs of generating funds	0	2,232	534	77	**2,843**	2,634
Total Expenditure prior to movement in Constructive Obligation	**8,136**	**10,594**	**5,457**	**257**	**24,444**	22,705
g. Movement in Constructive Obligation	0	(3,844)	0	0	**(3,844)**	1,662
Total Expenditure	8,136	6,750	5,457	257	**20,600**	24,367

UK Welfare includes a grant of £250,000 (2021/22: £250,000) paid to the Army Benevolent Fund for the support of former Gurkhas who have retired in the UK. All other grants totalling £8,136,000 (2021/22: £7,442,000) were to individuals or small community groups.

The number of grants issued to individuals or communities on the table below are recorded on a beneficiary database based on British Army records which is subject to independent audit in Nepal. All grants to individuals require proof of identity before issue and community grants are only arranged with approval from the local community council.

Direct costs include the costs of employing staff who are engaged in the delivery of one charitable activity. Where staff are engaged in the delivery of more than one output their costs are included within Support costs and apportioned based on the average time spent. As a consequence the majority of the running costs of the Area Welfare Centres and their staff are included within Support Costs, whilst delivering front line services across a number of charitable activities. Support costs also include the apportioned costs of UK and Nepal HQs.

Activity	Beneficiaries	Notes
Welfare pensions:	3,175 June 23	There were 3,453 recipients at the start of the year and 46 new recipients. 61 ceased due to their move to the UK. A detailed database of all welfare pensioners is maintained based on data from British Army records. Payments are made on a quarterly basis and require proof of identity. Following net movements, there are 3,175 recipients at 30 June 2023.
Home Care:	300	We provided grants to 300 carers in support of the most vulnerable beneficiaries. Carers are provided with training in support of their responsibilities.
Disability Support:	239 June 23	The number of recipients is 239 at 30 June 2023. This data is held on the same database as the welfare pensioners and is subject to both proof of identity and medical requirement. In addition there are 28 siblings in receipt of a reduced grant.
Winter allowance:	~4,000	All welfare pensioners, wives, DSG recipients and residential home residents supported last December received a GWT branded Rice Cooker.
Welfare (Hardship) grants:	1,357	These grants were awarded for cases of special need not covered by the other awards. Each grant is individually assessed and approved by a senior member of staff. For 22-23 this included 73 earthquake resilient houses. A further 7 replacement homes/significant repairs were funded from the Disaster Reserve following severe damage from storms and monsoon landslips. 954 welfare grants were awarded to beneficiaries, relieving hardship and improving the quality of their lives. 12 rainwater harvesting projects for the provision of drinking water for isolated beneficiaries.
Residential and Rehabilitation care:	36 permanent residents	Our 2 Residential Homes have a capacity of 48 including respite care and rehabilitation. There were 36 permanent residents at the 30 June 2023. Over 25 beneficiaries supported through rehabilitation services at the Residential Homes and over 810 home visits by rehabilitation therapists.
Medical Services	Over 21,300 accessing Primary Medical Care	Over 21,300 beneficiaries accessed Primary Medical Care services through GWT Medical Centres. Over 210 patients were supported in palliative care either in their own home or at our Residential Homes. More than 100 patients supported in their homes through the provision of medical aids including hospital beds and oxygen concentrators. ~2,200 treated over 4 rural community medical camps.
School projects:	100 (projects)	Communities were assisted through the repair, extension or new build of a school. Every project is arranged with and authorised by the local community committee and requires a community contribution. 2 major builds, 5 major refurbishments, 17 minor extensions and 76 minor refurbishment projects were completed in-year.
Rural Water and Sanitation projects:	47 projects (36, 112 households, 1,278 tapstands)	36 major water and sanitation projects including 15 funded by FCDO and 8 smaller projects to ensure all Welfare Pensioners have access to potable water. 3 emergency repair projects funded by FCDO in response to climate-induced damage. Dharan community project. Emergency preparedness training delivered to local communities.

Further information on the grants can be found in the Trustees' Annual Report.

The total charitable activity expenditure of £21,601,000 represents 88% of total expenditure before the movement in the constructive obligation.

Analysis of Support Costs

	People	Premises & vehicles	Services	Legal & Professional	Currency	Sub Total Support	Sub Total Governance	Total
	£000	£000	£000	£000	£000	£000	£000	£000
a. Individual Aid	1,671	430	181	3	217	**2,502**	78	**2,580**
b. Medical Aid	787	201	88	3	100	**1,179**	83	**1,263**
c. Residential Homes	49	13	5	0	6	**73**	4	**77**
d. Community Aid	658	121	352	1	37	**1,169**	15	**1,183**
e. Fundraising	339	68	88	23	0	**518**	75	**593**
f. Investment management	11	2	3	0	0	**16**	2	**18**
Total	3,515	835	717	30	360	5,457	257	5,714
Basis of allocation	**Time spent**	**Space & time**	**Time spent**	**Direct**	**Pro rata with cost**		**Attribution & time**	

5. GOVERNANCE COSTS

Apportioned governance costs were:

	2022/23	2021/22
	Total	Total
	£000	£000
Staff employment costs	**108**	96
Staff & trustee other costs	**50**	41
Premises costs	**26**	20
Office services	**17**	23
Legal & professional	**56**	50
	257	230

6. STAFF, TRUSTEE AND GOVERNANCE COSTS

a. Staff numbers

The trust employed the following average number of staff:		**2022/23**	2021/22
UK:	Administration & fundraising	**19**	19
	Welfare	**8**	8
Nepal:	Individual aid inc welfare, Residential Homes and general staff	**246**	234
	Medical services	**147**	143
	Water projects	**112**	110
	Schools projects	**5**	7
		537	521

b. Staff costs

		2022/23	2021/22
		£000	£000
UK:	Salaries	**1,020**	953
	Benefits	**13**	14
	Social security costs	**111**	99
	Pension	**94**	85
		1,238	1,151
Nepal:	Salaries	**4,848**	4,264
	Benefits	**83**	79
	Pension (see Note 13)	**455**	369
	Gratuity (see Note 13)	**317**	259
		5,703	4,971
		6,941	6,122

The number of employees whose emoluments exceeded £60,000 for the year was:

	2022/23	2021/22
	Number	Number
£60,001 - £70,000	**3**	2
£70,001 - £80,000	**-**	-
£80,001 - £90,000	**-**	-
£90,001 - £100,000	**-**	1
£100,001 - £110,000	**2**	1

Employer's pension contributions for the higher paid employees were £34,418 (2021/22: £22,560).

Key people in the Trust in UK and Nepal with delegated authority from the Trustees are the CEO and the Senior Management Teams in UK and Nepal as detailed at page 1. With the exception of the Director GWT(N) and Field Director GWT(N), the cost of employing the Senior Management Teams is borne by the Trust. The combined salary and benefits cost to the Trust totalling £656,804 (2021/22: restated: £628,975).

Both the Director GWT(N) and the Field Director GWT(N) are seconded from the British Army with their costs being met by the MOD.

There were no ex gratia payments during the year (2021/22: Nil).

There were no redundancy payments during the year (2021/22: Nil).

Trustees' expenses, remuneration and donations

In 2022/23 no Trustee received any remuneration or pension but six Trustees were either reimbursed or expenses were paid on their behalf of £29,393: principally on travel to Nepal but also in respect of attendance at meetings at in London (2021/22: four Trustees were either reimbursed or expenses were paid on their behalf of £18,630). Trustees donated a total of £1,760 (2021/22: £2,160).

Related party transactions

Colonel David Robinson is a Trustee of The Gurkha Museum Trust and Patrick Grant is a member of The Gurkha Museum Trust Capital Appeal Board. There were transactions between The Gurkha Welfare Trust and The Gurkha Museum Trust during 2022/23 totalling £7,200 (2021/22: payments - Nil).

Net expenditure

Net expenditure for the period is stated after charging:

			2022/23	2021/22
			£000	£000
Audit Fees	UK excluding VAT	Crowe U.K. LLP UK	**30**	27
	Nepal:	CSC & Co	**15**	12
		Joshi and Bhandari	**0**	3
Audit Expenses in Nepal		Crowe U.K. LLP UK	**0**	2
		CSC & Co	3	0
		Joshi and Bhandari	2	0
Tax Advisory Services		Crowe U.K. LLP UK	**3**	2
Actuarial fees		M/s K A Pandit (India)	**2**	2

7. INTANGIBLE ASSETS

a. Group

	Computer Software	Assets Under Construction	Total
	£000	£000	£000
Cost			
At 1 July 2022	229	48	277
Additions	0	20	20
Asset transfers	68	(68)	0
At 30 June 2023	297	0	297
Amortisation			
At 1 July 2022	(122)	0	(122)
Amortisation	(94)	0	(94)
At 30 June 2023	(216)	0	(216)
Net Book Value			
At 1 July 2022	107	48	155
At 30 June 2023	81	0	81

b. Charity

	Computer Software	Assets Under Construction	Total
	£000	£000	£000
Cost			
At 1 July 2022	217	48	265
Additions	0	20	20
Asset transfers	68	(68)	0
At 30 June 2023	285	0	285
Amortisation			
At 1 July 2022	(114)	0	(114)
Amortisation	(90)	0	(90)
At 30 June 2023	(204)	0	(204)
Net Book Value			
At 1 July 2022	103	48	151
At 30 June 2023	81	0	81

8. TANGIBLE FIXED ASSETS, GROUP AND CHARITY

a. Group

	Freehold Land & Buildings	Leasehold Property	Vehicles & Equipment	IT	Assets in Construction	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 July 2022	2,409	1,027	762	320	19	4,537
Additions	1	0	0	0	400	401
Asset transfers	38	336	33	0	(407)	0
Disposals	0	0	(31)	(9)	0	(40)
At 30 June 2023	2,448	1,363	764	311	12	4,898
Depreciation						
At 1 July 2022	(1,282)	(418)	(675)	(320)	0	(2,695)
Depreciation	(116)	(136)	(52)	0	0	(304)
Disposals	0	0	31	9	0	40
At 30 June 2023	(1,398)	(554)	(696)	(311)	0	(2,959)
Net Book Value						
At 1 July 2022	1,217	309	87	0	19	1,842
At 30 June 2023	1,050	809	68	0	12	1,939

b. Charity

	Freehold Land & Buildings	Leasehold Property	Vehicles & Equipment	IT	Assets in Construction	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 July 2022	1,844	1,027	762	320	19	3,972
Additions	0	0	0	0	400	400
Asset transfers	13	336	33	0	(407)	(25)
Disposals	0	0	(31)	(9)	0	(40)
At 30 June 2023	1,857	1,363	764	311	12	4,307
Depreciation						
At 1 July 2022	(1,282)	(418)	(675)	(320)	0	(2,695)
Depreciation	(116)	(136)	(52s)	0	0	(304)
Disposals	0	0	31	9	0	40
At 30 June 2023	(1,398)	(554)	(696)	(311)	0	(2,959)
Net Book Value						
At 1 July 2022	562	609	87	0	19	1,277
At 30 June 2023	459	809	68	0	12	1,348

9. INVESTMENTS

The historical cost of investments at 30 June 2023 (including investment cash) was £85,613,072 (2022: £84,041,738). 92% of the investment assets are placed in a mixed portfolio of thematic funds.

Listed investments		**2022/23**	2021/22
		£000	£000
Fixed interest			
	UK	**1,744**	2,130
Equities			
	UK	**0**	218
	Alternative investments	**2,427**	2,686
	Multi Asset	**66,142**	63,972
	Other overseas/Non-specific region	**0**	1,813
	Property	**5,609**	7,018
		75,922	77,837
	Cash held as part of investment portfolio	**6,420**	3,596
		82,342	81,433

Major movements in investments during the year were:

	2022/23	2021/22
	£000	£000
Opening market value (excl. Cash)	**77,837**	83,129
Purchases	**6,560**	76,234
Disposal proceeds	**(8,994)**	(77,287)
Gains (Losses) on investments	**473**	(4,254)
Investments donated	**46**	15
Closing market value (excl cash)	**75,922**	77,837

Investment in subsidiary

GWT owns 100% of the issued share capital of GWT Trading Ltd, being 2 ordinary shares with a nominal value of £1. GWT Trading Ltd is registered in England and Wales No.: 02986861 and its registered office is P.O Box 2170, 22 Queen Street, Salisbury SP2 2EX.

GWT TRADING LTD INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

	2022/23	2021/22
	£	£
Turnover	**244,842**	114,028
Cost of sales	**(102,766)**	(53,820)
Gross profit	**142,076**	60,208
Administrative expenses	**(5,167)**	(4,539)
Operating profit	**136,909**	55,669
Profit for the financial year before taxation	**136,909**	55,669
Tax on profit on ordinary activities	**0**	0
Profit for the financial year after taxation	**136,909**	55,669

GWT Trading Ltd Statement of Changes in Equity

GWT Trading Ltd Statement of Changes in Equity	2022/23		2021/22	
	£	£	£	£
	P&L	Share Capital	P&L	Share Capital
Total funds brought forward	**55,669**	2	14,468	2
Profit for the year	**136,909**	0	55,669	0
Gift Aid payment	**(55,669)**	0	(14,468)	0
Retained earnings at year end	136,909	2	55,669	2

The company has no recognised gains or losses other than the profit in both periods. All amounts relate to continuing activities.

GWT Trading Ltd Balance Sheet at 30 June 2023

	2023	2022
	£	£
Fixed Assets		
Intangibles	**0**	3,961
Total Fixed Assets	**0**	3,961
Current Assets		
Stock	**12,814**	8,049
Debtors	**2,407**	1,723
Cash at bank and in hand	**180,822**	45,246
	196,043	55,018
Creditors - amounts falling due within one year	**(59,132)**	(3,308)
Net Current Assets	**136,911**	51,710
Net Assets	**136,911**	55,671
Share Capital	**2**	2
Retained Profit	**136,909**	55,669
	136,911	55,671

The GWT Group includes the consolidation of the Ex Servicemen and Families Support Society, a not for profit company registered in Nepal for the legal ownership of land assets purchased by GWT(N). The Directors of the company are all employees of GWT(N) and they must resign their role as Director when their employment is terminated. It is therefore deemed that GWT(N) has control of the Ex Servicemen and Families Support Society and the results are consolidated into the GWT results from 1 July 2020 with the subsidiary retaining all of its profits. Legal ownership of land assets at Kaski was transferred to the company during 2020/21 and a further asset at Damak was transferred during 2022/23. Work is on-going to enable the transfer of further assets in Dharan, Damak, Bagmati, Kaski and Gulmi.

The following GWT(N) employees are the Directors of the Ex Serviceman and Families Support Society:

Yam Bahadur Rana (to 24 September 2023)
Shyamkumar Rai
Pim Bahadur Gurung
Siddhartha Gurung
Lila Pun Sherchan
Phatta Bahadur Gurung (from 24 September 2023)

The Ex Servicemen and Families Support Society was registered in Nepal on 2 July 2018: Registration number 192748/74/075. The registered address is Pokhara Lekhnath Metropolitan Municipality, Ward Number 10, Ramghat.

The trading results for the Ex Servicemen and Families Support Society the year ended 30 June 2023, as extracted from the financial statements are summarised below:

Ex Servicemen and Families Support Society Income and Expenditure for the Year ended 30 June 2023

	2022/23	2021/221
Income and Expenditure	**£**	£
Income	**276**	286
Administrative expenses	**(276)**	(269)
Operating (loss)/Profit	**-**	17
Currency (loss)/Gain	**(4)**	-
(Loss)/Profit for the financial year	**(4)**	17

Ex Servicemen and Families Support Society Balance Sheet at 30 June 2023	**2023**	2022
	£	£
Fixed Assets		
Tangible Fixed Asset	**590,970**	565,129
Total Fixed Assets	**590,970**	565,129
Current Assets		
Cash at Bank	**388**	420
Creditors falling due within 1 year	**(122)**	(132)
Net Current Assets	**266**	288
Net Assets	**591,236**	565,417
Share Capital	**615**	661
Reserves	**590,622**	564,756
	591,237	565,417

10. DEBTORS

	Group		**Charity**	
	2023	2022	**2023**	2022
	£000	£000	**£000**	£000
Trade Debtors	**601**	411	**601**	411
Prepayments and Accrued Income	**361**	288	**360**	288
Legacies	**509**	1,033	**509**	1,033
Other Debtors	**420**	374	**420**	374
	1,891	2,106	**1,890**	2,106

11. CREDITORS

	Group		Charity	
	2023	2022	**2023**	2022
	£000	£000	**£000**	£000
Trade Creditors	**379**	192	**373**	191
Amounts owed to group and associated undertakings	**0**	0	**1**	2
Accruals	**215**	186	**162**	183
Taxation & social security	**41**	38	**41**	38
Other Creditors	**898**	504	**898**	504
	1,533	920	**1,475**	918

12. FINANCIAL INSTRUMENTS

	Group		Charity	
	2022/23	2021/22	**2022/23**	2021/22
	£000	£000	**£000**	£000
Financial assets measured at fair value				
Investments in shares	**75,922**	77,837	**75,922**	77,837
Other liabilities measured at fair value				
Constructive obligations (see Note 14)	**35,456**	39,300	**35,456**	39,300
Net financial instruments	**40,465**	38,537	**40,465**	38,537

The constructive obligation is measured at fair value based on the expected amounts payable, discounted at an appropriate market rate. The Trust has no loans or overdrafts and has no forward currency contracts or hedging arrangements.

13. PENSIONS AND LEAVING BENEFITS

The charity provides defined contribution pension arrangements for its employees in the UK, and UK employees based in Nepal. Each employee is able to either join the Government's NEST scheme or arrange their own personal pension plan and the charity contributes 2% of salary for every 1% contributed by the employee, up to a maximum of 10%. Contributions are charged to the statement of financial activities in the year in which they are made. The assets of the plans are held separately from those of the charity. The contributions made by the charity in 2022/23 were £104,935 (2021/22: £84,717). Contributions are disclosed in Note 6 – Staff Costs within both UK and Nepal based on the permanent location of the staff. No further liability arose other than these payments.

The retirement benefits in Nepal previously consist of a defined contribution Provident Fund with 10% contributions from both employer and employee. The Provident Fund is held by the Gurkha Welfare Scheme Staff Retirement Benefit Fund (SRBF), an independent body. In addition, Nepali Labour Laws required employers to contribute to a Gratuity fund. Traditionally this was accumulated in a fund and paid to employees on leaving based on years of service and an independent gratuity fund was established to match the liability. In 2017, under the Labour Act Nepal the gratuity changed from a defined benefit to a defined contribution scheme.

In accordance with the Labour Act, in November 2019, the Trust enrolled in the new Social Security Fund (SSF) of Nepal with combined contributions at a rate of 31% of staff salary; 20% employer contribution and 11% employee contribution. The majority of staff were required to transfer funds to the new SSF.

In line with Government of Nepal direction, during 2021/22, Trustees decided that the SRBF should be closed for all Nepal-based employees and staff offered the choice of either withdrawing accumulated funds and accepting any taxation liability or transferring funds to the SSF. As at 30 June 2023, the account remains

solely for the eight staff employed in Darjeeling who are not eligible to contribute to the SSF.

The Trust has no further liability other than the monthly payments recognised in the SOFA.

14. CONSTRUCTIVE OBLIGATION (PROVISIONS FOR LIABILITIES FALLING DUE AFTER MORE THAN ONE YEAR)

The Trust has recognised for some years a long-term constructive obligation, as defined by SORP (revised 2019), in respect of its welfare pensions. The SORP requires that such "constructive obligations", even though they are not legally binding liabilities, be recognised on a charity's balance sheet. From 2014/15 the Trust has recognised a similar obligation for the welfare support provided through the Disability Support Grant (DSG) to the disabled children of welfare pensioners who were not able to support themselves when their parents were deceased.

An independent actuarial assessment of the net present value of future payments for both the welfare pension and the DSG, as at 30 June 2023, has been obtained using the following long-term assumptions:

- The level of benefit agreed for welfare pensions for 2023/24, NPR 192,000 per annum (NPR 174,000 in 2022/23) and DSG of NPR 153,600 (NPR 139,200 in 2022/23) will increase with inflation at 7.0% over the long term (7.0% in 2021/22).
- An annual festival allowance of NPR3,000 is payable to beneficiaries.
- An estimated number of 3,175 welfare pensioners (2021/22: 3,453) with an average age of 81.06.
- There are 239 direct DSG beneficiaries (2021/22: 232) with an average age of 57.24 and 28 eligible siblings receiving a reduced rate of DSG.
- Mortality rates are based on Government of Nepal rates adjusted to reflect the increased longevity of the Trust's beneficiaries.
- An estimated 1,470 ex-Gurkhas who left the service in the late 1960's and early 1970's and 140 ex Indian Army who served before 1947 who are not in receipt of a service pension may apply for a welfare pension in the future. A provision has been included for 35 new entrants for each of the next five years with an average joining age of 73.
- Provision has been included for an estimated 85 future DSG beneficiaries.
- Future payments have been discounted at 7.0% pa (2021/22: 6.5%), which represents a cautious assessment of the average yield on high-quality bonds in Nepal.

The value of the obligation is particularly sensitive to the exchange rate of NPR to GBP with a low of NPR137.570/£ in September 2022, a high of NPR166.145/£ in June 2023 and an average for the year at NPR 155.09/£.

Based on the exchange rate of NPR163.73/£, (2021/22: NPR151.27/£) that applied on 30th June 2023, the value of the obligation for the welfare pension was £28,854,000. This is a decrease of £3,621,000 on the figure for 2021/22 of £32,475,000. The liability to cover DSG has decreased by £224,000 to £6,602,000, (2021/22: £6,825,000). The combined total constructive obligation is £35,456,000.

	Balance at 1 July 2022	Movement in Actuarial Valuation	Movement in Rate of Exchange	Balance at 30 June 2023
	£000	£000	£000	£000
Welfare Pension	**32,475**	(1,244)	(2,377)	**28,854**
Disability Support Grant	**6,825**	320	(543)	**6,602**
Total Constructive Obligation	**39,300**	**(924)**	**(2,920)**	**35,456**

15. OPERATING LEASES AND OTHER COMMITMENTS

At 30 June 2023 the group's future minimum operating lease payments are as follows:

	2022/23	2021/22
	£000	£000
UK Property lease		
Within 1 year	**91**	70
Between 1 to 5 years	**347**	246
Over 5 years	**0**	46
Nepal Property		
Within 1 year	**22**	26
Between 1 to 5 years	**37**	3
Over 5 years	**15**	0

Lease payments for the year which are recognised as expenses within the SOFA totalled £135,700 (2021/22: £121,340).

Capital commitments at the balance sheet date:

The Trust has capital commitments which are not provided for elsewhere in the accounts of £164,000 (AWC Damak rebuild). This represents the cost of the contracted commitment less the cost of payments already made.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS OF THE GROUP AND CHARITY

a. Analysis of Net Assets between Funds of the Group

	Unrestricted General	**Unrestricted Designated**	**Restricted**	**Total**
	£000	£000	£000	£000
Intangible assets	81	0	0	81
Tangible assets	1,123	735	81	1,939
Investments	64,598	17,744	0	82,342
Current assets	10,103	0	856	10,959
Current liabilities	(1,533)	0	0	(1,533)
Constructive obligation	(35,456)	0	0	(35,456)
	38,916	18,479	937	58,332

b. Analysis of Net Assets between Funds of the Charity

	Unrestricted General	**Unrestricted Designated**	**Restricted**	**Total**
	£000	£000	£000	£000
Intangible assets	81	0	0	81
Tangible assets	532	735	81	1,348
Investments	64,598	17,744	0	82,342
Current assets	9,909	0	856	10,765
Current liabilities	(1,475)	0	0	(1,475)
Constructive obligation	(35,456)	0	0	(35,456)
	38,189	18,479	937	57,605

The unrestricted designated fund provides for:

- Running costs of the Residential Homes for 20 years (to 2034)
- A major improvement fund for the Residential Homes
- A Disaster Response fund
- GWT funding commitment to RWEPP to 2024
- RWEPP restructuring on cessation of FCDO funding 2024.

17. UNRESTRICTED FUNDS OF THE GROUP AND CHARITY

a. Unrestricted Funds of the Group

	Balance at 1 July 2022	Incoming resources in the year	Outgoing resources in the year	Gains and Transfers	Movement in obligation	Balance at 30 June 2023
	£000	£000	£000	£000	£000	£000
Designated funds						
RWEPP	**2,000**	0	0	(1,500)	0	500
RWEPP restructuring	0	0	0	640	0	640
Disaster response	**8,709**	0	(47)	(52)	0	8,610
Residential homes	**8,919**	0	(463)	273	0	8,729
Total designated funds	**19,628**	0	(510)	(639)	0	18,479
General funds	**32,907**	14,452	(13,748)	1,461	3,844	38,916
Total unrestricted funds	**52,535**	**14,452**	**(14,258)**	**822**	**3,844**	**57,395**

b. Unrestricted Funds of the Charity

	Balance at 1 July 2022	Incoming resources in the year	Outgoing resources in the year	Gains and Transfers	Movement in obligation	Balance at 30 June 2023
	£000	£000	£000	£000	£000	£000
Designated funds						
RWEPP	**2,000**	0	0	(1,500)	0	500
RWEPP restructuring	0	0	0	640	0	640
Disaster response	**8,709**	0	(47)	(52)	0	8,610
Residential homes	**8,919**	0	(463)	273	0	8,729
Total designated funds	**19,628**	0	(510)	(639)	0	18,479
General funds	**32,286**	14,207	(13,640)	1,492	3,844	38,189
Total unrestricted funds	**51,914**	**14,207**	**(14,150)**	**853**	**3,844**	**56,668**

Unrestricted funds, both general and designated, are expendable at the discretion of the Trustees in the furtherance of the Trust's objectives. The designated funds have been earmarked by the Trustees for particular purposes, but the designations have an administrative purpose only and do not legally restrict the Trustees' discretion to apply the funds.

Trustees took the prudent precaution in 2011-12 of creating a designated fund to cover the running costs of the residential homes for the next twenty years so that the homes would not be a drain on other activities. Trustees have identified the requirement to increase the fund to include major works (£400,000) for the next ten years. A further transfer-in of £273,000 represents the increase in valuation of the Residential Homes funds within the investment portfolio. The fund is currently valued at £8,729,000 assuming long term inflation in Nepal of 7.0%.

In June 2018, following advice from leading seismologists, Trustees created a designated fund to enable an immediate response to any future natural disasters. This fund was used during 2022/23 to provide 7 significant repairs or replacement of earthquake resilient homes following damage by storms and landslips during the 2022 monsoon. The fund was adjusted for the effects of year end inflation and the rate of exchange with the fund totalling £8,610,000 at 30 June 2023.

As a result of reductions in UK Government funding, FCDO has advised that funding under the RWEPP Grant Agreement will end early in 2024. Trustees had identified the requirement for funds to meet the financial commitment against the planned FCDO programme for the duration of the agreement; this has been reduced to one year at £500,000 for 2023/24.

Trustees have identified the likely requirement for additional costs of restructuring following the withdrawal of FCDO funding, and have agreed to set aside designated funds of £640,000.

18. RESTRICTED FUNDS OF THE CHARITY

	Balance at 1 July 2022	Income	Expenditure	Transfers	Balance at 30 June 2023
	£000	£000	£000	£000	£000
a. Grants to individuals/ Individual Aid:					
Welfare pensions & DSG	0	79	(79)	0	0
Welfare grants	613	333	(798)	0	148
Gurkha Welfare Advice Centre	0	3	(3)	0	0
	613	415	(880)	0	148
b. Medical:					
MOD Grant In Aid Medical	0	2,750	(2,750)	0	0
Medical	0	547	(547)	0	0
Medical camps	30	180	(165)	0	45
	30	3,477	(3,462)	0	45
c. Residential Homes:	0	10	(10)	0	0
d. Water projects:					
Water projects – FCDO	98	1,746	(1,763)	0	81
Water projects – other	10	868	(641)	0	237
	108	2,614	(2,404)	0	318
e. Schools projects:					
Neal Turkington Fund	18	0	(8)	0	10
Schools	67	289	(312)	0	44
	85	289	(320)	0	54
f. Community COVID projects					
COVID equipment	12	0	(6)	0	6
	12	0	(6)	0	6
g. Other grants:					
Vehicles & equipment	5	7	0	0	12
MOD Grant in Aid Support	511	3,335	(3,104)	(388)	354
	516	3,342	(3,104)	(388)	366
	1,364	10,147	(10,186)	(388)	937

a. Grants to individuals

Restricted funds for welfare pensions are obtained from individuals that regularly donate to a pensioner support fund as well as other advertising and appeals. Welfare grants include delivering earthquake resilient homes. Excess funds raised in 2022/23 will enable delivery of the earthquake resilient homes programme in 2023/24.

b. Medical

The MOD Medical grant-in-aid is provided in support of medical services to our beneficiaries. Only four medical camps were delivered and the donor agreed that funds could be carried forward to 2023/24.

c. Residential Homes

A donation for the provision of care provided through the Residential Homes.

d. Water projects

FCDO funding is provided through an accountable grant agreement for the rural water and sanitation programme with additional funding coming from charitable trusts and individuals. The balance at 30 June 2023, reflects the net book value of assets funded through the agreement which continue to be in use in support of the agreement.

e. Schools projects

Several individuals and charitable trusts have sponsored the rebuilding of schools. Restricted funds are carried forward to 2023/24 to enable completion of two specific projects. A memorial fund in memory of Neal Turkington, lost in action while serving in Afghanistan, funded two major build projects in 2013. A final project has been identified for completion during 2023/24.

f. Community COVID Projects

COVID-19 support to the wider community continued during 2022/23. This was principally through the distribution of Personal Protective Equipment (PPE), oximeters and oxygen concentrator which had been funded by a donor in June 2021.

g. Other grants

The MOD grant-in-aid is provided to support the administration and infrastructure costs of the GWT(N). Delays have been experienced in the procurement of replacement motorbikes over the last year. The process is underway, and donor funds are carried forward to 2023/24 when the bikes should come into service.

The following notes, numbers 19 to 24, refer to financial year 2021/22 and are included for comparative purposes only.

19. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 30TH JUNE 2022

	Notes	Unrestricted		Restricted	2021-22
		General	Designated		Total
		£000	£000	£000	£000
Income from:	3				
Donations and legacies					
Donations	3a	5,126	0	1,867	6,933
Legacies	3b	7,997	0	0	7,997
Grants					
Ministry of Defence	3c	0	0	3,325	3,325
Charitable activities	3d				
Ministry of Defence		0	0	2,525	2,525
Foreign, Commonwealth and Development Office		0	0	1,933	1,933
Other trading activities					
Fundraising Events	3e	666	0	4	670
Retail		24	0	0	24
Investments	3f	2,045	0	0	2,045
Total		**15,858**	**0**	**9,654**	**25,512**
Expenditure on:	4				
Raising funds					
Fundraising	4f	2,262	0	0	2,262
Investment management costs	4f	372	0	0	372
Charitable activities					
Individual aid	4a	3,281	50	3,922	7,253
Medical aid	4b	4,231	357	2,971	7,559
Disaster response	4d	49	0	0	49
Residential Homes	4c	0	463	5	468
Community aid	4e	274	1,396	3,072	4,742
Sub Total Expenditure		**10,469**	**2,266**	**9,970**	**22,705**
Movement in constructive obligation	4g/14	1,662	0	0	1,662
Total		**12,131**	**2,266**	**9,970**	**24,367**
Net income/(expenditure) before other gains and losses		3,727	(2,266)	(316)	1,145
Other gains and losses					
Net (losses)/gains on investments	9	(4,254)	0	0	(4,254)
Net (expenditure)/income		(527)	(2,266)	(316)	(3,109)
Transfers between funds	16&17	(699)	857	(158)	0
		(1,226)	(1,409)	(474)	(3,109)
Other recognised gains/(losses)					
Profit & loss revaluation gain/(loss)		41	0	0	41
Net movement in funds		(1,185)	(1,409)	(474)	(3,068)
Reconciliation of funds					
Funds brought forward		34,092	21,037	1,838	56,967
Total Funds Carried Forward		**32,907**	**19,628**	**1,364**	**53,899**

20. COMPARATIVE STATEMENT OF EXPENDITURE 2021-22

	Grants	Direct Costs	Support Costs		2021/22
			Support	Governance	Totals
Charitable activities	£000	£000	£000	£000	**£000**
a. Individual Aid					
Welfare pension	3,647	0	1,326	43	**5,016**
Care for the elderly	88	3	1	1	**93**
Disability support	193	0	89	2	**284**
Winter allowance	22	0	35	1	**58**
Welfare Grants & Support	773	90	335	10	**1,208**
UK welfare	250	323	4	17	**594**
Total individual aid	**4,973**	**416**	**1,790**	**74**	**7,253**
b. Medical aid	2,275	4,346	870	68	**7,559**
c. Residential Homes	25	385	54	4	**468**
d. Disaster Response	0	48	0	1	**49**
e. Community aid					
School projects	169	623	314	10	**1,116**
COVID support	0	76	0	1	**77**
Water projects	0	3,124	422	3	**3,549**
Total community aid	169	3,823	736	14	**4,742**
Sub Total Charitable activities	**7,442**	**9,018**	**3,450**	**161**	**20,071**
f. Cost of generating funds					
Fundraising	0	1,733	462	67	**2,262**
Investments	0	354	16	2	**372**
Total costs of generating funds	**0**	**2,087**	**478**	**69**	**2,634**
Total Expenditure prior to movement in Constructive Obligation	**7,442**	**11,105**	**3,928**	**230**	**22,705**
g. Movement in Constructive Obligation	0	1,662	0	0	**1,662**
Total Expenditure	**7,442**	**12,767**	**3,928**	**230**	**24,367**

21. COMPARATIVE ANALYSIS OF SUPPORT COSTS 2021-22

	People	Premises & vehicles	Services	Legal & Professional	Currency	Sub Total Support	Sub Total Governance	Total
	£000	£000	£000	£000	£000	£000	£000	£000
a. Individual Aid	1,432	351	285	2	(280)	**1,790**	**74**	**1,864**
b. Medical Aid	692	169	138	3	(132)	**870**	**68**	**938**
c. Disaster response	0	0	0	0	0	**0**	**1**	**1**
d. Residential Homes	43	11	8	0	(8)	**54**	**4**	**58**
e. Community Aid	574	110	101	0	(49)	**736**	**14**	**750**
f. Fundraising	303	59	75	25	0	**462**	**67**	**529**
g. Investment management	10	2	3	1	0	**16**	**2**	**18**
Total	**3,054**	**702**	**610**	**31**	**(469)**	**3,928**	**230**	**4,158**
Basis of allocation	**Time spent**	**Space & time**	**Time spent**	**Direct**	**Pro rata with cost**		**Attribution & time**	

22. COMPARATIVE ANALYSIS OF NET ASSETS BETWEEN FUNDS, GROUP AND CHARITY 2021-22

	Unrestricted General	Unrestricted Designated	Restricted	Total
	£000	£000	£000	£000
Intangible assets	155	0	0	155
Tangible assets	924	810	108	1,842
Investments	62,615	18,818	0	81,433
Current assets	9,433	0	1,256	10,689
Current liabilities	(920)	0	0	(920)
Constructive obligation	(39,300)	0	0	(39,300)
	32,907	19,628	1,364	53,899

The unrestricted designated fund provides for:

- Running costs of the Residential Homes for 20 years (to 2034)
- A major improvement fund for the Residential Homes
- A Disaster Response fund
- GWT funding commitment to RWEPP to 2026.

23. COMPARATIVE UNRESTRICTED FUNDS OF THE GROUP AND CHARITY 2021-22

	Balance at 1 July 2021	Incoming resources in the year	Outgoing resources in the year	Gains and Transfers	Movement in obligation	Balance at 30 June 2022
	£000	£000	£000	£000	£000	£000
Designated funds						
RWEPP	**4,500**	0	(1,396)	(1,104)	0	2,000
Disaster response	**7,500**	0	(407)	1,616	0	8,709
Residential homes	**9,037**	0	(463)	345	0	8,919
Total designated funds	**21,037**	0	(2,266)	857	0	19,628
General funds	**34,092**	15,858	(10,469)	(4,912)	(1,662)	32,907
Total unrestricted funds	**55,129**	**15,858**	**(12,735)**	**(4,055)**	**(1,662)**	**52,535**

Unrestricted funds, both general and designated, are expendable at the discretion of the Trustees in the furtherance of the Trust's objectives. The designated funds have been earmarked by the Trustees for particular purposes, but the designations have an administrative purpose only and do not legally restrict the Trustees' discretion to apply the funds.

Trustees took the prudent precaution in 2011-12 of creating a designated fund to cover the running costs of the residential homes for the next twenty years so that the homes would not be a drain on other activities. Trustees have identified the requirement to increase the fund to include major works (£400,000) for the next ten years. A further transfer-in of £340,000 represents the increase in valuation of the Residential Homes funds within the investment portfolio. The fund is currently valued at £8,919,000 assuming long term inflation in Nepal of 7.0%.

In June 2018, following advice from leading seismologists, Trustees created a designated fund to enable an immediate response to any future natural disasters. This fund was used during 2021/22 to provide 13 significant repairs or replacement of earthquake resilient homes following damage by storms and landslips during the 2021 monsoon season. Trustees agreed to fund the payment of secondary medical claims for COVID-related illness from the reserve at a cost of £357,000. The fund was increased for the effects of year end inflation and the rate of exchange with the fund totalling £8,709,000 at 30 June 2022.

Trustees identified the requirement for funds to meet the financial commitment against the planned FCDO programme for the remaining four years of the RWEPP grant agreement of £2,000,000 at 30 June 2022.

24. COMPARATIVE RESTRICTED FUNDS OF THE CHARITY 2021-22

	Balance at 01 July 21	Income	Expenditure	Transfers	Balance at 30 June 22
	£000	£000	£000	£000	£000
a. Grants to individuals:					
Welfare pensions & DSG	0	439	(439)	0	0
Welfare grants	826	626	(839)	0	613
	826	1,065	(1,278)	0	613
b. Medical:					
MOD Grant In Aid Medical	0	2,550	(2,550)	0	0
Medical	0	158	(158)	0	0
Medical camps	81	80	(131)	0	30
	81	2,788	(2,839)	0	30
c. Residential Homes:	0	5	(5)	0	0
d. Water projects:					
Water projects – FCDO	114	1,933	(1,949)	0	98
Water projects – other	0	214	(204)	0	10
	114	2,147	(2,153)	0	108
e. Schools projects:					
Neal Turkington Fund	18	0	0	0	18
Schools	146	299	(378)	0	67
	164	299	(378)	0	85
f. Community COVID projects					
COVID equipment	88	0	(76)	0	12
	88	0	(76)	0	12
g. Other grants:					
Vehicles & equipment	0	18	(13)	0	5
MOD Grant in Aid Support	565	3,300	(3,196)	(158)	511
Support & infrastructure	0	32	(32)	0	0
	565	3,350	(3,241)	(158)	516
	1,838	9,654	(9,970)	(158)	1,364

a. Grants to individuals

Restricted funds for welfare pensions are obtained from individuals that regularly donate to a pensioner support fund as well as other advertising and appeals. Welfare grants include delivering 101 earthquake resilient homes. The 100 Homes fundraising campaign in 2022 was very successful and exceeded the programme budget, providing restricted funds towards homes and welfare grants to be delivered in 2022/23.

b. Medical

The MOD Medical grant-in-aid is provided in support of medical services to our beneficiaries. One medical camp was cancelled and the donor agreed that funds could be carried forward to 2022/23.

a. Residential Homes

A donation for the provision of rehabilitation services provided through the Residential Homes.

b. Water projects

FCDO funding is provided through an accountable grant agreement for the rural water and sanitation programme with additional funding coming from charitable trusts and individuals. The balance at 30 June 2022, reflects the net book value of assets funded through the agreement which continue to be in use in support of the new delivery agreement.

c. Schools projects

Several individuals and charitable trusts have sponsored the rebuilding of schools. Restricted funds are carried forward to 2022/23 to enable completion of two specific projects. A memorial fund in memory of Neal Turkington, lost in action while serving in Afghanistan, funded two major build projects in 2013. A final project has been identified for completion during 2022/23.

d. Community COVID Projects

COVID-19 support to the wider community continued during 2021/22. This was principally through the distribution of Personal Protective Equipment (PPE), oximeters and oxygen concentrator which had been funded by a donor in June 2021.

e. Other grants

The MOD grant-in-aid is provided to support the administration and infrastructure costs of the GWT(N). Restricted donations included income to fund the additional COVID related expenditure incurred ensuring that the welfare staff were able to undertake their work in a safe environment. With the continuation of the COVID pandemic and subsequent economic and supply chain challenges, GWT(N) continued to experience delays in the procurement of equipment including replacement motorbikes, resulting in the carry-forward of restricted funds to 2022/23. The carry-forward is further increased by due to the favourable rate of exchange for much of the year.

FUNDRAISING ACKNOWLEDGEMENTS

None of the work we do would be possible without our supporters.
The following deserve a special mention for their generosity during the year:

Army Benevolent Fund
Belstone Management Services Ltd
Benesco Charity Limited
Brigade of Gurkhas
Gurkha Brigade Association
Heritage Knives Nepal
Jersey Overseas Aid
Jones Kemp
Josie and Vince Gowler
Lord Barnby's Foundation
Ministry of Defence
Mr Aidan Birkett
Mr Jim Morton
Mr John James Delaney MC
Mr John Martin
Mr Rick Plowman
Mr Robin Rawlings
Mrs Annette Giddins
Queen's Gurkha Signals
Richemont International Ltd
Simon Gibson Charitable Trust
Sir Edward Lewis Foundation
SSAFA
The AEB Charitable Trust
The Alan Chinery Charitable Trust
The C P Charitable Trust
The Cadogan Charity
The Callendar Charitable Trust
The Castanea Trust
The Derek Raphael Trust
The Dyers' Company Charitable Trust
The Eddie Dinshaw Foundation
The Faslane Trust
The Freddie Green and Family Charitable Trust
The Gurkha Museum
The Gurkha Welfare Trust Jersey
The Hadley Trust
The John Rawding Charitable Trust
The John Swire (1989) Charitable Trust
The Kenneally International Foundation
The Kilpatrick Fraser Charitable Trust
The Kirby Laing Foundation
The Manali Charitable Trust
The Medlock Charitable Trust
The MJB Charitable Trust
The Mr and Mrs J M B Trust
The Patrick & Helena Frost Foundation
The Petros Settlement Trust
The Queen Mary's Roehampton Trust
The Richard and Anne King Charitable Trust
The Ridgeback Charitable Trust
The Rose Family Trust
The Rossie Foundation
The Sir Victor Blank Charitable Settlement
The Wigoder Family Foundation
UK Aid
Universal Gurkha Security Services Ltd
Vigilance Properties Ltd
Worth Waynflete Foundation

We also remember with much gratitude those no longer with us who generously left a gift in their Will.

We are immensely grateful to all the individual donors, community groups, charitable trusts and corporate partners for their commitment in supporting us throughout the year, helping us to exceed our target for fundraising income.

Our fundraising year included:

- The GWT Annual Auction
- The GWT Raffle
- Trailwalker
- London Marathon
- The Doko Challenge
- Gurkha Golf Day
- The Band of the Brigade of Gurkhas in Concert
- Carols by Candlelight
- Our Teddy Bear Auction

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Registered Charity No 1103669
Company Limited by Guarantee No 5098581
Registered in England

Registered with FUNDRAISING REGULATOR

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THE GURKHA WELFARE TRUST

England & Wales - Charity number 1103669

Accounts

THE GURKHA WELFARE TRUST

The Gurkha Welfare Trust

Annual Report & Accounts

1 July 21 - 30 June 22

THE GURKHA WELFARE TRUST

Annual Report & Accounts
Year ended 30 June 2022

Company Limited by Guarantee Number: 5098581
Registered Charity Number: 1103669
Registered in England

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Registered with FUNDRAISING REGULATOR

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WELCOME
FROM THE CHAIRMAN

As the globe adjusted to a post-pandemic world in 2021/22, so too did our teams both in Nepal and here in the UK.

Here we found ourselves gripped by news of conflict in Ukraine and a cost-of-living crisis which continues to affect the lives of millions.

In Nepal there were similar economic concerns added to which a third wave of COVID-19 in January 22 meant that at one point over 24% of our team had tested positive, and local and national lockdowns were being reintroduced.

The operational contexts in both countries and the effects of changing monsoon patterns necessitated changes in the way we operate, just as COVID had affected change in the year before. If there is one thing, however, I am continually in awe of with this organisation, it is the way our dedicated teams are able adapt, regroup and go again; working together to achieve their ultimate goal of supporting our Gurkha veterans and their communities.

In Nepal, support for our most vulnerable beneficiaries never ceased – group SMS services, remote working and telephone consultations ensured that none of our Gurkha pensioners ever felt isolated and the team continued to ensure that veterans and widows got the vital funds, medication and support they needed.

You will read in the pages ahead some of the numbers involved, but as a precis of this period there were: over 4,000 beneficiaries in receipt of the Welfare Pension or Disability Support Grant, 1,300 hardship grants provided by Welfare Officers to our most vulnerable pensioners and 101 earthquake resilient homes built, over 100,000 medical consultations within GWT clinics and a further 9,000 home visits by medical staff to housebound pensioners. Astonishing statistics, all delivered in one of the most impoverished, mountainous and unpredictable environments in the world. I commend the entire Nepali team for their herculean efforts over the year.

Of course, none of this would be possible without the equally diligent work of the UK team and their support in governing and fundraising for the cause. They are to be commended for their dedication and success in a challenging environment, as too are the Trust's amazing supporters who continue to place the Gurkha cause firmly in their hearts.

Inevitably, there are more challenging times ahead of us, but given the incredible manner in which we have responded over the last few years, I believe we are well set to deal with whatever the future holds. I know with our dedicated teams, our Board and crucially our supporters – we remain steadfast in our mission.

This organisation began over 50 years ago as a means to support Gurkha veterans who didn't qualify for a pension on their departure from the British Army and faced limited prospects on their return to Nepal. A campaign was launched by a number of illustrious Field Marshals and such was the British public's affection for the indomitable Gurkhas, they responded with gusto, donating over £1m (£11m in today's money) to the cause. The Secretary for that original appeal was the late Field Marshal Sir John Chapple GCB CBE DL.

I would like to finish my introduction to this year's Annual Report & Accounts with a tribute to the 'Field Marshal' as he was known colloquially, following his passing in March. A Gurkha veteran himself, he was so passionate about our cause (serving as Vice-Patron) and about the Gurkhas in general – his enthusiasm, and his support will be sorely missed. His legacy will live on through the GWT.

Jai Gurkha!

Lieutenant General Richard Wardlaw OBE
Chairman, The Gurkha Welfare Trust

TRUSTEES' REPORT
FOR THE YEAR ENDING 30 JUNE 2022

This report is drawn up in accordance with applicable accounting standards, including the Charities (Accounts and Reports) Regulations 2008 and the requirements of the Charities Statement of Recommended Practice (SORP) (FRS102), second edition 2019 and the Companies Act 2006.

STRUCTURE, GOVERNANCE AND MANAGEMENT

TRUST STRUCTURE

The Gurkha Welfare Trust's (GWT or Trust) headquarters is in Salisbury, Wiltshire.

In Nepal, the GWT is located in Pokhara, West Nepal. It oversees and directs the activities of the Trust's network of 19 Area Welfare Centres (AWCs) sited in key locations throughout areas of traditional Gurkha recruitment in Nepal, one Centre in Darjeeling, India and two permanently manned smaller patrol basis. These AWCs provide the platform for the delivery of all Trust welfare programmes as well as providing a permanent footprint across the country to Gurkha communities. The AWC network has been restructured along geographical lines to create clusters based around five 'key' AWCs. These self-supporting clusters enable the multi-disciplinary Pensioner Support Teams (PST) to operate and support beneficiaries with the proactive and mobile delivery of both welfare and medical assistance. It also allows them to respond swiftly to requests for support and to react quickly to situations such as natural disasters.

GWT includes the consolidation of the Ex Servicemen and Families Support Society, a not for profit company registered in Nepal for the legal ownership of land assets purchased by GWT Nepal.

In the UK the Gurkha Welfare Advice Centre, Salisbury (GWAC) provides advice on statutory entitlements and guidance on welfare support available to ex-Gurkhas in UK who find themselves in need. A subsidiary office is located at Aldershot in support of a major ex-Gurkha settlement.

The Trust has a wholly owned trading subsidiary, GWT Trading Limited, whose accounts are consolidated in the group financial statements.

TRUST GOVERNANCE

The Trust was established by Trust deed in November 1969 for the relief of hardship and distress among Gurkha ex-servicemen of the British Crown and their dependants. It was re-constituted, also by trust deed, in 1994. In April 2004 the Trust became a Charitable Company Limited by Guarantee (CCLG). These accounts amalgamate those of the unincorporated trust in compliance with the Charity Commission's uniting direction.

The development and execution of Trust policies is the responsibility of a Board of Trustees that meets three times each year. Their agenda is supported by a number of subordinate committees that consider investment, governance, audit and finance matters. The Board of Trustees are responsible for setting the strategic aims of the Trust.

The Finance Committee, a sub-committee of the Board with approval to make decisions on the Board's behalf is, among other responsibilities, tasked with setting salary levels of key personnel. In setting these salary levels consideration is given to benchmarking with equivalent roles in the wider industry.

TRUSTEE SELECTION

The Governance committee, currently comprising a Chairman and three Members, is responsible for oversight of Trustee selection.

In accordance with Charity Commission guidance on Trustee tenure, there is a steady turnover of Trustees. When a vacancy arises, a specialist recruitment organisation is engaged to invite suitably qualified candidates which are then shortlisted by a GWT selection panel and the final candidate selected by panel interview. The appointment is then reviewed and confirmed by the Board. All Trustees follow a generic training package to induct them into the work of the Trust and further role-specific training is sought for those that require it. This also includes visiting our infrastructure and work in Nepal.

This process of Trustee recruitment has been further defined and clarified with regard to Independent Trustee-Directors by the Chair of the Governance committee in line with the Charity Commission's view that:

"The Board has a key impact on whether a charity thrives. The tone of the Board sets through its leadership, behaviour, culture and overall performance is critical to the charity's success. It is important to have a rigorous approach to trustee recruitment, performance and development, and to the Board's conduct. In an effective team, Board members feel it is safe to suggest, question and challenge ideas and address, rather than avoid, difficult topics."

Details of Trustee retirements and recruitment may be found on page 34.

KEY MANAGEMENT PERSONNEL

The Trust's CEO is responsible for the day-to-day operation of the Trust. He directs and coordinates the work of the Salisbury headquarters and oversees the work of the Gurkha Welfare Trust (Nepal) and the Gurkha Welfare Advice Centres.

The Director of the GWT(N) provides assurance on authority, responsibility and accountability for the delivery of welfare support in Nepal in accordance with Trust policies, as well as insight into the political dynamics of Nepal. In addition, he acts as an interface between the Trust and the veteran community in Nepal.

The Field Director of the GWT(N) in Nepal is responsible for daily operational management of the GWT(N) and implementing welfare support in accordance with Trust policies.

The Medical Director oversees the Trust's medical and healthcare system in Nepal. The role is based at HQ GWT(N) in Pokhara, Nepal.

The Head of Fundraising and Communications leads the fundraising and marketing team in the UK.

IMPLEMENTING PARTNERS

Many of our services in Nepal are delivered in partnership with other organisations.

The Trust builds rural water and sanitation projects in Nepal assisted by an annual grant provided by the British Government's Foreign, Commonwealth and Development Office (FCDO).

The Ministry of Defence (MOD) continues to provide an annual Grant in Aid (£3.3M) towards staff and administration costs of the GWT(N) in support of welfare delivery. This enhances value for money for donors as it allows, in conjunction with investment income, donations to be spent directly on welfare projects.

The MOD also provides £2.5M annually as a contribution in support of the Trust's healthcare provision for veterans in Nepal.

In Nepal, the Trust continues to work closely with the Kadoorie Agricultural Aid Association (KAAA), which concentrates on community aid and development, including bridge construction, the provision of potable water supplies, hydro-electricity projects and employment training schemes.

Additionally, the Trust works in partnership with CAIRN in providing a holistic approach to supporting education through the provision of teacher and librarian training.

In the UK, the Trust works with the relevant Government departments and key service charities to enable the delivery of statutory and welfare advice to ex-Gurkhas and their dependants seeking settlement.

VOLUNTEERS

People volunteer for the Trust in a number of different ways. Often members of the public raise funds on our behalf (community fundraisers), others offer to help at Trust challenges and events. Some gain experience in the UK office by assisting with fundraising and marketing efforts and others maintain a relationship with us owing to their own longstanding association with the Brigade of Gurkhas. Their individual and collective effort and dedication, often over many years, is appreciated enormously by the Trust. We do not recruit volunteers to directly work on project delivery in Nepal, apart from a few exceptional cases where it is part of a funding commitment.

PUBLIC BENEFIT

The Trustees have given due regard to the Charity Commission's guidance on reporting public benefit when planning the charity's activities and are satisfied that the Trust is fully compliant with the Charities Act 2011.

Benefit to our beneficiaries can be assessed in two distinct areas – individual and community aid:

Individual Aid, in the form of the welfare pension, winter allowance, disability support grants, welfare grants and our earthquake resilient homes, is provided perennially to ensure that our core beneficiaries and those most vulnerable are able to live with dignity. Enhanced support is provided to beneficiaries living in our two Residential Homes. In addition, free primary medical care is provided to all eligible individuals as well as subsidised secondary healthcare treatment. Details may be found on pages 14-18.

Community Aid is provided in the form of schools, accessible drinking water and medical camps. The impact of these activities can be found on pages 18-21. The primary beneficiaries of these activities are the general public.

OBJECTS AND ACTIVITIES

The Trust's Objects are:

- To relieve either generally or individually Gurkhas and their dependants and other persons in Gurkha community areas, who are in conditions of need, hardship or distress.
- To promote the education of Gurkhas, dependants and other persons in Gurkha community areas.
- To make provision for the medical diagnosis and treatment of Gurkhas and their dependants and other persons in Gurkha community areas who are in need of such diagnosis or treatment and for the prevention of any disease or adverse conditions which may affect any such person: and
- Such other charitable purposes which are in the opinion of the Trustees connected directly or indirectly with the foregoing purposes as the Trustees from time to time think fit.

The Trust's Vision is: "Gurkhas living with dignity". Welfare support is delivered against the following priorities:

- The provision of a Welfare Pension.
- The provision of welfare/emergency grants.
- The provision of medical support: a free primary healthcare scheme for beneficiaries and subsidised hospital care.
- The provision of water and sanitation projects.
- The running of two Residential Homes (RH).
- A programme of building earthquake resilient homes for beneficiaries.
- The building of schools and community centres.

The Trust raises funds in support of welfare programmes involving individuals and communities in Nepal and also in an advisory capacity in support of ex-Gurkhas in UK.

FUTURE PROSPECTS

The Trustees are confident that there is a demonstrable need for activities delivered by the Trust and that it can continue as a going concern. While the threats of inflation, rate of exchange fluctuations and income pressures are expected to continue throughout FY2022/23, measures have been promulgated to mitigate, as far as possible, the risks emanating from them.

A 10-year income and expenditure analysis has been conducted to provide forecasting of the Trust's activities and its ability to fund them. This provides the Finance and Investment committees with clear direction on the level of growth required to ensure sustainability.

A new fundraising strategy, to continue from the end of the existing strategy from July 23, has been approved by the Board.

An expenditure analysis of the Trust's charitable activity versus cost overheads has been conducted to provide trustees with greater visibility and assurance of charitable expenditure over time.

Our Investment strategy and portfolio composition is regularly reviewed to ensure the greatest possible resilience to extant economic pressures.

The Trust's core beneficiaries, the Welfare Pensioners (WP), numbered 3,453 as at 30 June 2022 with this figure reducing by approximately 10% per year. A fully funded Constructive Obligation (CO) exists to ensure the continuing provision of a welfare pension to all recipients until this obligation ceases.

The Strategic Review conducted and presented to the Board on 16 September 2020 has identified a continuing requirement for the Trust's welfare services to veterans in Nepal for the next 20 – 30 years.

The MOD's commitment of £2.5M annually as a contribution in support of the Trust's medical services to Nepal based veterans extends until 2029.

A five-year accountable grant agreement with FCDO (£19M) commencing 1 July 2021, for the provision of Water, Sanitation and Hygiene and Emergency Preparedness has successfully concluded its first year. As a partnership, the Trust will support the programme with up to £4.5M over the five years.

THE STRATEGIC REPORT

TRUST STRATEGY

The Trust defines it priorities in five-yearly increments, setting parameters within which the Trust can best respond to the needs of ex-servicemen and their dependants. The most recent Strategic Review was presented to the Board on 16 September 2020 and extends to 2025.

The priorities identified for capital expenditure in FY2021/22 were:

Enhancement of the security and accuracy of personal data through a new cloud-based CRM.

To enable the Trust to be more strategic with its fundraising campaigns and ensure that the data it holds on supporters is both secure and accurate, the GWT migrated its CRM (Customer Relationship Management) during FY2021/22. Transitioning from a database to a new cloud-based platform (ThankQ, run by The Access Group) this will help reduce the risk of cyber-attack and data fraud.

Upgrade of Nepal IT infrastructure and enhancement of cyber security. This robust programme of both hardware and software roll out throughout our Nepal based infrastructure was successfully completed, including necessary training for staff, albeit it is recognised that this area requires ongoing maintenance and support.

Enhancement of GWT's Disaster Resilience (DR) capabilities and long-term resilience of AWC infrastructure.

A three-phase process for retrofitting was initiated in this financial year.

1. **Seismic Vulnerability Assessment (SVA).** External contractor (Earthquake Safety Solutions Sainbu, Bhaisepati, Lalitpur Kathmandu) as the Project Cell doesn't employ seismic engineers. The contract team checks the buildings for compliance and against the original design. A report is produced and additional geological surveys may be recommended (Khandbari and Diktel). This has been completed for all AWCs.
2. **Detailed Design.** SVA reviewed and detailed design drawings produced by contractor. These are due at 8x AWCs (retrofit works due FY 2023/24+).
3. **Retrofit Works.** Construction work carried out by a dedicated Project Supervisor under DPE's supervision. External contractors will assure the works. 6 x AWCs due FY 2022/23 and 8 x AWCs due FY 2023/24+.

AWC Tehrathum

FUTURE PLANS

The following objectives have been identified for FY2022/23:

- Continuing implementation of DR enhancement to the AWC network.
- Engagement with MOD on further support for Nepal based veteran medical provision.
- Assessment of longer term options for medical provision in Darjeeling.

ACHIEVEMENTS AND PERFORMANCE

STRATEGIC SUMMARY

This was another challenging year which initially saw the continued opening-up following COVID-19 in both UK and Nepal enabling some physical fundraising events and challenges to take place. However, with the emergence of the Omicron variant in December elements of fundraising were once again curtailed. Throughout this period the delivery of welfare and medical services continued in Nepal, with all the planned homes and community school projects being delivered.

FY2021/22 was the first year of the new RWEPP agreement with FCDO, for which it was awarded an A+ rating in FCDO's annual review in August 22.

As global economies began to open, the effects of supply chain challenges were felt through delays and rising inflation. The war in Ukraine exacerbated these pressures with rising inflation forecast to continue through the next FY 2022/23, significant pressures on the cost of living and fluctuations in global markets. There is evidence that some fundraising income streams will reduce as individuals feel the effects of the financial pressures which will need to be carefully monitored throughout FY2022/23.

NEPAL

EXECUTIVE SUMMARY

As at 30 June 2022, Nepal has recorded over 900,000 COVID cases and almost 12,000 COVID related deaths. Last year's report was written in the midst of a 2nd COVID wave. This had a severe country-wide impact, but GWT(N)'s freedom of movement was maintained with support from the British Embassy and we were able to maintain operations, albeit at a reduced tempo. A 3rd wave hit Nepal in mid-January and there were localised lock-down measures. Concurrently, boosters became available for staff and beneficiaries – some were provided by the UK, but the majority were provided by the Government of Nepal.

IMPACT ON GWT

The 3rd wave did have an impact on operations with, at the peak, over 120 staff infected at the same time and more than half the AWCs closed to visitors. Support, however, never stopped and reduced help, such as telephone consultations, did continue. Again, GWT(N) resilience was tested and beneficiary-focussed support continued to be delivered despite a challenging context. COVID remains a factor to be considered when conducting activity and the protection of beneficiary health remains a primary concern. Lessons learned from previous waves and good-practice protected staff and the dedication and efforts of all staff enabled operations to continue.

The HQ staff in Pokhara worked largely from home during the 2nd and 3rd waves, and all elements of the organisation have continued to use online tools and conferencing facilities to coordinate their efforts and the delivery of our integrated services. We have made extensive use of our various social media platforms and group SMS service to keep beneficiaries informed and to provide advice. And for the many beneficiaries who do not use social media, the AWCs have invested much time in maintaining telephone contact.

GWT'S RESPONSE

INDIVIDUAL AID

Welfare and Pensions

GWT maintained its programme of welfare pension payments throughout the crisis. Over 80% of our welfare pensioners are now paid through the bank, which guarantees the payment and gives the pensioner better access to their pension. For those who are still cash-paid, their pensions have either been collected on a quarterly basis from the AWC as normal, but AWCs have delivered the pension to their homes if they were unable to reach the AWC because of the travel restrictions.

During the year, we rebuilt 101 new homes for welfare pensioners and pro-actively provided

Kalu Gurung received rehab at our Kaski Residential Home

hardships grants to repair or improve homes, build toilets or provide essential household items or services. Last year's monsoon and other natural disasters damaged 13 pensioners' homes, which were all rebuilt or repaired using central funding from the Disaster Relief fund.

Medical

In spite of the 2nd COVID wave lasting well into September 2021 and a 3rd wave in January 2022, GWT's medical services returned to more or less normal operation in this FY. Medical advice to beneficiaries and COVID protocols for our staff were under constant review and revision, applying the lessons we had learned from the previous year.

COVID vaccinations were provided by the government of Nepal, and GWT also received some vaccines via the British Gurkhas, mainly to vaccinate staff and residential home pensioners.

During the year, 104,321 consultations took place in GWT clinics and patrol bases; GWT medical staff made 9,088 home visits to homebound pensioners and dealt with 44,829 telephone calls; 2,598 phlebotomy visits were registered and over 7,000 pensioners received an influenza vaccine. Clinics also started offering cervical screening and additional nurse appointments for managing chronic diseases, like diabetes and chronic obstructive pulmonary disease (COPD).

In addition, rehabilitation services and palliative care were provided for pensioners in GWT clinics, RHs and pensioners' homes. For the most vulnerable pensioners, the trusts provided 40 hospital beds and 76 oxygen concentrators.

To deal with the increased volume of activity, GWT employed 14 additional medical staff in various professional groups.

As the pandemic situation improved, more patients were also referred for hospital care, and we dealt with over 14,000 secondary care claims.

The two-year contractual agreement, from January 2020, with International SOS for medical services in Darjeeling has been extended to February 2024.

Residential Homes

In spite of very strict infection prevention protocols, both residential homes again experienced outbreaks of COVID in the Omicron wave in January 2022, with sadly one additional death. For the rest of this year, COVID numbers were very low in Nepal and the residential homes could resume social activities like outings with the residents to beauty spots and celebrating various festivals.

Both residential homes are now delivering a fully-fledged rehabilitation programme, with usually four rehab patients admitted in each RH at any one time – 20 pensioners in total throughout the year. The most common reasons for admission are: rehabilitation after stroke or hip fracture, or after hospital admission for COPD / pneumonia; and, nutrition rehabilitation for those who have lost weight for a variety of reasons.

Both residential homes have had a number of new admissions throughout the year, some of these were rehabilitation patients who then decided to stay.

COMMUNITY AID

Rural Water and Sanitation

Despite the constraints of the COVID pandemic, GWT has continued to deliver essential water and sanitation projects, and in the first year of the new grant agreement completed the delivery of 76 water supply projects benefitting 30,812 population in 5,652 households with 5,883 tap stands. Sanitation, hygiene promotion and awareness training was delivered to a population of over 35,100 (see also pages 18-23).

Medical Camps

GWT was able to conduct three Medical Camps this year, in Humla, Solukhumbu and Khotang, with 1,701 patients registered in total. We continued to offer cataract surgeries, hearing-aid and eye treatments and the provision of prosthetics and mobility aids as well as referrals for selected patients, and were also able to provide dental treatments again in Solukhumbu and introduce ear surgery in the Humla camp. One camp which was planned for June had to be postponed due to Nepal's local elections, but is due to take place in September (after the peak of the monsoon season). In addition to the specialist camps, we also trialled a school camp model in a school for disabled children, where all 21 children received dental, vision and hearing test and basic treatments, and four were referred for further treatment.

SUPPORT TO GOVERNMENT

Thanks to additional donations specifically for COVID relief, GWT was able to continue its medical contribution to the Government. A donation from GCSPF continued this work to alleviate local shortages of critical medical equipment and improve capacity to deal with the current crisis in remote areas. GWT distributed medical equipment and supplies to where there was the greatest need.

RWEPP COVID-19 INTERVENTION SUPPORT

RWEPP staff continued to deliver immediate and practical support to protect the population and health workers. As part of this response, GWT also provided sanitation awareness training and advocacy, hygiene kits, and sanitary pads to maintain personal hygiene and privacy. A total of 36,649 people (17,573 females and 19,076 males) benefitted in FY 21/22. During this FY, the programme supported 78 Health Care Facilities (HCFs), 6 Isolation centres, 23 local government institutions, three orphanages, and 75 schools across six Provinces.

SUMMARY

GWT has continued to operate successfully on a quasi-operational footing throughout the year and has weathered the storm of a particularly aggressive and impactful second wave and then a less-severe third wave. Its support to beneficiaries and communities alike has remain undimmed and largely unaffected. Services were provided, targets were largely met, and all projects were completed on time and to scope and cost. Furthermore, the increased support that we have provided to the Government in remote areas has substantially enhanced our standing and reputation in Nepal and has cemented the bond between the Area Welfare Centres and the local communities. A year on from the last Annual Report Nepal is no longer in crisis, and GWT's beneficiaries and communities remain at the heart of the GWT operation and we have every confidence that they will continue to receive the best possible support in the future.

FUNDING THE CAUSE IN THE UK

GWT's individual supporters were still in a position to give generously during the COVID pandemic. However, for many their circumstance changed in the latter half of FY 2021/22. Emergency appeals launched for those caught in the Ukraine conflict deserved attention, and many supporters also found themselves with substantially less disposable income and facing uncertainty over future energy prices.

Nevertheless, those who could, continued to give generously. Donations from community initiatives and events recovered to a degree but still have some way to go to return to pre-COVID levels. Trailwalker returned (having been cancelled the previous year) meaning a substantial boost to income (c.£217k). There were also large unsolicited gifts from both charitable trusts (£450k) and corporate partners (£50k) which helped the fundraising income exceed its target for the year.

GWT FUNDRAISERS TAKE ON EPIC CHALLENGES

Last year we saw hundreds of supporters take on a range of races and endurance events to raise funds for the Trust. Our challengers ran marathons, climbed mountains, cycled the length of the country, trekked to Everest Base Camp, and more.

One of our most intrepid supporters is 62-year old Jim Morton, who started his walk around the coast of mainland Great Britain in April 2021 and just kept on going! Jim finally finished his incredible journey in September 2022 having walked over 9,000 miles and raised over £30,000.

TRAILWALKER 2021

Trailwalker 2021 saw a great turnout of participants ready to take on the gruelling 100km trek across the South Downs. In total, 1,256 individuals joined 314 teams to take on the ultimate endurance challenge. Gurkha pipers were on hand to encourage teams across the start and celebrate their arrival at the finish line.

Teams were challenged to run or walk the 100km course and finish in 30 hours or less. The fastest team from the Queen's Gurkha Signals crossed the finish line in an incredible 10 hours and 19 minutes. Ex-Gurkha Chris Green, aged 75, completed his fourth Trailwalker in a personal best time of 24 hours and 12 minutes.

Huge thanks to everyone who supported the event which raised over £500,000. We also owe a big 'thank you' to our mighty team of volunteers, who cheered on challengers and kept everyone fed all weekend.

THE DOKO CHALLENGE 2022

In June we welcomed a crowd of around 100 supporters to Wimbledon Common to take on the mighty Doko Challenge. Based on the traditional Gurkha Recruitment Doko race in Nepal, the challenge saw participants run 5km on a hilly cross-country route, carrying a traditional doko basket weighing either 5kg, 10kg or 15kg.

We welcomed a fantastic group of supporters - walkers, joggers and those racing to beat the Gurkha recruitment time of 46 minutes. We had experts on hand to fit the doko baskets and deliver an invigorating warm-up routine.

The event was a huge success with everyone completing the course, the leader crossing the finish line in an incredible 19:30.

Our Ambassador Hari Budha Magar gave a rousing speech at the send-off and was on hand to present medals to participants at the finish line.

Most notable over the year was the significant increase in legacy income received, with the majority (c.80%) coming from GWT's existing supporter-base – highlighting just how much the Gurkha and Nepali cause means to them.

The increase in legacy income can be explained, in part, by COVID processing delays being addressed but there are other factors to be considered:

- In 2019, changes in Probate processes resulted in a slow-down and backlog of estates which was further exacerbated by the COVID pandemic in 2020. The slow issue of Grants of Probate resulted in delays to estate distributions in 2020/21. The backlog is now down to 2019 levels.
- HMRC continued to work towards improving delays in issuing tax clearance.
- There were an increased number of charitable estates (estates including a legacy to charity) which rose by 14% in calendar year 2021 compared to 2020.
- An increase in the value of charitable estates (as a result of asset values rising since the March 2020 drop). Property and investments are important components of residuary (% based) entitlements.

Acquisition accounted for the majority of fundraising expenditure across the year – with the aim of introducing new supporters to the Trust's work. Total expenditure was below forecast at 79% (£1.3M) which was largely as a result of a number of cancelled or delayed initiatives.

A new five-year strategy has been drafted and approved for delivery by the Board of Trustees which begins FY2023/24. The document focusses on building resilience across all of GWT's income streams – seeking to ensure that the organisation's funding can develop consistently and sustainably over the next five years no matter what external challenges arise.

AMBASSADORS

Our Ambassadors work in partnership with us to help widen our appeal, reach new audiences and promote our cause.

Hari Budha Magar

Hari became our first Ambassador in February 2022. Hari is a former 1 RGR Corporal who lost both legs in Afghanistan, and is now a record-breaking mountaineer. In 2017, Hari climbed Mera Peak, becoming the first double above knee amputee to climb a mountain taller than 6,000m. His next goal is to climb Mount Everest in 2023, and he will be the first ever double above knee amputee to attempt this summit.

Over the course of his life, Hari has had to overcome immense hardship and adversity. He was born in a small, remote village in Western Nepal, and grew up in a civil war that killed more than 17,000 people. Hari joined the British Army at 19 years old and served 15 years with The Royal Gurkha Rifles. In 2010, he was injured while serving in Afghanistan and lost both of his legs above the knee.

Despite this adversity, Hari was determined to challenge himself and trained hard to climb mountains across the world. Hari inspires people to aim for the best, encouraging them to take on new challenges and follow their dreams.

Johnny Fenn

Johnny is a former British Army Officer with 25 years of service, including 16 years with the Brigade of Gurkhas. His Gurkha service took him to East Timor and Iraq, before being posted back to the UK as Deputy Chief of Staff for the Brigade of Gurkhas. On promotion to Lieutenant Colonel, Johnny was appointed British Military Advisor to ECOWAS in Nigeria, before completing his military service as the Field Director of The Gurkha Welfare Trust in Pokhara, Nepal. He is now a professional photographer and explorer, and he has travelled the globe on photographic adventures. We were delighted to welcome Johnny as a new Ambassador in 2022.

OUR FINANCIAL AID

This year we committed to continue the provision of financial aid to Welfare Pensioners and recipients of the Disability Support Grant during 2021/22. At 1 July 2021 there were 3,812 Welfare Pensioners in receipt of a pension of NPR 13,100 per month, and 225 recipients of the Disability Support Grant. At the 30 June 2022, there were 3,453 Welfare Pensioners and 232 recipients of the Disability Support Grant.

We committed to a Winter Allowance in the form of the provision of winter hats, gloves and a muffler to all Pensioners distributed prior to end of 2021.

We committed to the provision of financial support for family members required to provide full time care to our Welfare Pensioners through the Home Care Allowance, and for the immediate support to Welfare Pensioners and their families in times of hardship through Hardship Grants and a Funeral Grant.

Welfare Pensions

We pay a pension to thousands of impoverished Gurkha veterans or widows in Nepal who aren't eligible to receive a British Army pension. The rate is calculated each year using a 'shopping basket' of basic goods such as rice, vegetables and firewood. For many people, this is their only source of income. In addition to the food basket, the Trust now utilises the Government of Nepal's statistical data used to define the minimum wage as another relevant benchmark.

At the beginning of the reporting period there were 3,812 individuals in receipt of a Welfare Pension from the Trust. They were each paid a Welfare Pension equating to 13,100 NPR per month. In response to the economic crisis following the pandemic and rising food prices, an additional NPR4,000 was paid to all Welfare Pensioners in January 2022.

During the period 438 WPs were recorded as ceased of which 35 ceased due to their move to UK. 79 new welfare pensions were authorised including 45 returning from UK and 61 pensions were transferred to widows. Eleven pensions were ceased due to the beneficiaries moving into the Residential Homes and in receipt of the residential home allowance.

As at 30 June 2022 the number of Welfare Pensioners had reduced to 3,453.

For 2022/23 Trustees agreed an increase of 10.7% to the rate of welfare pension from NPR 13,100 to NPR 14,500 per month (NPR 174,00 pa). In addition, Trustees agreed the annual festival allowance of NPR2,000. With inflation in Nepal at over 8%, this increase maintains the rate at 100% of the food basket used to determine a pensioner's monthly requirement for essential items. In 2021/22 the cost of the Welfare Pension programme was £5,016,000 (2020/21: £5,577,000) which represents 25% of total charitable expenditure (prior to movement in the constructive obligation).

Almost 80% of WPs are now paid through the bank on regular monthly basis; all Darjeeling pensioners receive their pension directly through their designated bank accounts.

Winter Allowance

Our Winter Allowance is an additional annual gift distributed to all of our pensioners to ensure that they are equipped to endure the colder months of winter.

The allowance was previously paid in cash however, in line with the Trust's policy of avoiding cash payments in favour of payment in-kind, this reporting period saw all of our Welfare Pensioners issued with thermos-type flasks.

The direct cost of the Allowance in 2021/22 was £22,000 (2020/21: £47,100)

Disability Support Grant

For disabled children of our core beneficiaries, we offer a regular monthly grant similar to the Welfare Pension. Without this financial support, and in the absence of a developed-world health system, disabilities can pose an insurmountable obstacle in Nepal.

As at 30 June 2022, there were 232 beneficiaries in receipt of the grant (2020/21: 225). The total cost of delivering these grants in 2021/22 was £284,000 (2020/21: £282,000). In response to the economic crisis following the pandemic and rising food prices, an additional NPR4,000 was paid to all DSG beneficiaries in January 2022. An annual festival allowance of NPR2,000 is also payable to DSG beneficiaries.

Home Carers Allowance

Sometimes, family members of our Pensioners care for them full-time. When this happens, they are able to apply for a grant from us to support them as they are unable to work.

In 2021/22 302 people received this grant (2020/21: 405). The total cost of these grants in 2021/22 was £93,000 (2020/21: £108,000).

MAY YOU NOT TRIP WHEN YOU WALK – A WIDOW'S STORY

Widow Deukumari Chhetri lives in Tanchowk village in the remote Annapurna region of Nepal. At the age of 95 she is remarkably independent, and still able to support her family thanks to the pension she receives from The Gurkha Welfare Trust.

Our Pensioner Support Team travelled for over to two hours to reach Deukumari's home to deliver her pension, complete a routine health check and provide her with medicines.

Duekumari's husband, the late Rifleman Jagatbahadur Chhetri, was enlisted in India, served with the Gurkhas in Burma, and was discharged from Malaysia in 1947. When he returned home after being discharged from the army, it was difficult for Jagatbahadur to provide for his family.

"We struggled a lot. Income from farming was not enough. We had to borrow money to buy seeds and had to repay in crops. They charged heavy interest and not much was left for us," Deukumari said.

"We also tried our luck in trade. Me and my husband used to walk for three days to buy clothes and rations, bring them back to the village and sell them here. I remember my youngest son was just three years old and I had carried him all the way. It was very difficult."

In 1994 Jagbahadur started to receive a monthly pension from The Gurkha Welfare Trust, enabling him to support his family. When he died in 2008, we continued to provide a pension for his widow.

Since the death of her husband, Deukumari's pension has been a lifeline – for herself and her family. She currently lives with the youngest of her three sons, 60-year old Sherbahadur, and his family.

"As we got older, it was difficult to work the land. The youngest son that I live with is uneducated and is a farmer – we couldn't have been dependent on him. We couldn't have survived without the pension."

The pension enables Deukumari to buy essentials, mainly food items and clothes. She can also afford to treat her grandchildren with sweets at festival time.

At the end of the visit Deukumari expressed her gratitude for the support she receives from The Gurkha Welfare Trust.

"I want to thank you all. May you not trip while you walk. May you not get sick. May you not have to quarrel with anyone. May you achieve whatever you aim to do."

Welfare Grants

We are needed the most during moments of tragedy. When disaster strikes in the form of fire, flood, landslide or earthquake, GWT is ready to provide immediate assistance, by offering financial and other support.

A total of 963 grants were made in 2021/22 for the immediate relief of destitution and in response to fire, flood and landslide damage at a total at a cost of £1,208,000 (2020/21: £1,283,000)

101 earthquake-resilient homes were delivered in a continuation of the EQ Homes project.

Funeral grants were paid in respect of 383 former Welfare Pensioners.

OUR RESIDENTIAL HOMES

The Trust runs two Residential Homes (RHs), one located at the Area Welfare Centre (AWC) at Kaski, west Nepal and a second located at the AWC at Dharan, east Nepal.

The Homes provide round-the-clock care to Gurkha veterans and widows who would otherwise struggle to live alone. With no comparable facility in Nepal, they set the standard of care for the elderly.

The RHs have a maximum capacity of 48 (including rehabilitation) and there were 36 permanent and 7 rehabilitation residents as at 30 June 2022 with a total expenditure of £468,000 (2020/21: £492,000). The annual running costs of both RHs are met by designated funds.

Despite the constraints imposed by COVID-19, the RHs have continued to deliver rehabilitation care. This has greatly improved their quality of life and helped them to live with dignity.

BUILDING A SAFE HOME FOR DHAN BAHADUR AND SUKMAYA

Having a safe place to call home is increasingly important to Gurkha veterans and widows, especially as they grow older. Rifleman Dhan Bahadur Limbu and his wife Sukmaya were very grateful to the GWT supporter whose donation enabled us to build them an earthquake-resilient home.

Dhan served in the 10th Gurkha Rifles, and he starkly remembers his service. "I enlisted from Dharan," Dhan said. "We were then separated and sent to different platoons. We went to Hong Kong. From there, we were taken to the conflict between Indonesia and Malaya in Borneo. We were then told that we had to leave on redundancy. I was made redundant in 1969, after the conflict was settled between the two parties. I lost a few of my colleagues during the conflict."

Dhan's life was tough when he returned to Nepal after being made redundant. He worked in the fields to make a living, and for a long time he and his family lived in an old house made of timber and bamboo. The beams of the home were bent with age and were hazardous in the event of a natural disaster.

We constructed a new, earthquake-resilient home for Dhan and his wife Sukmaya, so that they can rest easy knowing they are safe from Nepal's unpredictable environment.

"I like the house, it is enough for the two of us," Dhan said. "I would like say 'Dhanyabad' to the gentleman who helped us."

RESIDENTIAL HOME DHARAN RESIDENT PROFILE:

Nar Bahadur Gurung, veteran of the 6th Gurkha Rifles

Nar Bahadur Gurung was born in Lamidanda, a village Lamjung District, on 25 Nov 1923. His parents were primarily subsistence farmers and occasionally took on casual work weaving cotton cloth. Sadly, Nar Bahadur lost his mother when he was about three years old. When his father remarried, his step-mother refused to look after him and he spent his childhood living with his uncle, looking after buffaloes, cows and sheep. As there was no school in his village he had no opportunity to get an education.

Nar Bahadur enlisted in the British Army in 1942. "I was very strong and my friends were too scared to fight me. As I was a good runner I got selected in my first attempt. I cannot remember the name of the basic military training centre and its duration, but I was posted to Burma war as soon as the training was completed.

Although I was a little frightened initially, when deployed for war, the fear went away later. Because of the intense and continuous battle, I cannot remember the number of casualties I was able to inflict on the enemy side. I used to cook and eat self-carried rations in a metal mug. On other occasions, I ate biscuits only or Indian plums that were found in the jungle.

"I can vividly remember an incident where I came face to face with a Japanese soldier who was above me on a higher ground and holding a sword. I aimed and shot at his chest, he fell but also managed to swing the sword at me cutting the ring finger on my hand. The enemy died on the spot. I also lost many colleagues in the war.

"I could not get proper treatment for the injury, just received homeopathic medicine available locally and used cotton rags as a bandage. After a week's rest, I was back firing bullets. My officer, Keren Saheb, was very tall and was good to us. When Hitler raised his hand and declared that the war was over, I was posted back to the regimental centre. I was discharged on army demobilisation and sent back to my village in Nepal in April 1946."

After returning home to Nepal Nar Bahadur depended on cultivation for a living. His uncle arranged his marriage and Nar Bahadur and his wife had two daughters and two sons. He lost his beloved wife three years ago and became dependent on his son as he was partially disabled with a hearing and speech impairment.

With the pressure of trying to earn a living for his own family, Nar Bahadur's son was unable to care for him. In co-ordination with the local Area Welfare Centre in Lamjung, Nar Bahadur was admitted to the Residential Home in Kaski in February 2022. He now receives round-the-clock care, is happy and healthy, and enjoys taking part in social activities with the other residents.

"GWT has constructed this (residential) home for me. I am very happy with the good food and health care services provided to me at the later stages of my life. Jai GWT!"

OUR MEDICAL AID

The Trust provides an international standard of healthcare and medication to Gurkha veterans and their families living in Nepal. We do this through our regional medical clinics, via home visits by specialist staff and by arranging subsidised treatment at carefully selected national hospitals. We committed to the provision of primary medical care enabling all pensioners' access to an appointment at one of our medical centres and to be seen by appropriately qualified medical staff.

GWT medical services provided c115,000 face-to-face patient consultations, c47,000 telephone consultations and over 9,000 home visits during the year at a total cost of £7,559,000 (2020/21: £6248,000).

The two-year contractual agreement, from January 2020, with International SOS for medical services in Darjeeling remains in place.

In 2021/22 the Trust supported three medical camps at Humla, Solukhumbu and Khotang that treat the wider community at a direct cost of £118,000 (2020/21: £103,000). The medical camp model has been developed and refined to concentrate on chronic health problems that affect quality of life rather than life expectancy. As the camps have now become specialist interventions a significant development is the collaboration and utilisation of local hospitals which can provide space, equipment and human resources as well as assisting with initial screening and post camp follow up. Local health professionals are also involved so that they may learn new skills and develop best practice.

New specialities that have been successfully introduced include audiometry and hearing aid provision, adjustable spectacle distribution, mobility aids including the provision of artificial limbs, Ear, Nose and Throat referrals and funding referrals to secondary care for selected beneficiaries. In addition, a school health programme has been trialled.

OUR SCHOOLS

Our schools' programme builds, repairs and improves schools in remote regions of Nepal and in turn provides access to education and a better future for Nepali children.

Unlike last year, when projects had to be suspended during the national lockdown, the construction of school projects this year was not affected.

Nevertheless, adherence to strict COVID protocols and closure of Nepali schools in Jan / Feb presented challenges, nevertheless, all projects were completed. This included 3 Major schools, 12 Minor School Extensions and 90 school refurbishments.

Total expenditure in 2021/22 was £1,116,000 (2020/21: £1,078,000).

Retaining the skills and expertise in construction techniques amongst our staff is a key requirement in retaining skills in-house to ensure we can react immediately following natural disaster and forms part of our disaster resilience strategy.

OUR CLEAN WATER AND SANITATION

The new five-year programme Resilient WASH and Emergency Preparedness Programme (RWEPP) started in July 2021. The RWEPP is a jointly funded programme delivered by the Foreign Commonwealth and Development Office (FCDO) and Gurkha Welfare Trust. The RWEPP aims to increase inclusive access to sustainable and resilient Water, Sanitation and Hygiene (WASH) services, and strengthen the resilience of communities to deal with climate induced disasters.

RWEPP will directly contribute to the attainment of the UN's Sustainable Development Goal 6 (increasing access to clean water and sanitation services) and Goal 9 (building resilient infrastructure, promotion of inclusive and sustainable industrialisation and foster innovation). RWEPP will also contribute support to the UK's strategic priorities of climate change, COVID-19 and global health, and humanitarian preparedness and response.

Key concept and impact of the programme

- Sustainability of WASH projects. A key factor to the sustainability of WASH projects has been the formation of Water User and Sanitation Committees (WUSCs) in each targeted community. WUSCs have active and adequate Operation & Maintenance (O&M) funds; and provide training to Village Hygiene Promoters (VHP) and Community Maintenance Workers (CMWs). Furthermore, all the schemes implemented by RWEPP were included in local government plans and based on signed tripartite agreements between the project, communities (WUSCs) and local governments.
- The programme has supported gender equality, and demonstrated compliance with the gender equality aspects of the International Development Act, in four ways.

HOSTING HUMLA'S FIRST PROSTHETICS CAMP

Out of the 77 districts in Nepal, Humla is reported to be the most underprivileged in terms of infrastructure, development, road access, education, and health services. In November we saw the successful rollout of our fitment camp, the first of its kind in Humla, which provided dozens of villagers with prosthetic limbs to improve their quality of life.

FIRST STEPS FOR TEJBAHADUR

Several years ago, young Tejbahadur Budhathoki fell from a roof and broke his leg. Sadly, the local health post in his village did not have the capacity to treat his injury, and his condition worsened. By the time Tejbahadur arrived at a hospital, doctors had no choice but to amputate his leg.

"He can't walk and is unable to go to school," said Tejbahadur's father, Parba. "We were informed about this camp by the local health post. We are positive that your help will have a positive impact.

"We are from a poor family. We could not have afforded this because of our financial condition. We are very happy that you have helped us. It would have been very expensive if we had to travel to the city to get the treatment. Although it took us three days to get here, we are very happy. Many 'dhanyabad' (thank you) to you all."

HELPING SONIYA WALK AGAIN

12-year-old Soniya had a tragic accident in which her feet were badly burnt, and doctors needed to amputate her toes. Ever since, she has had difficulty walking.

"We came to know about the camp from the local health worker," said her mother, Jyaula. "The new feet look good. I am not sure how it's going to be in the future. It is a great deed that you have done. Because of your efforts our daughter has been able to overcome her physical disability."

GIVING BHAKTARAJ NEW HANDS

Bhaktaraj Budha, aged 12, had to have both his hands amputated after being electrocuted. In our Humla Medical Camp earlier this year, we took Bhaktaraj's measurements for new prosthetics.

"He was checked upon during the medical camp earlier," said Tula, Bhaktaraj's father. "Now, they have installed the artificial hands. You have invested so much. We are indebted to you for this generosity. Your organisation has helped so much."

Bhaktaraj told us he hasn't learned how to write yet aside from writing his name, but with his new prosthetics he is excited to start.

- Firstly, it promoted gender balance within the Water & Sanitation Users Committees (WSUCs) formed within communities, where 48% of WSUC members are women and they hold decision making roles. Secondly, 98% of the Village Health Promoters (VHPs) and 7.8% of Village Maintenance Workers trained by the programme are women. Thirdly, WASH infrastructure constructed through the programme is gender and disability friendly. And finally, menstrual hygiene management has been a key component of hygiene and sanitation related interventions, for which girl students have directly benefited.
- RWEPP has supported the most vulnerable, and empowered women and excluded groups by increasing their participation in Water User and Sanitation Committees (WUSCs). The percentage of women in key decision-making positions has increased to 64% against the target of 33%. In addition, a large number (70%) of excluded groups have been included in WUSCs. Toilets, tap stands, and handwashing stations built under this programme are child, gender, and disability friendly. Likewise, the menstrual hygiene management intervention has directly supported girl students to maintain their hygiene in schools. Female representation on user committees was 49%. Marginalised and excluded group representation on user committees was 72%.

OUR DISASTER RESILIENCE

Nepal is highly vulnerable to climate related, natural, and man-made crises. RWEPP programme quickly adapted to respond to disasters. Against the intended result of providing an emergency response (COVID-19, Winterisation, Monsoon, and Emergency-WASH) to 25,000 people, RWEPP has successfully responded to 44,414 people. RWEPP has supported COVID-19, Monsoon Support, and Winterisation to communities who were affected and in need. The Emergency Preparedness and Response Programme key activities delivered during this FY 21/22 are listed below.

- **COVID-19 response related intervention.** RWEPP staff delivered immediate and practical support to protect the population and health workers. During the COVID-19 response, GWT also provided sanitation awareness training and advocacy, hygiene kits, and sanitary pads to maintain personal hygiene and privacy. RWEPP's COVID response plan contributed to the prevention of the transmission of COVID-19 in Nepal and reduced the social impact on the most vulnerable groups including girls, women, and children with disabilities. A total of 36,649 people (17,573 females and 19,076 males) have benefitted in FY 2021/22. During this FY, the programme has supported 78 Health Care Facilities (HCFs), 6 Isolation centres, 23 local government institutions, four communities, three orphanages, and 75 schools across 6 Provinces, 35 Districts, and 66 Municipalities.
- **Monsoon Support.** As part of the Emergency preparedness and response programme, effective from 1 Jul 21, RWEPP has been delivering monsoon support to communities in need, in line with the Government of Nepal's one-door policy. In FY 2021/22, RWEPP delivered monsoon support to 11 affected Palikas of 9 Districts. A total of 651 households and 3,491 people (1,760 females and 1,731 males, including 2 people with disability and 2 pregnant women) have benefitted from this intervention.
- **Winterisation Support.** Nepal is also experiencing the impacts of global warming on its temperature patterns. The climate data of more than four decades has shown an increasing trend in annual temperatures across Nepal, resulting in climate extremities, related ill-health affecting the population and a change in agricultural production patterns. With the average minimum temperature trend during the winter months decreasing in the Terai region of Nepal, support was provided to the communities most affected. RWEPP delivered winterisation support to the Palikas of five districts. A total of 699 households and 3,266 people (1,676 females and 1,590 males, including 71 people with disability and 32 pregnant women) benefitted from this intervention.
- **Disaster Risk Reduction Management (DRRM).** In accordance with the Nepal Government's DRRM Strategic Action Plan (2018-2030) and Local Disasters and Climate Resilience Planning Guidelines 2017 (LDCRP Guidelines, 2017), GWT N/RWEPP successfully supported the Ward Level Disaster Risk Management Plans (DRM Plan). During, Ward Disaster Management Committee (WDMC) formation process, 210 (63 female and 147 male) ward level representatives were appointed as WDMC members. During the DRM Plan and Vulnerability Capacity Assessment (VCA) training, 208 (62 female and 146 male) were trained.

TRANSFORMING SHREE SARASWATI BALKALYAN SCHOOL

Nearly 1,000 children attending Shree Saraswati Balkalyan Secondary School will have a brighter future, thanks to the generosity of our supporters.

The secondary school, located in the Jhapa District of Nepal, has been completely rebuilt by our team. Students can now learn in 24 new and improved classrooms, fitted with desks, benches, and bookshelves.

As part of the building project, the Trust constructed gender separate toilet blocks, installed an incinerator, and refurbished the school's cafeteria and daycare facility.

"I am very happy that we will now be able to study in this new and high standard building"

Manisha Rai, student

Before construction was carried out, the walls of Shree Saraswati Balkalyan were aged and cracked following damage during the devastating earthquake of 2015. The rooms had been small and overcrowded, with up to 56 students crammed into one classroom at a time. The roofs had also given way and leaked during the monsoon, making it an unsafe environment for the children.

Premkumar Rai was one of the first students who attended Shree Saraswati Balkalyan when it was founded in 1980. Now, he teaches at the school. "When the school was first established, the population was very minimal around the area," he said. "Our classrooms walls were sheets made of bamboo…there was no roof. Whenever we saw thick dark clouds in the sky, the school would have to close."

Although the school had made small improvements over the years, like installing CGI (corrugated iron) roofing, the infrastructure was worn down by time and Nepal's unpredictable weather. The new school buildings will give hundreds of students a safe environment to learn, where they won't have to worry about leaking roofs, dilapidated desks, or cracked walls.

"I cannot express how happy I am" said Premkumar. "The new building will provide an excellent environment. These classrooms will motivate students to attend classes and study. This will help the overall development of students. Social, mental, cultural, and educational development. This will help them achieve it."

OUR INFRASTRUCTURE AND STAFF

The staff and administration costs of the Gurkha Welfare Trust in Nepal continue to be met in large part by the MOD through an annual Grant in Aid (GIA) for the Trust's contribution to fulfilling vital tasks on behalf of the serving and retired members of the Brigade of Gurkhas through its network of staff and AWCs and through the secondment of a Field Director and Project Engineer and part of the time of the Defence Advisor as Director GWT(N). These tasks include liaising with family members of serving Gurkha servicemen in compassionate cases.

Our network of 20 Area Welfare Centres (AWCs) has been divided in to five clusters with up to four satellite AWCs centred around a Key AWC (Butwal, Kaski, Kathmandu, Dharan & Damak). Within these clusters, multi-disciplinary Pensioner Support Teams (PST) facilitate a more dynamic and mobile approach to welfare delivery direct to our pensioner's homes. How often a pensioner is visited will depend on the vulnerability assessment that has been conducted for all Welfare Pensioners with those deemed most vulnerable being visited with greater frequency according to need.

In the UK, the Trust has a Gurkha Welfare Advice Centre (GWAC) to assist pensioners and their dependants with access to welfare and statutory entitlements that arise as a result of linguistic and cultural hurdles. This centre is co-located with the Trust Headquarters in Salisbury. In addition, the Trust runs another advice centre jointly with HQ Brigade of Gurkhas (HQBG) in Aldershot, one of the main centres of Gurkha settlement in the UK.

The Trust and both GWACs work closely with local councils, Government departments and other Service charities to ensure effective support to those ex-servicemen and their dependants who may struggle as a result of linguistic and cultural hurdles in accessing appropriate support. Those service charities remain responsible for meeting the cost of any welfare support which enables the Trust to retain its focus on Nepal and those ex-servicemen and their dependants who remain in conditions of very real poverty and distress. However, in recognition of their work supporting the increasing number and complexity of welfare cases in the UK the Trust makes an annual welfare grant to ABF – The Soldier's Charity. During this reporting period, this welfare grant was £250,000. The Trust remains extremely grateful for the assistance provided by ABF – The Soldier's Charity and those other organisations that are routinely involved with assisting those arriving from Nepal to settle in the UK.

INTERNAL COMMUNICATION

Effective communication with employees is of vital importance and the Trust has established procedures to provide information to, and consult with, employees on financial, employment and other matters that affect them.

DIVERSITY AND INCLUSION

The Trust is committed to promoting and supporting diversity through the creation of an environment in which individuals are treated on the sole basis of their relevant merits and abilities. All staff and trustees share this commitment. The Trust will not tolerate any discrimination or behaviours towards an individual in respect of age, disability, race, religion, gender or sexual orientation, which are offensive, discriminatory or hostile towards the individual.

Through the provision of reasonable adjustments within the workplace, the Trust seeks to maximise the talent and opportunities for both potential and current employees. Arrangements will be made, wherever possible, for retraining employees to enable them to perform work identified as appropriate to their aptitude and ability.

The Trust complies with all UK legislation and applies this as best practice in Nepal wherever practicable, in accordance with Nepal statutory regulations.

ENVIRONMENTAL MATTERS

The Trust is committed to minimising the impact that its processes have on the environment and to providing a safe working environment for our employees. Accordingly, a new Environmental policy has been produced by the Trust.

In accordance with the UK Government's Streamlined Energy & Carbon Reporting policy, the Trust is a low energy consumer in the UK and is therefore exempt from providing detailed energy consumption disclosures.

In Nepal, the Trust seeks to reduce its environmental footprint in a number of ways. The use of solar panels in both the HQ and across our AWC network helps mitigate energy consumption.

THE IMPACT OF GROUNDWATER

In remote areas of Nepal many people still struggle to find clean, safe water. Our water projects provide villages with access to clean water and improve sanitation. In some areas the only option is to source a groundwater supply and pipe the freshwater straight to villagers' doorsteps.

Shuva Bahadur Ale, a villager from Charghare in the Bardibas Municipality, said that before the GWT's intervention, people in his village shared a communal well which was heavily used and dried up during the dry season. Villagers drinking the well water also risked catching waterborne diseases.

"It was difficult at first," Shuva said. "We did not have sufficient water from the well. We mainly relied on the dug wells in our community. Our dug wells were not designed to cope with increased water demand, so one well could not replenish fast enough to serve more than two households at the same time. It led to an intermittent supply where water was not always available when needed.

"Mainly children and women were facing problems beforehand. Sometimes, children could not attend school on a regular basis, and women had to rush their household activities to fetch the water."

Charghare now has a clean water for every household in the village. In total, the GWT installed 551 tap stands, benefitting 3,035 people.

"Now, children can regularly attend the school on time. Women can cook food and provide lunch for their husbands who are working on construction sites. There is also less incidence of waterborne diseases." Shuva said.

Shuva is a member of the village committee that has taken on responsibility for maintaining the project, ensuring its sustainability into the future, and explained "While receiving training from GWT, I learned about the importance of safe drinking water, hygiene, sanitation, water quality tests, leadership, how to run the committee, and sustainability."

EMPOWERING WOMEN THROUGH OUR WATER PROJECTS

Asha Waiba became a role model for women in her community, when she took on a vital role in the village Water Users Committee.

Before we provided a clean water supply to the village, Asha and other women in her community had to walk for hours to collect drinking water. Because this took so much time out of her day, Asha found it was difficult to balance other responsibilities at work and at home.

"It was very hard at first in the beginning," Asha said. "We used to collect water from the well or river. It used to take a long time. Most of the women and children had to spend their time fetching the water."

Asha also recounted how during the monsoon period, rats, insects, and dirt would wash into the community's sources of water, increasing the risk of disease.

After training with members of the GWT, Asha learned best practices in hygiene and sanitation, and how to promote these practices within her community. She also learned how to routinely test the water quality and help maintain the equipment.

Asha said, "We work together as a community on this project. So, we all have the feeling of ownership that we need to manage and sustain it. After all the experience and training, I have earned respect from the community," Asha said. "Now, women in my community perceive me as a role model and they have been inspired by my work."

Travel by vehicle and domestic airlines has been reduced through the greater use of online conference and communication facilities as a direct result of the digitisation of our welfare network.

As a consequence of the restriction of movement due to local and national lockdowns, both in UK and Nepal, our environmental footprint has aided a further reduction in our environmental footprint.

TRAINING

The Trust is committed to ensuring that staff are properly trained for their roles as well as helping maintain motivation and supporting continued professional development. We have increased the number of staff available to deliver in-house training and have a comprehensive programme to utilise a wide range of individuals and teams from UK, where the necessary skills did not exist in Nepal.

The Trust's training budget has been under-utilised during FY2201/22 as a result of travel restrictions emanating from the two waves of the pandemic. Training events did take place, but many were online. Of note, however, the first Annual Conference for over three years was held in Pokhara. In anticipation of greater freedoms in FY 2022/23, there is a renewed emphasis on the full implementation of the training plan.

SAFEGUARDING

The Trust operates a zero-tolerance approach to dealing with safeguarding issues for all staff, contractors, visitors and beneficiaries, regardless of location. As an organisation, we strive to maintain an environment that is free from harassment, abuse and mistreatment in all of our operations and activities.

This approach is reinforced through regular training, both during initial induction training and thereafter with annual Individual Continuous Training (ICT) combined with regular briefings to beneficiaries and communities. This is based on a robust safeguarding policy which is regularly reviewed.

The policy aims to:

- Promote and priorities the safety and wellbeing of staff and vulnerable beneficiaries;
- Provide assurance to the families of beneficiaries, donors and other stakeholders that GWT takes reasonable steps to manage risks and keep vulnerable individuals safe;
- Ensure that everyone understands their roles and responsibilities in respect of safeguarding and is provided with the necessary information, training and support on safeguarding matters;
- Prevent the employment of individuals in working with vulnerable beneficiaries where they have been deemed by the relevant authorities or GWT to pose an unacceptable risk to vulnerable groups;
- Ensure that appropriate action is taken in the event of any allegations or suspicions regarding harm to staff or vulnerable beneficiaries arising from contact with GWT staff, contract staff or volunteers, whether the alleged harm has taken place on GWT premises or not.

GWT's Safeguarding Policy also seeks to effectively manage the risks associated with activities and events involving vulnerable beneficiaries through:

- Completing a risk assessment process which involves identifying risks and means of reducing or eliminating them;
- Ensuring that the appropriate disclosure checks are conducted, depending on eligibility, for any individuals starting or moving into work which involves working with vulnerable beneficiaries;
- Requiring new employees and individuals involved in working with vulnerable beneficiaries to familiarise themselves with the content of this policy and the associated Standards.

Statement of how directors have complied with their duties to have regard to matters in Section 172(1) of the Companies Act 2006

A director of a company must act in a way he/she considers, in good faith, would be the most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard to the following matters:

a. **The likely consequences of any decision in the long-term:** The Trust's future work is defined through a five-year Strategy Review; the current review period runs to 2025 having been endorsed by Trustees on 16 September 2020.

b. **The interests of the company's employees:** Our employees are our key asset and Trustees are committed to promoting a highly motivated workforce through inclusion in the workplace, promoting and supporting training and development opportunities and supporting their physical and mental well-being. In Nepal, regular staff surveys are undertaken, and a Staff Council has been introduced to enhance communication.

c. **The need to foster the company's business relationships with suppliers, customers and others:** The Trust seeks to manage its relationships with suppliers in an open and transparent way, ensuring there is fairness in all aspects of the tender process. At a local level in Nepal the Trust liaises with local authorities and federal Governmental structures through our Welfare Officers located around the country. From a Strategic perspective the Trust's relationship with the Government of Nepal centres on the annual Brigade of Gurkhas Welfare Coordination Committee (BGWCC) which endorses the Trust's work and provides our license to operate.

d. **The impact of the company's operations on the community and environment:** The Trust's work is intrinsically linked with local communities, and our network of Welfare Officers work closely with local administrations. Our long-term partnership with FCDO has improved the lives of hundreds of communities through the provision of potable water and sanitation.

e. **The desirability of the company maintaining a reputation for high standards of business conduct:** Trustees seek to maintain the reputation and esteem in which the Trust is held by both beneficiaries and supporters, through openness and clarity in our objectives and deliverables and ensuring that maximum benefit reaches our core beneficiaries enabling them to "Live with Dignity". There is a robust governance structure with committees and Trustees meeting on a regular basis.

f. **The need to act fairly as between members of the company:** Trustees expect all within the Trust to uphold the highest standards and be seen as an exemplar to other similar organisations. To support consistent standards the Trust has a Values & Standards document, a Competency Framework, Appraisal Reporting policy and procedures and a Discipline policy and procedures within the Staff Handbook and TACOS.

Statement summarising how directors have engaged with suppliers, customers and others in a business relationship with the company.

The Trust assesses the need of its beneficiaries through a Pensioner Risk Assessment, from which a Pensioner Care Plan is developed by our Welfare Officers and medical staff. The plans are regularly reviewed to ensure that the level of care is appropriate, and our Internal Audit and Assurance programmes assess the level of compliance and achievement.

The long-term grant arrangement with FCDO for the provision of potable water and sanitation is based on an agreed target and annual assessment of performance. This has led to the programme achieving an A or A+ rating with a low risk rating each year since grading was introduced in 2012. Dir GWT(N) has the lead for the senior management of the relationship with FCDO staff based at the British Embassy; day to day management of the programme is invested in the RWEPP Programme Director.

OUR POLICIES

GRANTS POLICY

Welfare Pensions are awarded in cases of destitution to ex Gurkha Soldiers who have served in the British Army and their widows who have not qualified by length of service for a pension paid by the British Government. All cases are investigated by an Area Welfare Officer and only in cases where obvious destitution exists, are they granted. All cases are re-examined at a time determined at the time of award, but no longer than five years, to ensure that the pension is still required.

Hardship grants are made when the applicant reports, or the hardship case is discovered by a Pensioner Support Team. At this stage a form is completed outlining the situation, the status of the applicant and any other relevant details. In the case of a house rebuild, details of land ownership are also captured. Group cases, such as large-scale rebuilding of houses following a natural disaster such as the 2015 earthquake are considered by members of a board who will decide relative merits of cases and allocate appropriate resources within priorities and budget.

A Home Care Allowance is awarded to those who support our most vulnerable pensioners, those who are unable to look after themselves or even to get out of bed. The allowance is made to a member of the family or an acquaintance who will then look after the pensioner, manage their medical condition and ensure that they eat properly. Allowances are only granted once case specific training has been received and regular visits are made to ensure the 'home carer' is discharging their duties appropriately. Such allowances are reviewed when the pensioner risk assessment is reviewed.

ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)

The way in which we conduct our work demonstrates our commitment to maintaining ethical standards and reducing any negative impact on both people and the planet.

ENVIRONMENTAL

We are committed to minimising the impact that our processes have on the environment and to providing a safe working environment for our employees. Tangible examples of this over the last year have included:

- The digitisation of our welfare network and use of online conference and communication facilities for internal meetings both in Nepal and the UK.
- In Nepal the introduction of more solar panels in both the headquarters and across our AWC network has helped reduce energy consumption.
- We have also promoted and encouraged a reduction in waste and pollution amongst our beneficiary population most notably by installing smoke-free stoves in homes and building rainwater harvesting systems where appropriate.

SOCIAL

Much of the Trust's work can be considered to affect social change amongst communities. Most notably, this year:

- Providing gender-separate toilets at our school projects and educating on the importance of menstrual hygiene, a subject often seen as taboo in Nepal.
- We have increased representation of women in our community management committees, who are formed to look after village water projects and we ensure positions are held by people from socially excluded groups and ethnic minorities.
- In our communications with supporters we highlight the importance of empowering women to take an active part in community development and sustainability.

GOVERNANCE

- We regularly review and ensure that standard operating procedures are available for the following; safeguarding, data protection, equality, diversity and inclusion, complaints, fraud and anti-bribery.
- Rules governing staff employment are covered extensively in the staff handbook and reinforced during new staff induction programmes.
- Our investment manager (Sarasin & Partners LLP) is a signatory to the UK Stewardship Code adopting a long term global thematic selection approach.
- We continue to better understand our supply chains, particularly in Nepal, to minimise the risk of labour abuse, corruption and adverse impact on natural resources.
- Any products we sell are sourced responsibly.

Compliance is monitored annually through internal and external audits. Our ESG principles demonstrate our commitment to maintaining ethical standards and reducing any negative impact on people and the planet in the delivery of our charitable work.

FUNDRAISING POLICY

- We communicate with supporters based on their preferences and only telephone or email people who have given us explicit consent to do so. For our Direct Mail programme, we use the Information Commissioner's Office (ICO) guidelines around 'legitimate interest' when contacting supporters. We provide clear information on how to opt out of receiving any communications from us via every channel we use.
- We have paid the levy to join The Fundraising Regulator and promote our association and aim to comply with their guidance on our website.
- We are registered with the Fundraising Preference Service and ensure nobody is contacted who logs their requests with them.
- We comply with the Fundraising Regulator's Fundraising Code of Practice.
- We ensure that our staff and our partner agencies are sighted on policies which safeguard our donors at every stage of their supporter journey. Individuals do not always recognise that they are vulnerable or that they might need additional help or assistance. As a result, staff (and fulfilment agencies) are given processes to help identify potential vulnerabilities and to then consider:
  - How they communicate (ie. tone/language/volume) with them and all the options available.
  - What they communicate to them and how it might impact the donor.
  - When to offer additional support.
- Our Safeguarding Guidelines for Vulnerable Supporters can be found at: www.gwt.org.uk/resources.
- We do not share supporter details with any other organisation for marketing or fundraising purposes.
- We update donor details on our database according to their wishes and ensure our database is fully GDPR compliant.
- We have a procedure for logging complaints: www.gwt.org.uk/complaints. In total twelve complaints were received over the year; eleven were related to individual giving correspondence (or lack of), and one was in relation to one of our corporate partnerships.
- All staff have regular training on Data Protection.
- We update our Privacy Policy on a regular basis to comply with ICO guidance.
- We do not wealth screen in compliance with the GDPR.
- We only share donor data with third parties assisting us with our fundraising and we take every measure to ensure data is transferred securely via encryption and passwords and to secure servers.
- Our supporters are at the heart of everything we do and you can find "Our Vow to You" here: www.gwt.org.uk/resources.

The Charity Commission issued guidance "Charity Fundraising – a guide to Trustee duties" and the Fundraising checklist (CC20) in 2016. The 2022 assessment was reviewed by the Audit Committee in March 2022.

INVESTMENT POLICY AND PERFORMANCE

The Trust meets the key challenges of short-term liquidity, cash flow flexibility and long-term capital growth by holding cash in a short-term portfolio while splitting investments between medium-term and long-term portfolios. In addition, there is a strategic portfolio invested in alternative investments and global smaller companies.

The purpose of the two main investment portfolios is to delineate the Trust's requirements between monies that are held as an immediate reserve to cover cash flow requirements (c. 18 months) and truly long-term monies that can weather capital volatility over a 5-7 year investment time horizon.

The medium-term portfolio seeks a return that is better than 3m Libor UK cash and, over the past 12 months to 30th June, delivered -0.6% compared to 0.3% for the benchmark. The long-term and strategic portfolios seek a return that is better than both a composite benchmark and an inflation target of CPI + 4%.

Over the past 12 months, the long-term portfolio returned -3.2% compared to -1.0% for the benchmark whilst, in the strategic portfolio, the alternatives portion returned 8.7% compared to 14.2% for the benchmark and the smaller companies portion returned -25% compared to 3.7% for the benchmark. Whilst both portfolios under-performed their inflation plus targets this year they remain ahead of their benchmarks over the longer-term and are well-positioned to benefit from global economic trends in the future.

Investment Risk – the risks & how do we mitigate these through our investment strategy?

Investment risk covers a variety of areas and the Investment Committee, on behalf of the Trustees, regularly reviews counterparty, custody, capital loss, market, liquidity, regulatory and sustainability risks as well as the investment process of the Trust's fund manager to ensure that all industry safeguards are in place. The Investment Committee has guarded against two key areas of risk.

The first risk is loss of capital and hence our decision to invest in a well-diversified global portfolio across different asset classes to reduce the risk of loss from a single investment or strategy. To minimise volatility risk, we also aim to protect investments from sudden variations in market movements by balancing levels of risk and return between short-term, medium-term and longer-term portfolios.

The second area is currency risk as the Trust's fundraising activities and the MOD's grant in aid are made in a different currency (Sterling) to the recipient beneficiaries (Nepali Rupee – NPR). It is difficult to mitigate this risk as there are few investments that can be made in Nepal and the NPR has been in steady decline against Sterling over the past 25 years. The solution has been to keep some short-term monies in Nepal in NPR, have some exposure to the US Dollar in the medium-term portfolio and to have a large weighting of global equities in the long-term portfolio.

Increasing exposure to global equities has provided access to a wider and more diversified investment universe that historically has enhanced returns and reduced the concentration risk more prevalent in UK domestic indices. It has enabled our fund manager to invest in global themes such as digitalisation, automation, climate change, ageing demographics and evolving consumption that are increasingly relevant in a post-COVID world. Sustainability lies at the heart of our fund manager's investment process ensuring that environmental, social and governance (ESG) risks are also monitored and minimised.

RISK MANAGEMENT

All activities are subject to regular risk review by the Board of Trustees. Major risks are, for this purpose, those that could have a significant effect on:

- The Trust's operational performance, including risks to personnel and volunteers.
- The Trust's ability to achieve its objects.
- Meeting the expectations of beneficiaries and supporters.
- The Trust's reputation and integrity.
- The Trust's assets.

The Trustees review all risks on an ongoing basis and satisfy themselves that adequate procedures are in place to minimise and manage the risks identified. Where possible and appropriate, risks are covered by insurance.

The Trust's financial Reserves policy is assessed and set at a level which enables the Trust to help manage its risks.

OUR PRINCIPAL RISKS AND UNCERTAINTIES

a. Operational Risks

All key risks appear in the Trust's Risk Register and include operational risks. The key risks are identified as:

- **Disruption of services due to natural disaster in Nepal.** GWT operates in a country that is extremely prone to natural disasters and where its internal resilience and institutions are relatively fragile. GWT has a disaster resilience plan which is regularly reviewed and practised. Our infrastructure maintains plans and supplies with which to respond and the Trust has a fully funded designated Disaster Response fund.
- **Loss of value of Sterling or extreme fluctuations in rates of exchange.** This has the potential to impact GWT's ability to meet its obligations in Nepal and limit the response to a changing or emerging need. GWT has a ROE immunisation plan that is regularly reviewed and the Trust's investment strategy is designed to help minimise the effect of currency fluctuation, spread risk and ensure retention of adequate reserves.
- **MOD Grants in Aid**. GWT receives grants in aid for both support costs and the provision of medical services which, if not increased in line with Nepal inflation, would lead to an erosion of value over time. The impact might be addressed through additional funding from donors or to limit GWT's liability through a reduction in scope of activity and/or increase in individual contribution.
- **FCDO grant.** A reduction in funding or adverse fluctuation in ROE will result in a reduction of the Trust's RWEPP programme and have an adverse effect on the Trust's ability to deliver other community and individual aid. In the short term, activity levels may be constrained by the Trust's resources. In the longer term, engagement with FCDO to ensure continued support or restrict activities to a level that the Trust can sustain without external support.
- **Cyber Security and data protection.** The Trust places high importance in maintaining compliance with the Data Protection Act 2018 and the EU General Data Protection Regulation. This applies to both supporter information in UK and personal medical data of our beneficiaries in Nepal. Our cyber security has been enhanced with the investment in and successful implementation of significant IT enhancements throughout our organisational network in Nepal. Similarly, in UK there was a successful transition and migration to a new cloud-based CRM.
- **Investment Performance insufficient to maintain appropriate level of financial reserves.** Investment performance is susceptible to adverse the global political and economic climate. This is countered through a regularly reviewed investment portfolio to negate, as far as possible, external pressures and remain sufficiently diversified.

b. Financial Risks

The Trust faces a number of key financial risks. The Trustees consider that the following summarises those financial risks and their responses to them:

- **Investment performance insufficient to maintain an appropriate level of financial reserves.** The Trust maintains sufficient reserves to meet all of its obligations and these are regularly reviewed by the Investment committee and our Fund Managers in order to ensure that the balance of the portfolio is appropriate. This is supported by developing and maintaining contingency fundraising plans.
- **Exchange Rate Risk.** The Trust monitors the rate of exchange on a daily basis. Over the long term the rate of exchange moves to counteract the differential in inflation between two countries but over periods of up to 10 years politics and financial confidence can cause significant movements up or down away from this trend. As inflation has traditionally been higher in Nepal than UK the movement has benefited the Pound and assisted our work in Nepal. The global supply challenges following the pandemic, the war in Ukraine and subsequent cost of living crisis driven by global fuel prices has seen fluctuations in the value of Sterling over the last few months. As at the end of November 2022, the rate of exchange has recovered from the position in late September 2022, in which the rate had fallen by 9.1% from the 30 June 2022 year-end. At present, a 1% change to the average rate creates an increase or reduction in costs of £195,000 but it also changes the value of our liabilities on the balance sheet by £396,000 so our net assets can change significantly one year to the next. To mitigate against adverse movements funds to cover three months cash flow are held in Nepali Rupees and the investment portfolio is spread across a wide range of currencies.

c. Going concern

The Trust has undertaken a robust assessment of the continued global economic effects following the pandemic and the effects of the war in Ukraine, and the impact on the ability of the Trust to operate as a Going Concern.

The main areas of financial risk have been identified as:

- **Reduction in fundraising income;**
- **Reduction in the rate of exchange;**
- **Increase in inflation (UK and Nepal);**
- **Reductions in Government Grant funding; and**
- **Reduction in valuation of the investment portfolio.**

When agreeing the budget for 2022/23, Trustees have been able to draw on the evidence of fundraising performance during 2021/22 in which fundraising income (particularly legacies) exceeded projections and maintain levels of charitable activity. When assessing the required level of reserves, Trustees have maintained the optimal level of free reserves at 18 months of routine expenditure to reflect continued economic uncertainty.

The Trust has applied a sensitivity assessment to future income projections and the investment portfolio, to understand the extent to which reductions can be managed without impacting on long term commitments and the ability to deliver charitable activities to our beneficiaries. Financial performance is scrutinised on a regular basis by the Finance Committee and the Main Board so that any shortfall in income will be identified to Trustees in a timely manner.

Trustees have concluded that the Trust remains in a strong financial position and operates as a Going Concern.

ADDITIONAL POLICIES

The Trust is committed to sustainable development, meeting the needs of our beneficiaries without compromising the ability of future generations to meet their own requirements and this is a guiding principle within our work in Nepal. Concern for the environment is an integral and fundamental part of this commitment and our aim is to reduce the impact of our operations on the environment. This aim is promulgated through the Environmental Policy.

OUR FINANCIAL REVIEW

INCOME

Trust income from all sources during the financial year 2021/22 was £25,512,000 (2020/21: £22,046,000).

Donations from individuals, companies, trusts and other organisations totalled £6,993,000 (2020/21: £8,230,000). We continue to be supported by the MOD who provided a grant of £3,325,000 (2020/21: £3,355,000) towards the cost of the means of delivery of our aid and a grant towards the provisions of medical services £2,525,000 (2020/21: £2,525,000). Under the RWEPP agreement with the FCDO we received £1,933,000 (2020/21: £970,000).

Notable donations include £122,600 (2020/21: £141,500) contributed by all ranks of the Brigade of Gurkhas and under the Service Day's Pay Giving scheme. Following a decision by the Brigade of Gurkhas Council of Colonels in March 2022, the income from SDPG will be diverted to support renovation work at the Gurkha Museum Winchester for a period of 2-years.

Legacy income totalled £7,997,000 (2020/21: £5,004,000). The use of Gift Aid generated additional income of £803,900 (2020/21: £1,021,000).

EXPENDITURE

Charitable expenditure totalled £20,071,000 (2020/21: £18,088,000). This represents 88% of a total expenditure (prior to movement in the constructive obligation) of £22,705,000 (2020/21: £20,554,000). Our cost of raising funds including investment management is £2,634,000 (2020/21: £2,466,000) of which 77% is covered by our investment income of £2,045,000. Fundraising expenditure of £2,262,000 (2020/21: £2,119,000) continues to be effective raising income of £15,684,000 (2020/21: £13,416,000). This represents a Return on Investment of £6.93 for every £1 spent (2020/21: £6.33). 2021/22 is the fourth year of the 5-Year Fundraising Strategy which is based on increased investment for donor acquisition in order to sustain and increase total income over the longer term. The rate of return remains above industry standards.

RESERVES

Designated Fund

The Trustees are concerned that the level of running costs of the Residential Homes should not have a detrimental effect on our ability to provide support to the much wider community of Welfare Pensioners. Therefore, a designated fund has been created that is sufficient to meet the annual running costs for 20 years and £400,000 to cover major refurbishments costs through to 2035.

Following specialist advice on the risk of future earthquakes, in June 2018, the Trustees agreed a designated fund to allow an immediate response to natural disaster. Funds were agreed for the repair or replacement of 13 beneficiaries' homes during the year, destroyed as a result of the 2021 monsoon season (£50,000).

Trustees agreed to the funding of secondary medical care claims for the treatment of COVID-related illness at a cost of £357,100 from the reserve.

The Disaster Response designated reserve was increased at year end to reflect the 30 June 2022 rate of exchange and rate of inflation.

GWT has agreed to contribute £2,000,000 to RWEPP over the remaining four years of the Agreement.

Designated funds total £19,628,000 (2020/21: £21,037,000) as at 30 June 2022.

Restricted Funds

The restricted balance at 30 June 2022 is £1,364,000; of which £613,000 follows an extremely successful appeal and is for Earthquake Homes and hardship grants in 2022/23, £97,600 is for the use (depreciation) of assets within RWEPP, £66,800 is for planned school projects spanning two years, £30,500 is for medical camps, and £510,900 is for support costs as a result of continued COVID-19 procurement delays and a favourable rate of exchange.

Constructive Obligation

When a charity has created a valid expectation through past practice that it will meet a liability the Charity Commission requires it to recognise the liability on the balance sheet as a constructive obligation. The Trust considers that a constructive obligation has been created for the payment of the Welfare Pensions and the disability support grants.

Based on WP and DSG beneficiary numbers at 30 June 2022 and key assumptions including: 35 new WP joiners for each of the next five years (average age 73), agreed increases in rates payable, extended mortality rates, long-term inflation at 7% and a discount rate at 6.5%. The actuarial calculation at 30 June 2022 ROE is £39,300,000; an increase of £1,662,000 from June 2021, reflecting an above inflation uplift in the monthly allowance and a fall in the rate of exchange at the year-end between the Nepalese Rupee and Sterling.

Reserves Policy

Based on a risk assessment and after allowing for funds to meet the constructive obligations, Residential Homes running costs and Disaster Response, as mentioned above, the Trust's Reserves Policy takes into consideration:

- The Trust's clear and long-term objective of supporting the Welfare Pensioners in their declining years including the provision of welfare and medical support.
- Essential provision for a period of readjustment for those in receipt of welfare support if the Trust should ever be required to reduce or cease its activities, for whatever reason.
- The Trust's requirement to respond promptly and appropriately to new and unforeseen needs or challenges that might affect the way in which welfare support is delivered. Trustees specifically note the Trust carries out its welfare activities in a country where there are not only geophysical dangers such as earthquakes but also political, social and economic uncertainties. In addition, to deliver welfare support, the Trust depends on a number of partners whose support in the future is not guaranteed.
- The impact of adverse changes to the rate of exchange between Sterling and the Nepali Rupee (NPR).
- Economic adversity, as despite a strong supporter base, there is no guarantee that recent levels of income will be matched in the future or that investments/assets will maintain their value.

In light of the continued economic uncertainty following the global pandemic and the war in Ukraine, Trustees consider that the Trust ideally requires free reserves equivalent to 18 months of standard expenditure not covered by other provisions, currently around £27,479,000. This level of reserve will enable the Trust to adjust its infrastructure and respond quickly to any of these risks. The Reserve Policy is reviewed annually during the budget setting process taking account of current and future risks and the economic climate, both in the UK and Nepal, and consequential impact on the Trust's investment portfolio.

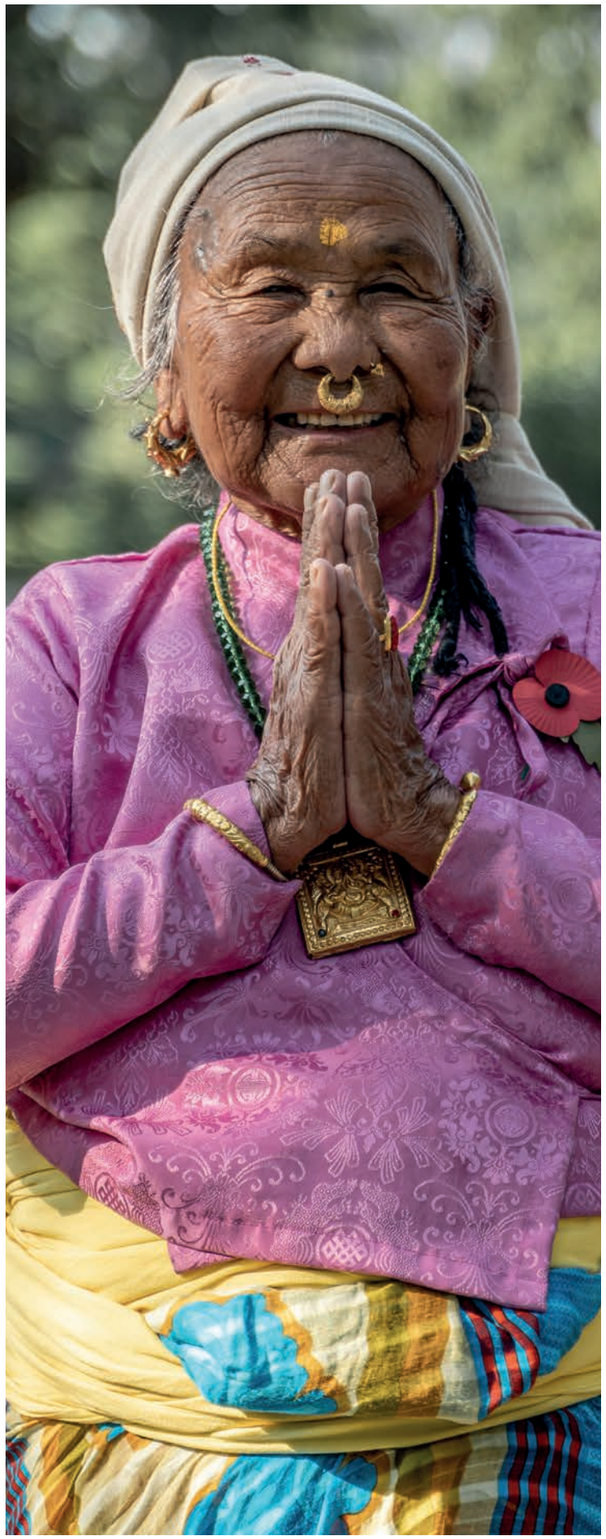
After taking the Constructive Obligation into account the Trust has total funds of £53,899,000 (2020/21: £56,967,000), however, the free reserves which are available to meet contingencies and exclude tangible fixed assets, designated and restricted funds amount to £31,828,000 (2020/21: £33,019,000). This represents 116% of the minimum level of reserves deemed appropriate by the Trustees. With financial uncertainty anticipated for at least a further 12 – 24 months, this level of free reserves has enabled Trustees to agree a budget for 2022/23 and early planning for 2023/24 and maintain current levels of charitable activity.

Given the continued effects following the COVID-19 pandemic, the war in Ukraine, the volatility of investment markets, the continued uncertainty over future rates of exchange, the uncertain fundraising climate and the substantial risk of future natural disasters in Nepal, Trustees will continue to keep Trust finances under close review balancing current needs and the need to reach the ideal level of reserves to protect the interests of beneficiaries in the future.

This Trustees' Report incorporating the Strategic Report was approved and authorised for issue by the Board of Trustees on 14 December 2022 and signed on its behalf by:

Lieutenant General R Wardlaw OBE
Chairman

Original signed and dated 14 December 2022



STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also directors of The Gurkha Welfare Trust for the purposes of company law, are responsible for preparing the Trustees' Annual report (including the Group Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions, disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charitable company's constitution. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the company and the group'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.

TRUSTEES, OFFICIALS AND ADVISORS TO THE TRUST

Under the patronage of The former Prince of Wales KG KT GCB OM AK QSO PC ADC

Vice Patrons

Field Marshal Sir John Chapple GCB CBE DL (to 25 March 2022)
Dame Joanna Lumley DBE

TRUSTEES, OFFICIALS AND ADVISORS

Trustee Directors

Lieutenant General R Wardlaw OBE (Chairman) *
S J Cooper Esq
J G R David Esq
Colonel J P Davies MBE (to 11 November 2021) **
P M A Grant Esq
Dr J D Keeling MBA, MB BS, FRCGP, DRCOG
Mrs A Levin
Major (Retd) Hemchandrai Rai MBE BEM
Colonel D Rex MVO (from 15 September 2021) ***
Colonel D J Robinson (from 12 November 2021)**
Ms C L Turner

Audit and Finance Committees

S J Cooper Esq (Chair)
Dr J D Keeling MBA, MB BS, FRCGP, DRCOG
Ms C L Turner

Investment Committee

P M A Grant (Chair)
Major General (Ret'd) J J Cole CBE (to 17 September 2022) ****
J G R David Esq
P M Rigg Esq
A Brown Esq

Governance Committee

Mrs A Levin (Chair)
Colonel J P Davies MBE (to 11 November 2021) **
Colonel D Rex MVO (from 15 September 2021) ***
Colonel D J Robinson (from 12 November 2021)**

Members

Major General (Ret'd) J J Cole CBE (to 17 September 2022) ****
Brigadier J L Clark CBE ****
Brigadier M Fayers (from 17 September 2022) ****
Brigadier P S Reehal MBE ****
Major General G M Strickland DSO MBE ****

THE GURKHA WELFARE TRUST

Chief Executive Officer, The Gurkha Welfare Trust
A P W Howard Esq

Director The Gurkha Welfare Trust (Nepal)
Colonel P T Smith

Field Director The Gurkha Welfare Trust (Nepal)
Lieutenant Colonel E Davis QG SIGNALS (to 30 October 2021)
Lieutenant Colonel M Hing RLC (from 30 October 2021)

Head of Fundraising and Communications
A Bentham Esq

Company Secretary
N D J Rowe Esq

* Ex officio Trustee – Colonel Commandant Brigade of Gurkhas
** Ex officio Trustee – Colonel Brigade of Gurkhas
*** Nominated – Gurkha Brigade Association
**** Nominated - The Royal Gurkha Rifles, The Queen's Gurkha Engineers, The Queen's Gurkha Signals and The Queen's Own Gurkha Logistic Regiment

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Salisbury SP2 2EX

Company Limited by Guarantee Number
05098581

Registered Charity Number
1103669

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE GURKHA WELFARE TRUST

Opinion

We have audited the financial statements of The Gurkha Welfare Trust ('the charitable company') and its subsidiaries ('the group') for the year ended 30 June 2022 which comprise Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Consolidated Statement of Cash Flows, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 30 June 2022 and of the group's 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 trustee's 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 or the group'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 contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 our audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 33, the trustees (who are also the directors of the charitable company for the purposes of company law) 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.

Auditor's 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members including internal specialists and significant component audit teams. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the

determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Health and safety legislation, employment law, and Anti-fraud, bribery and corruption legislation. We also considered compliance with local legislation for the group's overseas operations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, welfare pension payments and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, component auditors and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing audit procedures to test the timing of income and welfare pension payments, reviewing of component auditor working papers, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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.

Tara Westcott
Senior Statutory Auditor

For and on behalf of
Crowe U.K. LLP

Statutory Auditor
St James House
St James Square
Cheltenham, GL50 3PR

Original signed and dated 15 December 2022

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2022

(incorporates the consolidated income and expenditure account)

	Notes	Unrestricted		Restricted	2021-22	2020-21
		General	Designated		Total	Total
		£000	£000	£000	£000	£000
Income from:	3					
Donations and legacies						
Donations	3a	5,126	0	1,867	6,933	8,230
Legacies	3b	7,997	0	0	7,997	5,004
Grants						
Ministry of Defence	3c	0	0	3,325	3,325	3,355
Charitable activities	3d					
Ministry of Defence		0	0	2,525	2,525	2,525
Foreign, Commonwealth and Development Office		0	0	1,933	1,933	970
Other trading activities						
Fundraising Events	3e	666	0	4	670	168
Retail		24	0	0	24	14
Investments	3f	2,045	0	0	2,045	1,780
Total		**15,858**	**0**	**9,654**	**25,512**	**22,046**
Expenditure on:	4					
Raising funds						
Fundraising	4f	2,262	0	0	2,262	2,119
Investment management costs	4f	372	0	0	372	347
Charitable activities						
Individual aid	4a	3,281	50	3,922	7,253	7,955
Medical aid	4b	4,231	357	2,971	7,559	6,248
Disaster response	4d	49	0	0	49	30
Residential Homes	4c	0	463	5	468	492
Community aid	4e	274	1,396	3,072	4,742	3,363
Sub Total Expenditure		**10,469**	**2,266**	**9,970**	**22,705**	**20,554**
Movement in constructive obligation	4g/14	1,662	0	0	1,662	(2,009)
Total		**12,131**	**2,266**	**9,970**	**24,367**	**18,545**
Net income/(expenditure) before other gains and losses		3,727	(2,266)	(316)	1,145	3,501
Other gains and losses						
Net (losses)/gains on investments	9	(4,254)	0	0	(4,254)	9,841
Net (expenditure)/income		(527)	(2,266)	(316)	(3,109)	13,342
Transfers between funds	16&17	(699)	857	(158)	0	0
		(1,226)	(1,409)	(474)	(3,109)	13,342
Other recognised gains/(losses)						
Profit & loss revaluation gain/(loss)		41	0	0	41	(9)
Net movement in funds		(1,185)	(1,409)	(474)	(3,068)	13,333
Reconciliation of funds						
Funds brought forward		34,092	21,037	1,838	56,967	43,634
Total Funds Carried Forward		**32,907**	**19,628**	**1,364**	**53,899**	**56,967**

NOTES

The consolidated statement of financial activities includes the income and expenditure account.

There are no other gains and losses other than those shown above.

All the Trust's activities are derived from continuing activities.

Profit for Companies Act purposes (before unrealised gains and losses) is: £1,497,000 including movement in constructive obligation (2020/21: £3,581,000).

Net Income/(expenditure) before movement in constructive obligation: £2,807,000 (2020/21: £1,493,000).

See Note 19 for a comparative statement of financial activities for year ended 30th June 2021. The notes on pages 46 to 72 form part of these accounts.

CONSOLIDATED AND CHARITY BALANCE SHEET
AT 30 JUNE 2022

	Notes	Group		Charity	
		2022	2021	**2022**	2021
		£000	£000	**£000**	£000
Fixed assets:					
Intangible assets	7	**155**	80	**151**	72
Tangible assets	8	**1,842**	1,995	**1,277**	1,430
Investments	9	**81,433**	86,128	**81,433**	86,128
Total fixed assets		**83,430**	88,203	82,861	87,630
Current assets					
Medication, project & trading stock		**371**	411	**363**	405
Debtors	10	**2,106**	736	**2,106**	737
Cash at bank and in hand		**8,212**	6,011	**8,166**	5,997
Total current assets		**10,689**	7,158	**10,635**	7,139
Liabilities					
Creditors: amounts falling due within one year	11	**(920)**	(756)	**(918)**	(744)
Provisions for liabilities falling due within one year					
Constructive Obligation	14	**(3,989)**	(4,026)	**(3,989)**	(4,026)
Net current assets or liabilities		**5,780**	2,376	**5,728**	2,369
Provisions for liabilities falling due after more than one year					
Constructive Obligation	14	**(35,311)**	(33,612)	**(35,311)**	(33,612)
Total net assets or liabilities		**53,899**	56,967	**53,278**	56,387
Funds:					
Restricted funds	18	**1,364**	1,838	**1,364**	1,838
Unrestricted funds					
General		**72,207**	71,730	**71,586**	71,150
Welfare pension reserve		**(39,300)**	(37,638)	**(39,300)**	(37,638)
Net General funds	17	**32,907**	34,092	**32,286**	33,512
Designated	17	**19,628**	21,037	**19,628**	21,037
Unrestricted funds after provision for liabilities and charges		**52,535**	55,129	**51,914**	54,549
Total funds		**53,899**	56,967	**53,278**	56,387

NOTES

The net expenditure for the Trust for the year ended 30 June 2022 was £3,109,000 (2021: income - £13,342,000). As permitted by Section 408 of the Companies Act 2006, no separate Statement of Funds or Income and Expenditure account has been presented for the Charity only.

Approved and authorised for issue by the Board of Trustees on 14 December 2022 and signed on its behalf by:

Lieutenant General R Wardlaw OBE
Chairman

Original signed and dated 14 December 2022

The notes on pages 46-72 form part of these accounts.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Notes below	2021/22 £000	2020/21 £000
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	Note A	7	(106)
Cash flows from investing activities:			
Dividends and interest from investments		2,045	1,780
Purchase of Intangibles		(142)	(15)
Purchase of property, plant and equipment		(165)	(415)
Proceeds from sale of investments		77,287	4,748
Purchase of investments		(76,234)	(11,621)
Net cash provided by (used in) investing activities		2,791	(5,523)
Operating activities			
Change in cash and cash equivalents in the reporting period		2,798	(5,629)
Cash and cash equivalents at the beginning of the reporting period	Note B	9,010	14,639
Cash and cash equivalents at the end of the reporting period	Note B	11,808	9,010

NOTES

A. Reconciliation of net income to net cashflow from	**2021/22 £000**	2020/21 £000
Net (expenditure)/income for the reporting period (as per SOFA)	(3,109)	13,342
Adjustments for:		
Depreciation and amortisation	385	391
Losses/(Gains) on investments	4,254	(9,841)
Investments donated	(15)	0
Dividends and interest from investments	(2,045)	(1,780)
Gains/(Losses) on foreign exchange	41	(9)
Decrease/(Increase) in stocks	40	(79)
(Increase) in debtors	(1,370)	(54)
Increase/(Decrease) in creditors	164	(67)
Increase/(Decrease) in constructive obligation	1,662	(2,009)
Net Cash provided by (used in) operating activities	7	(106)

B. Analysis of cash and cash equivalents	**2021/22 £000**	2020/21 £000	Cash flow in year £000
Cash in hand and at bank	**8,212**	6,011	2,201
Notice deposits (less than 3 months)	**3,596**	2,999	597
Total cash and cash equivalents	**11,808**	9,010	2,798

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022

1. BASIS OF PREPARATION

Statement of compliance

The financial statements are prepared under the historical cost convention as modified to include the revaluation of investments at fair value. The format of the financial statements has been presented to comply with the Companies Act 2006 and FRS102 The Financial Reporting Standard applicable in the UK and Ireland and the Statement of Recommended Practice Accounting and Reporting by Charities ("SORP 2015 updated 2019"). The Charity is a Public Benefit Entity as defined by FRS102.

General information

The Charity is a private company limited by guarantee, incorporated in England and Wales (company number: 05098581) and a charity registered in England and Wales (charity number: 1103669). The Charity's registered office address is:

P.O Box 2170,
22 Queen Street
Salisbury SP2 2EX

Basis of Consolidation

These financial statements consolidate the results, assets and liabilities of the Charity's trading subsidiary, GWT Trading Limited, on a line by line basis. The statements also include consolidation of the Ex Servicemen and Families Support Society, a not for profit company registered in Nepal 2 July 2018 for the legal ownership of land assets purchased by GWT in Nepal.

The Charity's own Statement of Financial Activities has not been presented, as permitted by section 408 of the Companies Act 2006. The Charity's net income for the year as an individual entity was a deficit of £3,109,000 (2020/21: surplus of £13,342,000).

Going concern

The Trust has undertaken a robust assessment of the continued global economic effects of COVID-19 and its impact on the ability of the Trust to operate as a Going Concern.

The main areas of financial risk have been identified as:

- **Reduction in fundraising income;**
- **Reduction in the rate of exchange;**
- **Increase in inflation (UK and Nepal);**
- **Reductions in Government Grant funding; and**
- **Reduction in valuation of the investment portfolio.**

The Trust has applied a sensitivity assessment to future income projections and the investment portfolio, to understand the extent to which reductions can be managed without impacting on long term commitments and the ability to deliver charitable activities to our beneficiaries. Financial performance is scrutinised on a regular basis by the Finance Committee and the Main Board and therefore any shortfall in income will be identified to Trustees in a timely manner.

Trustees have concluded that the Trust remains in a strong financial position and operates as a Going Concern.

Significant judgments and sources estimation uncertainty

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Charity's accounting policies. The key judgements that have been applied by management relate to:

- Constructive obligation: The valuation of the constructive obligation is based on the following assumptions:
  - Future long term inflation rate in Nepal at 7.0% per annum.
  - Future payments have been discounted at 6.5% per annum.
  - Life expectancy for our beneficiaries is based on the Nepali Government Mortality tables extended to age 110 to reflect the increased longevity of our beneficiaries.
  - There are anticipated 35 new Welfare Pension entrants per year for each of the next five years, with an average age at joining of 73.
  - 50% of former soldier pensions will be transferred to a widow.
  - There are a further 86 future new Disability Support Grant beneficiaries.
- Legacies: Income is accrued when there is entitlement through the earlier of cash receipt or Estate Accounts (entitlement), it is possible to reliably estimate the amount receivable (measurement) and there is probability of receipt.
- Depreciation/Amortisation: The rates of depreciation for tangible fixed assets and amortisation for intangible fixed assets are selected by management based on their estimate of normal economic life taking into consideration the environment in which the assets are deployed.

2. PRINCIPAL ACCOUNTING POLICIES

The following principal accounting policies have been applied:

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.

Recognition of income is deferred where conditions specify that such income relates to future accounting periods. Where donors specify that funds are for specific purposes such income is included in incoming resources of restricted funds.

Donations. Income from donations, covenants and gift aid includes receipts from fundraising events. Donations, together with the resulting tax credit from gift aid, are credited directly to the statement of financial activities when received by the Trust. Donations and all other receipts (including capital receipts) from fundraising are reported gross and the related fundraising costs are reported in raising funds.

Gifts in Kind are recognised in respect of personnel funded by the Ministry of Defence in roles which would have to be replicated by the Trust. An equivalent cost is also reported within staff costs. Gifts in Kind are recognised in respect of donated goods either in support of fundraising activity or in direct support of the provision of charitable activity. An equivalent cost is also reported within the cost of fundraising or the appropriate cost of charitable activity.

Legacies are recognised and credited directly to the statement of financial activities based on the earlier of settlement of the estate and issue of Estate Accounts or receipt of payment.

Grant Income. Income from government and other grants, whether 'capital' grants or 'revenue' 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.

Income from other trading activities is recognised as earned as the related goods are provided.

Interest and Dividends Receivable. Investment income is recognised on a receivable basis and when the amounts can be measured reliably. Interest on funds on deposit is included when receivable upon notification by the relevant banking institutions. Dividends receivable on assets held for investment purposes are receivable upon notification by the relevant investment institutions.

Expenditure

All expenditure is included in accordance with the accruals concept. Any liabilities as a result of legal or constructive obligations committing the Trust to expenditure have been included.

Cost of raising funds comprises costs directly attributable to fundraising and managing the investment portfolio. Charitable activity costs in the UK are incurred in running the Gurkha Welfare Advice Centre and in supporting the activities in Nepal. The costs of running the Trust's office and staff costs have been allocated on a time spent and area occupied basis to raising funds and charitable activity.

Governance costs are apportioned on the same basis as the office and staff costs and are disclosed in the notes comprising audit and legal fees and the costs associated with constitutional and statutory requirements.

Costs in Nepal have been allocated to the direct charitable activities. Direct costs include actual grants made, provision of medical services and costs related to people directly employed in delivering

one of our charitable activities. Other direct costs such as staff costs and overheads of the Area Welfare Centres established for the delivery of more than one charitable activity are apportioned as other direct costs. Support costs include staff and administrative overheads. Support and governance costs have been allocated to activity cost categories in a fair and appropriate method on a basis consistent with the use of resources by applying person days spent on the various activities or space occupied.

Grants payable to individuals may be subject to conditions. Expenditure on such performance-related grants is recognised to the extent that the recipient has complied with the conditions.

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received. Termination benefits are accounted for on an accrual basis and in line with FRS 102.

Taxation

Irrecoverable VAT is not separately analysed and is charged directly to the Statement of Financial Activities (SOFA) as part of the expenditure to which it relates.

Operating leases

Rental payments under operating leases are charged on a straight-line basis over the period of the lease.

Foreign currencies

Fixed assets in foreign currencies are converted to sterling at the exchange rate ruling at the time of purchase. Investments, current assets and liabilities in foreign currencies are converted into sterling at the exchange rate ruling at the balance sheet date. Transactions during the year in foreign currencies, mainly Nepalese rupees, are converted into sterling at the average rate of exchange for the month in which the transaction was undertaken. Exchange rate gains or losses are recorded as support costs to the activities to which they relate.

Pensions and retirement benefits

In the UK, the Trust makes contributions to employee individual defined contribution pension plans.

In Nepal, previously the Trust contributed to individual plans within a defined contribution Provident Fund managed by Standard Chartered Bank Nepal Limited. In addition, employees were entitled to a one-off gratuity payment on leaving that was based on length of service. Following changes under the Labour Act of Nepal in 2017 the gratuity liability was transferred from a defined benefit to contributory scheme.

In November 2019, the Trust enrolled in the new Social Security Fund (SSF) of Nepal with contributions at a rate of 31% of staff salary being 20% employer contribution and 11% employee contribution.

During the year, the decision was taken to close the Trust's Provident Fund and Gratuity Fund and staff were given the option of either withdrawing funds or transferring to the SSF. As at 30 June 2022, the only funds remaining with Standard Chartered Bank Nepal Limited are in respect of the eight staff in Darjeeling who are not eligible to join the SSF.

Contributions for staff in both UK and Nepal are charged to the SOFA on the basis of amounts provided for the period.

Fund accounting

Funds held by the Trust are either:

- *Unrestricted general funds* – these are funds, which can be used in accordance with the charitable objects at the discretion of the Trustees.
- *Designated funds* – these are funds set aside by the Trustees out of unrestricted (general) funds for specific purposes.
- *Restricted funds* – these are unspent funds that can only be used for particular restricted purposes within the objects of the Trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations might be small. In particular:

- Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

Investments

Listed investments are stated in the balance sheet at fair value. All movements in value arising from investment changes and revaluations are included in the Statement of Financial Activities (SOFA).

Fixed assets

The cost of minor additions or acquisitions of fixed assets under £5,000 is charged wholly to the SOFA in the year of purchase. Fixed assets above this amount are capitalised in the financial statements at cost. Donated fixed assets are brought into account at an estimate of their market value at the time of acquisition. Land, beneficially owned by the Trust, is valued at historical cost and is not depreciated.

Intangible Assets: Software which is considered as an asset in its own right, is disclosed as an intangible asset.

Tangible Assets: Software which is an integral function of enabling supporting hardware to function, is considered a part of the overall tangible fixed asset.

Amortisation

The costs of intangible fixed assets are amortised over the expected useful life of the assets. Amortisation rates are:

Software	33.33% per annum on a straight-line basis, in line with the related tangible asset useful economic life

Depreciation

Depreciation is provided on all tangible assets except land to write off the costs of the asset less any material residual value, by equal instalments over their expected useful lives. Depreciation rates are:

Completed buildings	10% per annum on a straight-line basis
Vehicles and equipment	25% per annum on a straight-line basis.
Computers and software	33.33% per annum on a straight-line basis.

For all depreciable assets, a full year's depreciation is charged in the year of acquisition or completion and no depreciation is charged in the year of disposal.

Stocks

The stocks of medication, project materials and bought-in goods for sale are valued at the lower of cost and net realisable value on a first in first out basis.

Financial Instruments

Basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable are accounted for on the following basis:

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognised as expenditure.

Bank borrowings. Liabilities for borrowings which are subject to a market rate of interest are measured at the value of the amount advanced, less capital repayments.

3. INCOME

Total income includes income transferred from the charitable trust "Gurkha Welfare Trust", former charity number 1034080. The Trust is retained while it receives donations and legacy income.

	2021/22	2020/21
	£000	£000
a. Donations		
Donations from individuals	**5,665**	6,878
Donations from companies, trusts, clubs and organisations	**1,328**	1,352
	6,993	8,230
b. Legacies	**7,997**	5,004
c. Grants		
Ministry of Defence – to support operating costs in Nepal	**3,325**	3,355
d. Charitable Activities		
Ministry of Defence – for medical services	**2,525**	2,525
FCDO – for water and sanitation projects in remote locations	**1,933**	970
e. Other trading activities		
Fundraising events	**670**	168
Retail	**24**	14
f. Investments		
Investment dividends and interest	**1,746**	1,575
Bank interest	**299**	205

Donations from individuals include part of the contributions made by all ranks of the Brigade of Gurkhas under Service Day's Pay Giving of £122,600 (2020/21: £141,500) and donations from the Gurkha Contingent of the Singapore Police of £53,069 (2020/21: £93,850).

Donations from companies and organisations includes gifts in kind of £116,300 of which £79,700 represents the benefit of the Field Director who is a serving Army Officer employed by the Ministry of Defence. The benefit is determined as the cost which would be incurred if the Trust had to directly employ an equivalent position. £31,800 represents the benefit of staff clothing donated for use by employees in Nepal.

Future legacy income of £5,156,000 is expected in respect of legacies due which have been notified to the GWT.

4. EXPENDITURE

	Grants	Direct Costs	**Support Costs**		**2021/22**	2020/21
			Support	Governance	**Totals**	Totals
	£000	£000	£000	£000	**£000**	£000
a. Individual Aid						
Welfare pension	3,647	0	1,326	43	**5,016**	5,577
Care for the elderly	88	3	1	1	**93**	108
Disability support	193	0	89	2	**284**	282
Winter allowance	22	0	35	1	**58**	95
Welfare Grants & Support	773	90	335	10	**1,208**	1,283
UK welfare	250	323	4	17	**594**	610
Total individual aid	4,973	416	1,790	74	**7,253**	7,955
b. Medical aid	2,275	4,346	870	68	**7,559**	6,248
c. Residential Homes	25	385	54	4	**468**	492
d. Disaster Response	0	48	0	1	**49**	30
e. Community aid						
School projects	169	623	314	10	**1,116**	1,078
COVID support	0	76	0	1	**77**	397
Water projects	0	3,124	422	3	**3,549**	1,888
Total community aid	169	3,823	736	14	**4,742**	3,363
Sub Total Charitable activities	7,442	9,018	3,450	161	**20,071**	18,088
f. Cost of generating funds						
Fundraising	0	1,733	462	67	**2,262**	2,119
Investments	0	354	16	2	**372**	347
Total costs of generating funds	0	2,087	478	69	**2,634**	2,466
Total Expenditure prior to movement in Constructive Obligation	**7,442**	**11,105**	**3,928**	**230**	**22,705**	20,554
g. Movement in Constructive Obligation	0	1,662	0	0	**1,662**	(2,009)
Total Expenditure	**7,442**	**12,767**	**3,928**	**230**	**24,367**	18,545

UK Welfare includes a grant of £250,000 (2020/21: £250,000) paid to ABF The Soldiers' Charity for the support of former Gurkhas who have retired in the UK. All other grants totalling £7,442,000 (2020/21: £6,423,000) were to individuals or small community groups.

The number of grants issued to individuals or communities on the table below are recorded on a beneficiary database based on British Army records which is subject to independent audit in Nepal.

All grants to individuals require proof of identity before issue and community grants are only arranged with approval from the local community council.

Activity	Beneficiaries	Notes
Welfare pensions:	3,453	There were 3,812 recipients at the start of the year and 79 new recipients. 35 ceased due to their move to the UK. A detailed database of all welfare pensioners is maintained based on data from British Army records. Payments are made on a quarterly basis and require proof of identity. Following net movements, there are 3,453 recipients at 30 June 2022.
Home Care:	302	We provided grants to 302 carers in support of the most vulnerable beneficiaries. Carers are provided with training in support of their responsibilities.
Disability Support:	232	The number of recipients is 225 at 30 June 2022. This data is held on the same database as the welfare pensioners and is subject to both proof of identity and medical requirement. In addition there are 30 siblings in receipt of a reduced grant.
Winter allowance:	~4,500	All welfare pensioners, wives, DSG recipients and residential home residents supported last December received a GWT hat, gloves and muffler.
Welfare (Hardship) grants:	1,346	These grants were awarded for cases of special need not covered by the other awards. Each grant is individually assessed and approved by a senior member of staff. For 21-22 this included 101 earthquake resilient houses. A further 13 replacement homes/significant repairs were funded from the Disaster Reserve following severe damage from storms and monsoon landslips.
Residential care:	36	Our 2 Residential Homes have a capacity of 48. There were 36 permanent and 7 rehabilitation residents at the 30 June 2022. 2 rooms in each home have become rehabilitation and respite rooms providing short - medium term care for pensioners prior to returning to their homes.
School projects:	105 (projects)	Communities were assisted through the repair, extension or new build of a school. Every project is arranged with and authorised by the local community committee and requires a community contribution. 3 major, 12 minor and 90 refurbishment projects were substantially completed in-year.

Further information on the grants can be found in the Trustees' Annual Report.

The total charitable activity expenditure of £20,071,000 represents 88% of total expenditure before the movement in the constructive obligation.

Analysis of Support Costs

	People	Premises & vehicles	Services	Legal & Professional	Currency	Sub Total Support	Sub Total Governance	Total
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
a. Individual Aid	1,432	351	285	2	(280)	**1,790**	**74**	**1,864**
b. Medical Aid	692	169	138	3	(132)	**870**	**68**	**938**
c. Disaster response	0	0	0	0	0	**0**	**1**	**1**
d. Residential Homes	43	11	8	0	(8)	**54**	**4**	**58**
e. Community Aid	574	110	101	0	(49)	**736**	**14**	**750**
f. Fundraising	303	59	75	25	0	**462**	**67**	**529**
g. Investment management	10	2	3	1	0	**16**	**2**	**18**
Total	**3,054**	**702**	**610**	**31**	**(469)**	**3,928**	**230**	**4,158**
Basis of allocation	**Time spent**	**Space & time**	**Time spent**	**Direct**	**Pro rata with cost**		**Attribution & time**	

5. GOVERNANCE COSTS

Apportioned governance costs were:

	2021/22	2020/21
	Total	Total
	£000	£000
Staff employment costs	**96**	113
Staff & trustee other costs	**41**	18
Premises costs	**20**	25
Office services	**23**	24
Legal & professional	**50**	45
	230	225

6. STAFF, TRUSTEE AND GOVERNANCE COSTS

a. Staff numbers

The trust employed the following average number of staff:		2021/22	2020/21
UK:	Administration & fundraising	**19**	17
	Welfare	**8**	8
Nepal:	Individual aid inc welfare, Residential Homes and general staff	**234**	239
	Medical services	**143**	130
	Water projects	**110**	114
	Schools projects	**7**	7
		521	515

b. Staff costs

		2021/22	2020/21
		£000	£000
UK:	Salaries	**953**	935
	Benefits	**14**	11
	Social security costs	**99**	95
	Pension	**85**	80
		1,151	1,121
Nepal:	Salaries	**4,264**	4,195
	Benefits	**79**	56
	Pension (see Note 13)	**369**	296
	Gratuity (see Note 13)	**259**	285
	Ex Gratia	**0**	6
		4,971	4,838
		6,122	5,599

The number of employees whose emoluments exceeded £60,000 for the year was:

	2021/22	2020/21
	Number	Number
£60,001 - £70,000	**2**	1
£70,001 - £80,000	**-**	-
£80,001 - £90,000	**-**	-
£90,001 - £100,000	**1**	1
£100,001 - £110,000	**1**	1

Employer's pension contributions for the higher paid employees were £22,560 (2020/21: £9,000).

Key people in the Trust in UK and Nepal with delegated authority from the Trustees are the CEO, Director GWT(N), the Field Director GWT(N), Medical Director GWT(N) and the Head of Fundraising and Communications. They have combined salary and benefits cost to the Trust totalling £299,800 (2020/21: £287,000).

Both the Director GWT(N) and the Field Director GWT(N) are seconded from the British Army with their costs being met by the MOD.

There were no ex gratia payments during the year (2020/21: one at £6,128).

There were no redundancy payments during the year (2020/21: Nil).

Trustees' expenses, remuneration and donations

In 2021/22 no Trustee received any remuneration or pension but four Trustees were either reimbursed or expenses were paid on their behalf of £18,630: principally on travel to Nepal but also in respect of attendance at meetings at in London (2020/21: three Trustees were either reimbursed or expenses were paid on their behalf of £2,920). Trustees donated a total of £2,160 (2020/21: £1,320).

Related party transactions

Colonel David Robinson is a Trustee of The Gurkha Museum Trust. There were no transactions between The Gurkha Welfare Trust and The Gurkha Museum Trust during 2021/22 (2020/21: payments of £479).

Net expenditure

Net expenditure for the period is stated after charging:

			2021/22	2020/21
			£000	£000
Audit Fees	UK excluding VAT	Crowe U.K. LLP UK	**27**	26
	Nepal:	CSC & Co	**12**	10
		Joshi and Bhandari	**3**	3
Audit Expenses in Nepal		Crowe U.K. LLP UK	**2**	0
Tax Advisory Services		Crowe U.K. LLP UK	**2**	3
Actuarial fees		M/s K A Pandit (India)	**2**	2

7. INTANGIBLE ASSETS

a. Group

	Computer Software	Assets Under Construction	Total
	£000	**£000**	**£000**
Cost			
At 1 July 2021	123	3	126
Additions	0	142	142
Asset transfers	106	(106)	0
Reclassifications	0	9	9
At 30 June 2022	229	48	277
Amortisation			
At 1 July 2021	(46)	0	(46)
Amortisation	(76)	0	(76)
At 30 June 2022	(122)	0	(122)
Net Book Value			
At 1 July 2021	77	3	80
At 30 June 2022	107	48	155

b. Charity

	Computer Software	Assets Under Construction	Total
	£000	**£000**	**£000**
Cost			
At 1 July 2021	111	3	114
Additions	0	142	142
Asset transfers	106	(106)	0
Reclassifications	0	9	9
At 30 June 2022	217	48	265
Amortisation			
At 1 July 2021	(42)	0	(42)
Amortisation	(72)	0	(72)
At 30 June 2022	(114)	0	(114)
Net Book Value			
At 1 July 2021	69	3	72
At 30 June 2022	103	48	151

Reclassification: IT software reclassified from Tangible Fixed Assets (Assets under Construction) to Intangible Fixed Assets (Assets Under Construction).

8. TANGIBLE FIXED ASSETS, GROUP AND CHARITY

a. Group

	Freehold Land & Buildings	Leasehold Property	Vehicles & Equipment	IT	Assets in Construction	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 July 2021	2,388	967	869	320	53	4,597
Additions	0	0	62	0	103	165
Asset transfers	21	60	19	0	(100)	0
Reclassifications	0	0	0	0	(9)	(9)
Disposals	0	0	(188)	0	(28)	(216)
At 30 June 2022	2,409	1,027	762	320	19	4,537
Depreciation						
At 1 July 2021	(1,171)	(315)	(812)	(276)	(28)	(2,602)
Depreciation	(111)	(103)	(51)	(44)	0	(309)
Disposals	0	0	188	0	28	216
At 30 June 2022	(1,282)	(418)	(675)	(320)	0	(2,695)
Net Book Value						
At 1 July 2021	1,217	652	57	44	25	1,995
At 30 June 2022	1,127	609	87	0	19	1,842

Reclassification: IT software reclassified from Tangible Fixed Assets (Assets under Construction) to Intangible Fixed Assets (Assets under Construction)

b. Charity

	Freehold Land & Buildings	Leasehold Property	Vehicles & Equipment	IT	Assets in Construction	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 July 2021	1,823	967	869	320	53	4,032
Additions	0	0	62	0	103	165
Asset transfers	21	60	19	0	(100)	0
Reclassifications	0	0	0	0	(9)	(9)
Disposals	0	0	(188)	0	(28)	(216)
At 30 June 2022	1,844	1,027	762	320	19	3,972
Depreciation						
At 1 July 2021	(1,171)	(315)	(812)	(276)	(28)	(2,602)
Depreciation	(111)	(103)	(51)	(44)	0	(309)
Disposals	0	0	188	0	28	216
At 30 June 2022	(1,282)	(418)	(675)	(320)	0	(2,695)
Net Book Value						
At 1 July 2021	652	652	57	44	25	1,430
At 30 June 2022	562	609	87	0	19	1,277

9. INVESTMENTS

The historical cost of investments at 30 June 2022 (including investment cash) was £85,041,738 (2021: £67,317,248). 97% of the investment assets are placed in a mixed portfolio of thematic funds.

Listed investments		**2021/22**	2020/21
		£000	£000
Fixed interest			
	UK	**2,130**	9,856
Equities			
	UK	**218**	316
	Americas	**0**	365
	Emerging markets	**0**	2,278
	Alternative investments	**2,686**	14,445
	Multi Asset	**63,972**	0
	Other overseas/Non-specific region	**1,813**	52,144
	Property	**7,018**	3,725
		77,837	83,129
	Cash held as part of investment portfolio	**3,596**	2,999
		81,433	86,128

Major movements in investments during the year were:	**2021/22**	2020/21
	£000	£000
Opening market value (excl. Cash)	**83,129**	66,415
Purchases	**76,234**	11,621
Disposal proceeds	**(77,287)**	(4,748)
(Losses)/Gains on investments	**(4,254)**	9,841
Investments donated	**15**	0
Closing market value (excl cash)	**77,837**	83,129

Investment in subsidiary

GWT owns 100% of the issued share capital of GWT Trading Ltd, being 2 ordinary shares with a nominal value of £1. GWT Trading Ltd is registered in England and Wales No.: 02986861 and its registered office is P.O Box 2170, 22 Queen Street, Salisbury SP2 2EX.

GWT Trading Ltd Income Statement for the year ended 30 June 2022

	2021/22	2020/21
	£	£
Turnover	**114,028**	55,465
Cost of sales	**(53,820)**	(6,456)
Gross profit	**60,208**	19,009
Administrative expenses	**(4,539)**	(4,541)
Operating profit	**55,669**	14,468
Profit for the financial year before taxation	**55,669**	14,468
Tax on profit on ordinary activities	**0**	0
Profit for the financial year after taxation	**55,669**	14,468

GWT Trading Ltd Statement of Changes in Equity

GWT Trading Ltd Statement of Changes in Equity	2021/22		2020/21	
	£	£	£	£
	P&L	Share Capital	P&L	Share Capital
Total funds brought forward	**14,468**	2	14,786	2
Profit for the year	**55,669**	0	14,468	0
Gift Aid payment	**(14,468)**	0	(14,786)	0
Retained earnings at year end	**55,669**	2	14,468	2

The company has no recognised gains or losses other than the profit in both periods. All amounts relate to continuing activities.

GWT Trading Ltd Balance Sheet at 30 June 2022

	2022	2021
	£	£
Fixed Assets		
Intangibles	**3,961**	7,923
Total Fixed Assets	**3,961**	7,923
Current Assets		
Stock	**8,049**	4,922
Debtors	**1,723**	1,035
Cash at bank and in hand	**45,246**	14,671
	55,018	20,628
Creditors - amounts falling due within one year	**(3,308)**	(14,081)
Net Current Assets	**51,710**	6,547
Net Assets	**55,671**	14,470
Share Capital	**2**	2
Retained Profit	**55,669**	14,468
	55,671	14,470

A number of physical fundraising events were able to be held during the year including the Carol Concert in December and the Doko challenge and GWT Golf Day which were both held in June 22. Unfortunately the Gurkha Band Concert in Leyburn had to be cancelled due to COVID-19; a firm favourite in the fundraising calendar, this will return in November 2022. GWT Trading entered into an arrangement with Bremont Watches for a limited edition GWT-branded watch, resulting in income of £25,000.

The GWT Group includes the consolidation of the Ex Servicemen and Families Support Society, a not for profit company registered in Nepal for the legal ownership of land assets purchased by GWT(N). The Directors of the company are all employees of GWT(N) and they must resign their role as Director when their employment is terminated. It is therefore deemed that GWT(N) has control of the Ex Servicemen and Families Support Society and the results are consolidated into the GWT results from 1 July 2020 with the subsidiary retaining all of its profits. Legal ownership of land assets at Kaski was transferred to the company during 2020/21 and the remaining land assets in Dharan, Damak and Gulmi (£228k) are scheduled for transfer during 2022/23.

The following GWT(N) employees are the Directors of the Ex Serviceman and Families Support Society:

Yam Bahadur Rana
Shyamkumar Rai
Pim Bahadur Gurung
Siddhartha Gurung
Lila Pun Sherchan

The Ex Servicemen and Families Support Society was registered in Nepal on 2 July 2018: Registration number 192748/74/075. The registered address is Pokhara Lekhnath Metropolitan Municipality, Ward Number 10, Ramghat.

The trading results for the Ex Servicemen and Families Support Society the year ended 30 June 2022, as extracted from the financial statements are summarised below:

Ex Servicemen and Families Support Society Income and Expenditure for the Year ended 30 June 2022

	2021/22	2020/21
Income and Expenditure	£	£
Income	**286**	0
Administrative expenses	**(269)**	(152)
Operating profit/(loss)	**17**	(152)
Profit/(Loss) for the financial year	**17**	(152)

Ex Servicemen and Families Support Society Balance Sheet at 30 June 2022	**2022**	2021
	£	£
Fixed Assets		
Tangible Fixed Asset	**565,129**	565,129
Total Fixed Assets	**565,129**	565,129
Current Assets		
Cash at Bank	**420**	390
Creditors falling due within 1 year	**(132)**	(138)
Net Current Assets	**288**	252
Net Assets	**565,417**	565,381
Share Capital	**661**	614
Reserves	**564,756**	564,767
	565,417	565,381

10. DEBTORS

	Group		Charity	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
Trade Debtors	**411**	11	**411**	10
Amounts owed by intercompany	**0**	0	**0**	2
Prepayments and Accrued Income	**288**	172	**288**	172
Legacies	**1,033**	280	**1,033**	280
Other Debtors	**374**	273	**374**	273
	2,106	736	**2,106**	737

11. CREDITORS

	Group		Charity	
	2022	2021	**2022**	2021
	£000	£000	**£000**	£000
Trade Creditors	**192**	278	**191**	276
Amounts owed to group and associated undertakings	**0**	0	**2**	(8)
Accruals	**186**	182	**183**	180
Taxation & social security	**38**	29	**38**	29
Other Creditors	**504**	267	**504**	267
	920	756	**918**	744

12. FINANCIAL INSTRUMENTS

	Group		Charity	
	2021/22	2020/21	**2021/22**	2020/21
	£000	£000	**£000**	£000
Financial assets measured at fair value				
Investments in shares	**77,837**	83,129	**77,837**	83,129
Other liabilities measured at fair value				
Constructive obligations (see Note 14)	**39,300**	37,639	**39,300**	37,639
Net financial instruments	**38,537**	45,490	**38,537**	45,490

The constructive obligation is measured at fair value based on the expected amounts payable, discounted at an appropriate market rate. The Trust has no loans or overdrafts and has no forward currency contracts or hedging arrangements.

13. PENSIONS AND LEAVING BENEFITS

The charity provides defined contribution pension arrangements for its employees in the UK, and UK employees based in Nepal. Each employee is able to either join the Government's NEST scheme or arrange their own personal pension plan and the charity contributes 2% of salary for every 1% contributed by the employee, up to a maximum of 10%. Contributions are charged to the statement of financial activities in the year in which they are made. The assets of the plans are held separately from those of the charity. The contributions made by the charity in 2021/22 were £84,717 (2020/21: £79,850). No further liability arose other than these payments.

The retirement benefits in Nepal previously consist of a defined contribution Provident Fund with 10% contributions from both employer and employee. The Provident Fund is held by the Gurkha Welfare Scheme Staff Retirement Benefit Fund (SRBF), an independent body. In addition, Nepali Labour Laws required employers to contribute to a Gratuity fund. Traditionally this was accumulated in a fund and paid to employees on leaving based on years of service and an independent gratuity fund was established to match the liability. In 2017, under the Labour Act Nepal the gratuity changed from a defined benefit to a defined contribution scheme.

In accordance with the Labour Act, in November 2019, the Trust enrolled in the new Social Security Fund (SSF) of Nepal with combined contributions at a rate of 31% of staff salary; 20% employer contribution and 11% employee contribution. The majority of staff were required to transfer funds to the new SSF.

In line with Government of Nepal direction, during the year, Trustees decided that the SRBF should be closed and staff offered the choice of either withdrawing accumulated funds and accepting any taxation liability or transferring funds to the SSF. As at 30 June 2022, the SRBF remains solely for the eight staff employed in Darjeeling who are not eligible to contribute to the SSF.

The Trust has no further liability other than the monthly payments recognised in the SOFA.

In response to COVID-19, the Government of Nepal funded both the employer and employee contributions due for two months in 2021 through a direct payment on behalf of employees into the SSF.

14. CONSTRUCTIVE OBLIGATION (PROVISIONS FOR LIABILITIES FALLING DUE AFTER MORE THAN ONE YEAR)

The Trust has recognised for some years a long-term constructive obligation, as defined by SORP (revised 2019), in respect of its welfare pensions. The SORP requires that such "constructive obligations", even though they are not legally binding liabilities, be recognised on a charity's balance sheet. From 2014/15 the Trust has recognised a similar obligation for the welfare support provided through the Disability Support Grant (DSG) to the disabled children of welfare pensioners who were not able to support themselves when their parents were deceased.

An independent actuarial assessment of the net present value of future payments for both the welfare pension and the DSG, as at 30 June 2022, has been obtained using the following long-term assumptions:

- The level of benefit agreed for welfare pensions for 2022/23, NPR 174,000 per annum (NPR 157,200 in 2021/22) and DSG of NPR 139,200 (NPR 126,000 in 2021/22) will increase with inflation at 7.0% over the long term (7.0% in 2020/21).
- An annual festival allowance of NPR2,000 is payable to beneficiaries.
- An estimated number of 3,453 welfare pensioners (2020/21: 3,812) with an average age of 81.22.
- There are 232 direct DSG beneficiaries (2020/21: 278) with an average age of 56.53 and 30 eligible siblings receiving a reduced rate of DSG.
- Mortality rates are based on Government of Nepal rates adjusted to reflect the increased longevity of the Trust's beneficiaries.
- An estimated 1,470 ex-Gurkhas who left the service in the late 1960's and early 1970's and 140 ex Indian Army who served before 1947 who are not in receipt of a service pension may apply for a welfare pension in the future. A provision has been included for 35 new entrants for each of the next five years with an average joining age of 73.
- Provision has been included for an estimated 86 future DSG beneficiaries.
- Future payments have been discounted at 6.5% pa (2020/21: 6.5%), which represents a cautious assessment of the average yield on high-quality bonds in Nepal.

The value of the obligation is particularly sensitive to the exchange rate of NPR to GBP with a low of NPR148.20/£ in June 2022, a high of NPR163.65/£ in July 2021 and an average for the year at NPR 158.56/£.

Based on the exchange rate of NPR151.27/£, (2020/21: NPR162.64/£) that applied on 30th June 2022, the value of the obligation for the welfare pension was £32,475,000. This is an increase of £1,186,000 on the figure for 2020/21 of £31,288,000. The liability to cover DSG has increased by £476,000 to £6,825,000, (2020/21: £6,350,000). The combined total constructive obligation is £39,300,000.

	Balance at 1 July 2021	Movement in Actuarial Valuation	Movement in Rate of Exchange	Balance at 30 June 2022
	£000	£000	£000	£000
Welfare Pension	**31,288**	(1,084)	2,271	**32,475**
Disability Support Grant	**6,350**	(2)	477	**6,825**
Total Constructive Obligation	**37,638**	**(1,086)**	**2,748**	**39,300**

15. OPERATING LEASES AND OTHER COMMITMENTS

At 30 June 2022 the group's future minimum operating lease payments are as follows:

	2021/22	2020/21
	£000	£000
UK Property lease		
Within 1 year	**70**	75
Between 1 to 5 years	**246**	234
Over 5 years	**46**	90
Nepal Property		
Within 1 year	**26**	19
Between 1 to 5 years	**3**	13
Over 5 years	**0**	0

Lease payments for the year which are recognised as expenses within the SOFA totalled £121,340 (2020/21: £120,992).

Capital commitments at the balance sheet date:

The Trust has capital commitments which are not provided for elsewhere in the accounts of £1,700 (IT). This represents the cost of the contracted commitment less the cost of payments already made.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS OF THE GROUP AND CHARITY

	Unrestricted General	Unrestricted Designated	Restricted	Total
	£000	£000	£000	£000
Intangible assets	155	0	0	155
Tangible assets	924	810	108	1,842
Investments	62,615	18,818	0	81,433
Current assets	9,433	0	1,256	10,689
Current liabilities	(920)	0	0	(920)
Constructive obligation	(39,300)	0	0	(39,300)
	32,907	19,628	1,364	53,899

The unrestricted designated fund provides for:

- Running costs of the Residential Homes for 20 years (to 2034)
- A major improvement fund for the Residential Homes
- A Disaster Response fund
- GWT funding commitment to RWEPP to 2026

17. UNRESTRICTED FUNDS OF THE GROUP AND CHARITY

	Balance at 1 July 2021	Incoming resources in the year	Outgoing resources in the year	Gains and Transfers	Movement in obligation	Balance at 30 June 2022
	£000	£000	£000	£000	£000	£000
Designated funds						
RWEPP	**4,500**	0	(1,396)	(1,104)	0	2,000
Disaster response	**7,500**	0	(407)	1,616	0	8,709
Residential homes	**9,037**	0	(463)	345	0	8,919
Total designated funds	**21,037**	0	(2,266)	857	0	19,628
General funds	**34,092**	15,858	(10,469)	(4,912)	(1,662)	32,907
Total unrestricted funds	**55,129**	**15,858**	**(12,735)**	**(4,055)**	**(1,662)**	**52,535**

Unrestricted funds, both general and designated, are expendable at the discretion of the Trustees in the furtherance of the Trust's objectives. The designated funds have been earmarked by the Trustees for particular purposes, but the designations have an administrative purpose only and do not legally restrict the Trustees' discretion to apply the funds.

Trustees took the prudent precaution in 2011-12 of creating a designated fund to cover the running costs of the residential homes for the next twenty years so that the homes would not be a drain on other activities. Trustees have identified the requirement to increase the fund to include major works (£400,000) for the next ten years. A further transfer-in of £340,000 represents the increase in valuation of the Residential Homes funds within the investment portfolio. The fund is currently valued at £8,919,000 assuming long term inflation in Nepal of 7.0%.

In June 2018, following advice from leading seismologists, Trustees created a designated fund to enable an immediate response to any future natural disasters. This fund was used during 2020/21 to provide 13 significant repairs or replacement of earthquake resilient homes following damage by storms and landslips during the 2021 monsoon. Trustees agree to fund the payment of secondary medical claims for COVID-related illness from the reserve at a cost of £357,000. The fund was increased for the effects of year end inflation and the rate of exchange with the fund totalling £8,709,000 at 30 June 2022.

Trustees identified the requirement for funds to meet the financial commitment against the planned FCDO programme for the remaining four years of the RWEPP grant agreement of £2,000,000 at 30 June 2022.

18. RESTRICTED FUNDS OF THE CHARITY

	Balance at 01 July 21	Income	Expenditure	Transfers	Balance at 30 June 22
	£000	£000	£000	£000	£000
a. Grants to individuals:					
Welfare pensions & DSG	0	439	(439)	0	0
Welfare grants	826	626	(839)	0	613
	826	1,065	(1,278)	0	613
b. Medical:					
MOD Grant In Aid Medical	0	2,550	(2,550)	0	0
Medical	0	158	(158)	0	0
Medical camps	81	80	(131)	0	30
	81	2,788	(2,839)	0	30
c. Residential Homes:	0	5	(5)	0	0
d. Water projects:					
Water projects – FCDO	114	1,933	(1,949)	0	98
Water projects – other	0	214	(204)	0	10
	114	2,147	(2,153)	0	108
e. Schools projects:					
Neal Turkington Fund	18	0	0	0	18
Schools	146	299	(378)	0	67
	164	299	(378)	0	85
f. Community COVID projects					
COVID equipment	88	0	(76)	0	12
	88	0	(76)	0	12
g. Other grants:					
Vehicles & equipment	0	18	(13)	0	5
MOD Grant in Aid Support	565	3,300	(3,196)	(158)	511
Support & infrastructure	0	32	(32)	0	0
	565	3,350	(3,241)	(158)	516
	1,838	9,654	(9,970)	(158)	1,364

a. Grants to individuals

Restricted funds for welfare pensions are obtained from individuals that regularly donate to a pensioner support fund as well as other advertising and appeals. Welfare grants include delivering 101 earthquake resilient homes. The 100 Home fundraising campaign in 2022 was very successful and exceeded the programme budget, providing restricted funds towards homes and welfare grants to be delivered in 2022/23.

b. Medical

The MOD Medical grant-in-aid is provided in support of medical services to our beneficiaries. One medical camp were cancelled and the donor agreed that funds could be carried forward to 2022/23.

c. Residential Homes

A donation for the provision of rehabilitation services provided through the Residential Homes.

d. Water projects

FCDO funding is provided through an accountable grant agreement for the rural water and sanitation programme with additional funding coming from charitable trusts and individuals. The balance at 30 June 2022, reflects the net book value of assets funded through the agreement which continue to be in use in support of the new delivery agreement.

e. Schools projects

Several individuals and charitable trusts have sponsored the rebuilding of schools. Restricted funds are carried forward to 2022/23 to enable completion of two specific projects. A memorial fund in memory of Neal Turkington, lost in action while serving in Afghanistan, funded two major build projects in 2013. A final project has been identified for completion during 2022/23.

f. Community COVID Projects

COVID-19 support to the wider community continued during 2021/22. This was principally through the distribution of Personal Protective Equipment (PPE), oximeters and oxygen concentrator which had been funded by a donor in June 2021.

g. Other grants

The MOD grant-in-aid is provided to support the administration and infrastructure costs of the GWT(N). Restricted donations included income to fund the additional COVID related expenditure incurred ensuring that the welfare staff were able to undertake their work in a safe environment. With the continuation of the COBID pandemic and subsequent economic and supply chain challenges, GWT(N) continued to experience delays in the procurement of equipment including replacement motorbikes, resulting in the carry-forward of restricted funds to 2022/23. The carry-forward is further increased by due to the favourable rate of exchange for much of the year.

The following notes, numbers 19 to 24, refer to financial year 2020/21 and are included for comparative purposes only. The restatement follows the change in accounting policy for the recognition of legacy income.

19. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 30TH JUNE 2021

	Notes	Unrestricted		Restricted	2020-21
		General	Designated		Total
		£000	£000	£000	£000
Income from:	3				
Donations and legacies					
Donations	3a	4,808	0	3,422	8,230
Legacies	3b	5,004	0	0	5,004
Grants					
Ministry of Defence	3c	0	0	3,355	3,355
Charitable activities	3d	0	0	2,525	2,525
Ministry of Defence					
Foreign, Commonwealth and Development Office		0	0	970	970
Other trading activities					
Fundraising Events	3e	167	0	1	168
Retail		14	0	0	14
Investments	3f	1,774	0	6	1,780
Total		**11,767**	**0**	**10,279**	**22,046**
Expenditure on:	4				
Raising funds					
Fundraising	4f	2,119	0	0	2,119
Investment management costs	4f	347	0	0	347
Charitable activities					
Individual aid	4a	3,929	30	3,996	7,955
Medical Aid	4b	3,303	0	2,945	6,248
Disaster response	4d	0	30	0	30
Residential Homes	4c	0	492	0	492
Community aid	4e	510	0	2,853	3,363
Sub Total Expenditure		**10,208**	**552**	**9,794**	**20,554**
Movement in constructive Obligation	4g/14	(2,009)	0	0	(2,009)
Total		**8,199**	**552**	**9,794**	**18,545**
Net (expenditure)/income before other gains and losses		3,568	(552)	485	3,501
Other gains and losses					
Net gains/(losses) on Investments	9	9,841	0	0	9,841
Net (expenditure)/income		13,409	(552)	485	13,342
Transfers between funds	16&17	(6,821)	6,821	0	0
		6,588	6,269	485	13,342
Other recognised gains/(losses)					
Profit & loss revaluation gain/(loss)		(9)	0	0	(9)
Net Movement in Funds		6,579	6,269	485	13,333
Reconciliation of funds					
Funds brought forward		27,513	14,768	1,353	43,634
Total Funds Carried Forward		**34,092**	**21,037**	**1,838**	**56,967**

20. COMPARATIVE STATEMENT OF EXPENDITURE 2020-21

	Grants	Direct costs	Support costs		2020/21 Totals
			Support	Governance	
Charitable activities	£000	£000	£000	£000	**£000**
a. Individual aid					
Welfare pensions	3,759	0	1,770	48	**5,577**
Care for the elderly	106	0	1	1	**108**
Disability support	176	0	104	2	**282**
Winter allowance	47	0	47	1	**95**
Welfare Grants & Support	738	95	439	11	**1,283**
UK welfare	250	334	4	22	**610**
Total	5,076	429	2,365	85	**7,955**
b. Medical aid	1,471	3,596	1,119	62	**6,248**
c. Residential homes	25	392	70	5	**492**
d. Disaster Response	0	30	0	0	**30**
e. Community aid					
School projects	101	557	411	9	**1,078**
COVID Support	0	389	3	5	**397**
Water projects	0	1,507	378	3	**1,888**
Total Community Aid	101	2,453	792	17	**3,363**
Sub Total Charitable activities	**6,673**	**6,900**	**4,346**	**169**	**18,088**
f. Cost of generating funds					
Fundraising	0	1,618	447	54	**2,119**
Investments	0	328	17	2	**347**
Total costs of generating funds	**0**	**1,946**	**464**	**56**	**2,466**
Total Expenditure prior to movement in Constructive Obligation	**6,673**	**8,846**	**4,810**	**225**	**20,554**
a. Movement in Constructive Obligation	0	(2,009)	0	0	(2,009)
Total	**6,673**	**6,837**	**4,810**	**225**	**18,545**

21. COMPARATIVE ANALYSIS OF SUPPORT COSTS 2020-21

	People	Premises & vehicles	Services	Legal & Professional	Currency	Sub Total Support	Sub Total Governance	Total
	£000	£000	£000	£000	£000	**£000**	**£000**	**£000**
a. Individual Aid	1,382	327	227	7	422	**2,365**	**85**	**2,450**
b. Medical Aid	654	159	107	3	196	**1,119**	**62**	**1,181**
c. Disaster Response	0	0	0	0	0	**0**	**0**	**0**
d. Residential Homes	41	10	7	0	12	**70**	**5**	**75**
e. Community Aid	541	100	77	1	73	**792**	**17**	**809**
f. Fundraising	273	56	85	33	0	**447**	**54**	**501**
g. Investment management	11	2	3	1	0	**17**	**2**	**19**
Total	**2,902**	**654**	**506**	**45**	**703**	**4,810**	**225**	**5,035**
Basis of allocation	**Time spent**	**Space & time**	**Time spent**	**Direct**	**Pro rata with cost**		**Attribution & time**	

22. COMPARATIVE ANALYSIS OF NET ASSETS BETWEEN FUNDS, GROUP AND CHARITY 2020-21

	Unrestricted General	Unrestricted Designated	Restricted	Total
	£000	£000	£000	£000
Intangible assets	78	0	2	80
Tangible assets	995	886	114	1,995
Investments	65,977	20,151	0	86,128
Current assets	5,436	0	1,722	7,158
Current liabilities	(756)	0	0	(756)
Constructive obligation	(37,638)	0	0	(37,638)
	34,092	**21,037**	**1,838**	**56,967**

The unrestricted designated fund provides for:

- Running costs of the Residential Homes for 20 years (to 2034)
- A major improvement fund for the Residential Homes
- A Disaster Response fund
- GWT funding commitment to RWEPP to 2026

23. COMPARATIVE UNRESTRICTED FUNDS OF THE GROUP AND CHARITY 2020-21

	Balance at 1 July 2020	Incoming resources in the year	Outgoing resources in the year	Gains and Transfers	Movement in obligation	Balance at 30 June 2021
	£000	£000	£000	£000	£000	£000
Designated funds						
RWEPP	0	0	0	4,500	0	4,500
Disaster Response	5,990	0	(60)	1,570	0	7,500
Residential homes	8,778	0	(492)	751	0	9,037
Total designated funds	14,768	0	(552)	6,821	0	21,037
General funds	27,513	11,767	(10,208)	3,011	2,009	34,092
Total unrestricted funds	**42,281**	**11,767**	**(10,760)**	**9,832**	**2,009**	**55,129**

Unrestricted funds, both general and designated, are expendable at the discretion of the Trustees in the furtherance of the Trust's objectives. The designated funds have been earmarked by the Trustees for particular purposes, but the designations have an administrative purpose only and do not legally restrict the Trustees' discretion to apply the funds.

Trustees took the prudent precaution in 2011-12 of creating a designated fund to cover the running costs of the residential homes for the next twenty years so that the homes would not be a drain on other activities. Trustees have identified the requirement to increase the fund to include major works (£400,000) for the next ten years. A further transfer-in of £351,000 represents the increase in valuation of the Residential Homes funds within the investment portfolio. The fund is currently valued at £9,037,000 assuming long term inflation in Nepal of 7.0%.

In June 2018, following advice from leading seismologists, Trustees created a designated fund to enable an immediate response to any future natural disasters. This fund was used during 2020/21 to provide two replacement earthquake resilient homes following destruction by fire and four replacement homes following destruction during the 2020 monsoon. Trustees agreed to increase the fund for the effects of inflation with the fund totalling £7,500,000 at 30 June 2021.

Trustees also identified the requirement for funds to meet the financial commitment for the 5-year RWEPP grant agreement of £4,500,000 at 30 June 2021.

24. COMPARATIVE RESTRICTED FUNDS OF THE CHARITY 2020-21

	Balance at 1 July 2020	Income	Expenditure	Transfers	Balance at 30 June 2021
	£000	£000	£000	£000	£000
a. Grants to individuals:					
Welfare pensions & DSG	0	749	(749)	0	0
Welfare grants	495	1,137	(806)	0	826
	495	1,886	(1,555)	0	826
b. Medical:					
MOD Grant in Aid Medical	126	2,525	(2,651)	0	0
Medical	0	181	(181)	0	0
Medical camps	35	160	(114)	0	81
	161	2,866	(2,946)	0	81
c. Water projects:					
Water projects - FCDO	600	975	(1,461)	0	114
Water projects – other	0	167	(167)	0	0
	600	1,142	(1,628)	0	114
d. Schools projects:					
Neal Turkington Fund	18	0	0	0	18
Schools	79	476	(409)	0	146
	97	476	(409)	0	164
e. Community COVID Projects					
COVID Equipment	0	476	(388)	0	88
	0	476	(388)	0	88
f. Other grants:					
Vehicles & equipment	0	10	(10)	0	0
MOD Grant in Aid	0	3,356	(2,791)	0	565
Support & infrastructure	0	67	(67)	0	0
	0	3,433	(2,868)	0	565
	1,353	10,279	(9,794)	0	1,838

a. Grants to individuals

Restricted funds for welfare pensions are obtained from individuals that regularly donate to a pensioner support fund as well as other advertising and appeals. Welfare grants include Tranche 3 of the 300 Homes programmes; delivering 101 earthquake resilient homes. The 100 Home fundraising campaign in 2021 was very successful and exceeded the programme budget, providing restricted funds towards Tranche 4 to be delivered in 2021/22.

b. Medical

The MOD Medical grant-in-aid is provided in support of medical services to our beneficiaries. Due to COVID-19 two medical camps were cancelled and the donor agreed that funds could be carried forward to 2021/22. Restricted income included funds for the additional COVID related expenditure incurred ensuring that the medical staff were able to undertake their work in a safe environment.

c. Water projects

FCDO funding is provided through an accountable grant agreement for the rural water and sanitation programme with additional funding coming from charitable trusts and individuals. The Phase V agreement was extended until 30 June 2021 to enable completion of projects delayed by COVID-19 during 2019/20. A new five-year agreement has been signed with FCDO for the provision of rural water and sanitation services from 1 July 2021. The balance at 30 June 2021, reflects the net book value of assets funded through the agreement which continue to be in use in support of the new delivery agreement.

d. Schools projects

Several individuals and charitable trusts have sponsored the rebuilding of schools. One of the major school projects was programmed over two financial years and restricted funds are carried forward to 2021/22 to enable completion. A memorial fund in memory of Neal Turkington, lost in action while serving in Afghanistan, funded two major build projects in 2013. A final school project has been identified for completion during 2021/22.

e. Community COVID Projects

Support to the wider community during the second wave of the COVID-19 pandemic in Nepal. This was principally through the distribution of Personal Protective Equipment (PPE), oximeters and oxygen concentrator which had been donated as goods for distribution, to the GWT.

f. Other grants

The MOD grant-in-aid is provided to support the administration and infrastructure costs of the GWT(N). Restricted donations included income to fund the additional COVID related expenditure incurred ensuring that the welfare staff were able to undertake their work in a safe environment. As a result of COVID-19, GWT(N) experienced delays in the procurement of equipment including replacement motorbikes, resulting in the carry-forward of restricted funds to 2021/22. The carry-forward is further increased by due to the favourable rate of exchange during the year.

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Registered Charity No 1103669
Company Limited by Guarantee No 5098581
Registered in England

Registered with FUNDRAISING REGULATOR

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THE GURKHA WELFARE TRUST

England & Wales - Charity number 1103669

Accounts

THE GURKHA WELFARE TRUST

The Gurkha Welfare Trust

Annual Report & Accounts

1 July 20 - 30 June 21

THE GURKHA WELFARE TRUST

Annual Report and Accounts
Year ended 30 June 2021

Company Limited by Guarantee Number: 05098581
Registered Charity Number: 1103669

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WELCOME
FROM THE CHAIRMAN

This Annual Report for 2020-21 covers a unique period in our time in which the world has faced the unprecedented challenges of a global pandemic. As COVID-19 continued to wreak havoc on the lives of so many, the efforts of GWT staff in Nepal and UK to enable the continuation of activity supporting our beneficiaries have been extraordinary.

During the year, there were long periods of lockdown and constraint in both Nepal and UK, but all staff continued to work above and beyond throughout, adapting protocols to minimise risks to our pensioners and ensuring that all welfare and medical services continued. Our community projects continued at pace, and it is testament to the staff that almost all projects were completed as originally planned.

I am also delighted that GWT was able to share professional expertise and support the wider community in Nepal during the pandemic. Medical staff directly supported local facilities and helplines as well as delivering essential supplies and PPE around the country. The water and sanitation COVID intervention programme delivered handwashing facilities and sanitation equipment at a wide range of health, quarantine and isolation centres in direct support of the Government of Nepal.

Throughout, our supporters have remained loyal and committed to our work, for which I and the Board remain incredibly grateful.

Despite the challenges, our work will remain undiminished ensuring that we continue to meet our vision of "Gurkhas Living with Dignity".

Lieutenant General
Richard Wardlaw OBE
Chairman
The Gurkha Welfare Trust

TRUSTEES' REPORT
FOR THE YEAR ENDING 30 JUNE 2021

This report is drawn up in accordance with applicable accounting standards, including the Charities (Accounts and Reports) Regulations 2008 and the requirements of the Charities Statement of Recommended Practice (SORP) (FRS102), second edition 2019 and the Companies Act 2006.

STRUCTURE, GOVERNANCE AND MANAGEMENT

TRUST STRUCTURE

The Gurkha Welfare Trust's (GWT or Trust) headquarters is in Salisbury, Wiltshire.

In Nepal, the GWT is located in Pokhara, West Nepal. It oversees and directs the activities of the Trust's network of 19 Area Welfare Centres (AWCs) sited in key locations throughout areas of traditional Gurkha recruitment in Nepal, one Centre in Darjeeling, India and two permanently manned smaller patrol bases. These AWCs provide the platform for the delivery of all Trust welfare programmes as well as providing a permanent footprint across the country to Gurkha communities. The AWC network has been restructured along geographical lines to create clusters based around five 'key' AWCs. These self-supporting clusters enable the multi-disciplinary Pensioner Support Teams (PST) to operate and support beneficiaries with the proactive and mobile delivery of both welfare and medical assistance. It also allows them to respond swiftly to requests for support and to react quickly to situations such as natural disasters.

GWT includes the consolidation of the Ex Servicemen and Families Support Society, a not for profit company registered in Nepal for the legal ownership of land assets purchased by GWT Nepal.

In the UK the Gurkha Welfare Advice Centre, Salisbury (GWAC) provides advice on statutory entitlements and guidance on welfare support available to ex-Gurkhas in UK who find themselves in need. A subsidiary office is located at Aldershot in support of a major ex-Gurkha settlement.

The Trust has a wholly owned trading subsidiary, GWT Trading Limited, whose accounts are consolidated in the group financial statements.

TRUST GOVERNANCE

The Trust was established by Trust deed in November 1969 for the relief of hardship and distress among Gurkha ex-servicemen of the British Crown and their dependants. It was re-constituted, also by trust deed, in 1994. In April 2004 the Trust became a Charitable Company Limited by Guarantee (CCLG). These accounts amalgamate those of the unincorporated trust in compliance with the Charity Commission's uniting direction.

The development and execution of Trust policies is the responsibility of a Board of Trustees that meets three times each year. Their agenda is supported by a number of subordinate committees that consider investment, governance, audit and finance matters. The Board of Trustees are responsible for setting the strategic aims of the Trust.

The Finance Committee, a sub-committee of the Board with approval to make decisions on the Board's behalf is, among other responsibilities, tasked with setting salary levels of key personnel. In setting these salary levels consideration is given to benchmarking with equivalent roles in the wider industry.

This Financial Year saw the Trust undertake the first significant review of its structure and governance since 2014. As a result, the Trust's Articles of Association were reviewed and its administrative provisions were revised and updated. This permitted GWT to transform itself from an organisation where all its members were also directors (trustees) into one where the board of directors is clearly distinct from the Trust's membership. Amongst other things, this allows for a smaller board (now reduced to 10) which is closer to best practice for a charity of the Trust's size.

As presaged in last year's annual report, GWT has bid farewell to a number of long-standing directors who, individually and collectively, have performed tremendous service to the Trust over many years. Going forward, under the new Articles adopted in May 2021, the tenure of all directors is limited to a maximum of nine

years in accordance with best practice in the voluntary sector.

Regimental interests continue to be represented, the two ex-officio roles remain and, in addition, either the chair of the Gurkha Brigade Association (GBA) himself will sit as the GBA nominated director or he may nominate an individual for approval by the GWT board for that position. Country interest is represented by an individual nominated by the Trust's executive team and appointed by the board (as the Nepal Director) for that purpose.

The other six positions are filled by individuals with clearly identified skill sets. Each of these independent directors must retire and, if they are eligible and wish to do so, stand for re-election every three years (i.e. two independent directors are subject to this process each year).

Those members who are not also directors, namely the Regimental Colonels, continue to be engaged in the Trust's affairs. At the December board meeting at which the Annual Report and Accounts are to be approved by the board, it is intended that *all* members will be invited so they are able to raise questions at the AGM following that board meeting. The Articles also allow observers to be invited to the board meetings.

The terms of reference of the four standing board committees have also been updated along with various delegated powers. In terms of the Trust's executive team, the role of the former *"Director"* has been retitled as *"CEO"* to recognise its correct function and responsibilities and the Chief of Staff has also been appointed as Secretary of GWT with responsibility to advise the Chair on all matters relating to GWT's administrative and legal responsibilities under the Companies and Charities Acts.

TRUSTEE SELECTION

The Governance committee, currently comprising a Chairman and three Members, is responsible for oversight of Trustee selection.

In accordance with Charity Commission guidance on Trustee tenure, there is a steady turnover of Trustees. When a vacancy arises, a specialist recruitment organisation is engaged to invite suitably qualified candidates which are then shortlisted by a GWT selection panel and the final candidate selected by panel interview. The appointment is then reviewed and confirmed by the Board. All Trustees follow a generic training package to induct them into the work of the Trust and further role-specific training is sought for those that require it. This also includes visiting our infrastructure and work in Nepal.

Details of Trustee retirements and recruitment may be found on page 36.

KEY MANAGEMENT PERSONNEL

The Trust's CEO is responsible for the day-to-day operation of the Trust. He directs and coordinates the work of the Salisbury headquarters and oversees the work of The Gurkha Welfare Trust (Nepal) and The Gurkha Welfare Advice Centres.

The Director of the GWT(N) provides assurance on authority, responsibility and accountability for the delivery of welfare support in Nepal in accordance with Trust policies, as well as insight into the political dynamics of Nepal. In addition, he acts as an interface between the Trust and the veteran community in Nepal.

The Field Director of the GWT(N) in Nepal is responsible for daily operational management of the GWT(N) and implementing welfare support in accordance with Trust policies.

The Medical Director oversees the Trust's enhanced medical and healthcare system in Nepal. The role is based at HQ GWT(N) in Pokhara, Nepal.

The Head of Fundraising and Communications leads the fundraising and marketing team in the UK.

IMPLEMENTING PARTNERS

Many of our services in Nepal are delivered in partnership with other organisations.

The Trust builds rural water and sanitation projects in Nepal assisted by an annual grant provided by the British Government's Foreign, Commonwealth and Development Office (FCDO).

The Ministry of Defence (MOD) continues to provide an annual Grant in Aid (£3.3M) towards staff and administration costs of the GWT(N) in support of welfare delivery. This enhances value for money for donors as it allows, in conjunction with investment income, donations to be spent directly on welfare projects.

The MOD also provides £2.5M annually as a contribution in support of the Trust's healthcare provision for veterans in Nepal.

In Nepal, the Trust continues to work closely with the Kadoorie Agricultural Aid Association (KAAA), which concentrates on community aid and development, including bridge construction, the provision of potable water supplies, hydro-electricity projects and employment training schemes.

Additionally, the Trust works in partnership with CAIRN in providing a new holistic approach to supporting education through the provision of teacher and librarian training.

In the UK, the Trust works with the relevant Government departments and key service charities to enable the delivery of statutory and welfare advice to ex-Gurkhas and their dependants seeking settlement.

VOLUNTEERS

People volunteer for the Trust in a number of different ways. Often members of the public raise funds on our behalf (community fundraisers), others offer to help at Trust challenges and events. Some gain experience in the UK office by assisting with fundraising and marketing efforts and others maintain a relationship with us owing to their own longstanding association with the Brigade of Gurkhas. Their individual and collective effort and dedication, often over many years, is appreciated enormously by the Trust. We do not recruit volunteers to directly work on project delivery in Nepal, apart from a few exceptional cases where it is part of a funding commitment.

PUBLIC BENEFIT

The Trustees have given due regard to the Charity Commission's guidance on reporting public benefit when planning the charity's activities and are satisfied that the Trust is fully compliant with the Charities Act 2011.

Benefit to our beneficiaries can be assessed in two distinct areas – individual and community aid:

Individual Aid, in the form of the welfare pension, winter allowance, disability support grants, welfare grants and our earthquake resilient homes, is provided perennially to ensure that our core beneficiaries and those most vulnerable are able to live with dignity. Enhanced support is provided to beneficiaries living in our two Residential Homes. In addition, free primary medical care is provided to all eligible individuals as well as subsidised secondary healthcare treatment. Details may be found on page 14-18.

Community Aid is provided in the form of schools, accessible drinking water and medical camps. The impact of these activities can be found on pages 19 – 24.

The primary beneficiaries of these activities are the general public.

In addition, GWT has provided support to the Government of Nepal's COVID-19 response to assist the general public and regional government.

OBJECTS AND ACTIVITIES

The Trust's Objects are:

- To relieve either generally or individually Gurkhas and their dependants and other persons in Gurkha community areas, who are in conditions of need, hardship or distress.
- To promote the education of Gurkhas, dependants and other persons in Gurkha community areas.
- To make provision for the medical diagnosis and treatment of Gurkhas and their dependants and other persons in Gurkha community areas who are in need of such diagnosis or treatment and for the prevention of any disease or adverse conditions which may affect any such person: and
- Such other charitable purposes which are in the opinion of the Trustees connected directly or indirectly with the foregoing purposes as the Trustees from time to time think fit.

The Trust's Vision is: "Gurkhas living with dignity". Welfare support is delivered against the following priorities:

- The provision of a Welfare Pension.
- The provision of welfare/emergency grants.
- The provision of medical support: a free primary healthcare scheme for beneficiaries and subsidised hospital care.
- The provision of water and sanitation projects.
- The running of two Residential Homes (RH).
- A programme of building 300 earthquake resilient homes for beneficiaries.
- The building of schools and community centres.

The Trust raises funds in support of welfare programmes involving individuals and communities in Nepal and also in an advisory capacity in support of ex-Gurkhas in UK.

FUTURE PROSPECTS

The Trustees are confident that there is a demonstrable need for activities delivered by the Trust and that it can continue as a going concern. In response to the global economic impact of COVID-19, Trustees have assessed the specific impact on the Trust and determined that, despite some expected downturn in overall fundraising income, our approach to investment and the robust reserve position, means that the Trust is able to continue to operate with minimal impact on activity levels, and with confidence as a going-concern for the foreseeable future.

The Trust's core beneficiaries, the Welfare Pensioners (WP), numbered 3,812 as at 30 June 2021 with this figure reducing by approximately 10% per year. A fully funded Constructive Obligation (CO) exists to ensure the continuing provision of a welfare pension to all recipients until this obligation ceases.

The Strategic Review conducted and presented to the Board on 16 September 2020 has identified a continuing requirement for the Trust's welfare services to veterans in Nepal for the next 20 – 30 years.

The MOD's commitment of £2.5M annually as a contribution in support of the Trust's medical services to Nepal based veterans extends until 2029.

A five-year accountable grant agreement with FCDO (£19M) commencing 1 July 2021, for the provision of Water, Sanitation and Hygiene and Emergency Preparedness has been signed. The Trust has committed a further £4.5M over the five years in support of the programme.

THE STRATEGIC REPORT

TRUST STRATEGY

The Trust defines its priorities in five-yearly increments, setting parameters within which the Trust can best respond to the needs of ex-servicemen and their dependants. The most recent Strategic Review was presented to the Board on 16 September 2020 and extends to 2025.

The priorities identified for FY2020/21 were:

Delivery of planned Objectives and Programmes within the constraints of COVID-19.

The 100 Homes Project

FY 20/21 saw the third tranche of earthquake resilient homes successfully delivered. A total of 101 homes were constructed. The project has been extended with a fourth tranche approved for FY2021/22.

Independent Salary Review

The last GWT(N) Salary Review was conducted in 2018. It only benchmarked salary rates with comparator organisations. In the recent salary review conducted remotely by CSC, our in-country auditor, they were asked to not only conduct the same comparison exercise but also to review the GWT(N) salary structure, the new HR policies and the Terms and Conditions of Service (TACOS) for GWT(N) staff. Since the previous review, GWT(N) has consolidated on the disruptive Change Programme and progressively improved, updated and codified its HR policies, TACOS and Job Descriptions and now employs a significant number of staff across a wide range of specialist roles. CSC presented two reports which were considered by a Salary Review Board. The Board endorsed the proposals contained in this Business Case.

Continued implementation of the Strategic Review.

FUTURE PLANS

The following objectives have been identified for FY2021/22:

- Transition to a new cloud based CRM.
- Upgrade of Nepal IT infrastructure and enhancement of cyber security.
- Enhancement of GWT's Disaster Resilience (DR) capabilities and long-term resilience of AWC infrastructure.

ACHIEVEMENTS AND PERFORMANCE

THE COVID-19 ENVIRONMENT STRATEGIC SUMMARY

The factors supporting the decision to **not reduce** any element of the Trust's work in Nepal were:

1. Through prudent management, the Trust has robust free reserves exceeding 18 months routine expenditure and is therefore able to support all of our objectives despite pressures on income streams.
2. The Trust has stress-tested our fundraising programme during the initial months of the pandemic, particularly the Individual Giving (IG) programme which underpins our fundraising activity.

3. Our global investment strategy has proved resilient to adverse fluctuations in the markets providing gains and a financial cushion.
4. A favourable rate of exchange.

At 30 June 2021 our investments had performed well resulting in an overall gain of £9.84M and total fundraising income had exceeded the budget, increasing free reserves and further supporting the decision to maintain levels of activity in 2020/21.

Consequently, all our staff both in Nepal and UK have been retained to continue delivery of our commitments with no requirement for any furlough or redundancy.

COVID-19 IN NEPAL

As at 30 June 2021, Nepal has recorded a total of over 640,000 COVID cases and over 9,100 fatalities. At the beginning of the reporting year in July 2020, the first wave had been relatively mild and the national lockdown was effectively lifted in phases for economic reasons; however, as the year progressed the first wave reached its peak in Oct 20 with a daily average of up to 3,500 new cases. Further lockdown measures were imposed at District level and the pandemic slowly subsided in early 2021 to hundreds of new cases per day. A more aggressive second wave occurred rapidly in April 2021, peaking in May with around 9,000 daily new cases and for a short period overwhelmed the capacity of the health system. As at the year end, the COVID numbers have reduced, but remained stubbornly static at over 2,500 cases per day with a slightly increasing trend. The national vaccination programme started promisingly in January with bilaterally donated and purchased AstraZeneca vaccines from India and the COVAX programme. These were predominantly used to vaccinate frontline workers and a proportion of the Over 65 population. The programme then stalled when further supplies could not be acquired or provided from India. The programme has now re-started with vaccines purchased from China and US vaccines donated through the COVAX programme. As at 30 June 2021, and from a population of over 30M, 3.36M people have been vaccinated, of which 2.6M people have received their first doses and only 756K have been fully vaccinated. The supply of vaccines remains Nepal's most significant problem in controlling the pandemic.

IMPACT ON BENEFICIARIES IN NEPAL

Sadly, there have been 72 reported deaths attributable to COVID among our beneficiaries in Nepal. Over 300 beneficiaries are reported to have contracted the virus, although we suspect this figure is under-reported. Of our 22,000 registered beneficiaries, we believe only around 5,000 have been vaccinated, most only once, but this figure is now growing. The pandemic and the lockdown measures have also impacted our beneficiaries' ability to visit the Area Welfare Centres, which prompted a reversion to the model of delivering medicines and welfare pensions direct to pensioners' homes. At the peak of the second wave when the Government health service was overwhelmed, GWT also intervened to assist pensioners in need.

Our residents in the Residential Homes have mostly remained safe thanks to the efforts and care of the staff, and they have been fully vaccinated. However, two residents in RH Kaski did sadly succumb to the virus when an outbreak occurred in December 2020.

IMPACT ON GWT

With the experiences from the first wave of the pandemic of dealing with the national lockdown, GWT has largely re-activated its COVID operating model and protocols as and when necessary. The organisation has adapted quickly and effectively to ensure that our support to beneficiaries and communities has not been adversely affected, and our freedom of movement has been assured with the help of the British Embassy and the Government despite the periodic travel restrictions; however, GWT has not escaped the pandemic. It was a great sadness when RWSP Project Supervisor Gam Bahadur Gurung died from the virus in May; the first and hopefully last fatality among staff. Over 120 GWT staff have contracted the virus and staff availability has been significantly affected by the need for careful management of quarantine and isolation. This has occasionally resulted in the closure of some Area Welfare Centres in order to contain isolated outbreaks. The opportunities for the staff to take leave has also been impacted this year, and due to restrictions on non-essential travel, the Area Welfare Centres have been somewhat isolated. Staff training has also been affected, although much use has been made of virtual training opportunities.

GWT'S RESPONSE

Despite the occasional temporary closures, the Area Welfare Centres have all remained operational throughout the year and fully able to provide continuous welfare and medical support to our beneficiaries. The application of strict COVID infection prevention protocols have become the norm.

The AWCs have periodically shifted to operating a home visiting service for the payment of pensions, medicine delivery and welfare investigations, and providing telephone consultations and pharmacy distribution from the AWCs.

The HQ staff in Pokhara worked largely from home during the second wave, and all elements of the organisation have continued to use online tools and conferencing facilities to coordinate their efforts and the delivery of our integrated services. We have made extensive use of our various social media platforms and group SMS service to keep beneficiaries informed and to provide advice. And for the many beneficiaries who do not use social media, the AWCs have invested much time in maintaining telephone contact.

The lockdown measures did not impact GWT's ability to complete all our Individual Aid and Community Aid projects for the year, and we were able to continue supporting the Government's COVID relief efforts. Details are contained in the sections below.

LIFE-SAVING SUPPORT CONTINUES THROUGH COVID LOCKDOWN

Despite strict lockdown measures in Nepal through the past year we have been able to continue to deliver vital support to Gurkha veterans and communities in remote rural areas.

An agreement with the UK Embassy in Kathmandu has given our teams special permission to carry out visits to remote villages in the mountains, despite local travel restrictions. The diplomatic agreement has allowed life-saving provisions, such as medical supplies, pensions and clean water to reach Gurkha veterans and rural health facilities on the frontline of the COVID-19 pandemic.

Our teams have been able to continue work on projects to supply safe water to people's homes, build and refurbish schools, and construct earthquake-resilient homes. We have also supported the local covid response by providing handwash stations, PPE, sanitation equipment and advocacy, benefitting over 200,000 people.

You have been there when I needed you the most

Our Pension Support Teams travel across rough terrain in 4x4 vehicles, motorbikes, sometimes even by foot, to reach vulnerable Gurkha veterans and widows in rural locations.

We visited 88-year old widow Deukumari in July to deliver her pension, provide medication and ensure she was keeping well during the pandemic. Deukumari relies on her pension to buy food and essentials, and after hip replacement surgery is now able to get around with the walking stick we have provided. Her message of thanks says it all:

"You have been there since when I needed you the most. I can only give you blessings and 'dhanyabad' (thank you)"

A huge boost to our COVID-19 response in Nepal

As our team worked tirelessly to support the local healthcare system, they were buoyed by news of an incredibly generous gift. An anonymous donor sourced and donated over £500,000 worth of vital medical equipment. The kit including oxygen concentrators, pulse oximeters, and Personal Protection Equipment (PPE) has now been distributed to hospitals across the country. This equipment will have a huge impact on saving lives across Nepal as we continue the fight against the pandemic.

INDIVIDUAL AID

Welfare and Pensions

GWT maintained its programme of welfare pension payments throughout the crisis. Over 78% of our welfare pensioners are now paid through the bank, which guarantees the payment and gives the pensioner better access to their pension. For those who are still cash-paid, their pensions have either been collected on a quarterly basis from the AWC as normal, but AWCs have delivered the pension to their homes if they were unable to reach the AWC because of the travel restrictions.

During the year, we rebuilt over 100 new homes for welfare pensioners and pro-actively provided hardships grants to repair or improve homes, build toilets or provide essential household items or services. Last year's monsoon and other natural disasters damaged 6 pensioners' homes, which were all rebuilt using central funding from the Disaster Relief fund.

Medical

GWT's medical services had to adapt again to the fluctuating state of the pandemic and the lockdown restrictions. Face to face appointments had to be replaced by more telephone consultations, but pensioners were seen in person where this was necessary, and we continued to provide pharmacy services from the AWCs, but increasingly delivered medicines to pensioners' homes. Medical advice to beneficiaries and protocols for our staff were under constant review and revision, applying the lessons we had learned from the previous year. The more aggressive second wave had a greater impact on our beneficiaries and we set up AWC hotlines for those who needed advice and support. As the Government health system came under acute pressure, so GWT intervened to find COVID-positive pensioners bed spaces where possible, and we provided Oxygen Concentrators, Oxygen, Oximeters and medicines to their homes during their home isolation or pending their transfer to a hospital for treatment.

During the year, GWT made 5,635 home visits for medicine delivery, 2,515 visits for medical treatment, dealt with 2,359 emergency calls and made 56,000 telephone consultations and 59,000 prescriptions. In all, the AWCs did 131,000 screenings of staff and visitors.

The GWT medical service continued to expand its phlebotomy capacity and established more agreements with local laboratories for cashless testing. We continued to deal with a high volume of claims for secondary care and saw an increase in claims arising for COVID treatment.

The medical team also had to continue managing the strict quarantine and isolation of all GWT staff, with 123 staff members contracting the virus during the year.

Residential Homes

Our Residential Home were "sealed" between April and June 2020, and both homes remained in this condition for 10 months, with the staff living in permanently for much of this time before being allowed some respite rotation before being finally "unsealed". By this stage, the staff and residents had been fully vaccinated. Both Residential Homes experienced COVID outbreaks during the year, which sadly resulted in the death of two residents in Kaski. The outbreaks could have been much more devastating had it not been for the dedication of the staff and the vaccinations we were able to arrange.

The residents have continued to enjoy a fairly normal and active life, with some periods of room isolation, and much testing. They have interacted with the staff and each other and benefitted from regular social and physical activities. The number of residents in each home has declined due to COVID and natural deaths during the year. AWCs are actively looking for suitable candidates to fill the 12 vacancies, but this has been hampered by the pandemic. We have also reduced some of the criteria which could now allow a Welfare Pension couple to be eligible for the Residential Homes.

COMMUNITY AID

Rural Water and Sanitation (RWSP) Projects

RWSP were able to complete 30 water projects last year thanks to funding from GWT. These projects benefitted 6,285 beneficiaries in 1,184 households and this drew Phase V of the programme to an end. The new 5-year Resilient WASH & Emergency Preparedness Programme (RWEPP) was confirmed and other than a

reduction of £2M in the first year's budget, which GWT will "top-up", the programme has been fully funded and started on 1 July 2021. The programme will deliver over 400 water schemes supporting 25,000 households and includes a new component which will assist communities and local authorities to be better prepared for dealing with emergencies and natural disasters. 83 projects are planned for the first year.

Schools Projects

Unlike last year, when projects had to be suspended during the national lockdown, the construction of school projects this year was not affected. Nevertheless, strict COVID protocols had to be applied, but it meant that all of the planned projects were completed during the year. This included 3 Major schools, 11 Minor School Extensions and 54 school refurbishments.

Medical Camps

GWT was able to conduct two Medical Camps in Tehrathum and Dolpa, which treated over 800 patients. We continued to offer cataract surgeries, hearing-aid and eye treatments and the provision of prosthetics and mobility aids. Sadly, dental treatments had to be suspended due to the higher risk of infection. Two other planned Medical Camps had to be cancelled at the request of the local health authorities due to the state of the pandemic in their areas.

SUPPORT TO GOVERNMENT

RWSP COVID-19 Intervention Programme

RWSP's COVID Intervention Programme, funded with £200K from the UK Government in late 2019-20, continued at pace throughout the year. In all, 369 sites were provided with COVID relief support with either handwash stations, sanitation equipment and advocacy or with PPE. The programme reached across 6 provinces and helped 208,675 beneficiaries in health facilities, quarantine and isolation centres and at other Government and frontline institutions and agencies, together with some social organisations which cater for the vulnerable.

Medical Support

Thanks to additional donations specifically for COVID relief, GWT was able to significantly increase its medical contribution to the Government. From one anonymous donor alone, we distributed 227 O2 Concentrators, 1,810 oximeters and 13,555 sets of PPE to 73 hospitals and health facilities across the country. A recent donation from GCSPF will continue this work to alleviate local shortages of critical medical equipment and improve capacity to deal with the current crisis in remote areas.

GWT Doctors from AWC Kaski returned to help out at the Gandaki Provincial Health Operations Centre to man the "Hello Doctor" hotlines, and dealt with 400 calls in May and June.

Summary

GWT has continued to operate successfully on a quasi-operational footing throughout the year and has weathered the storm of a particularly aggressive and impactful second wave in the country. Its support to beneficiaries and communities alike has remain undimmed and largely unaffected. Services were provided, targets were largely met, and all projects were completed on time and to scope and cost. Furthermore, the increased support that we have provided to the Government in remote areas has substantially enhanced our standing and reputation in Nepal and has cemented the bond between the Area Welfare Centres and the local communities. A year on from the last Annual Report Nepal is still in crisis, but GWT's beneficiaries and communities remain at the heart of the GWT operation and we have every confidence that they will continue to receive the best possible support in the future.

UK COVID-19 SUPPORT

The staff in our two Gurkha Welfare Advice Centres (GWAC) worked tirelessly to assist UK based veterans with the advent of Covid-19 and the resultant lockdown. This included:

- Acting as an interface between beneficiaries stranded in Nepal and the Department of Welfare and Pensions (DWP)
- Facilitating contact and cooperation between local councils and Gurkha communities.
- Translation services for hospitals and other entities dealing with non-English speaking Gurkha veterans.
- Visa information enquiries and liaison with UK Visas and Immigration (UKVI).
- Assistance with accessing benefits such as Pension Credit, Universal Credit and Housing benefits.

FUNDING THE CAUSE IN THE UK

FY20/21 fundraising activity was conducted entirely within the Covid-19 environment and its associated and varying restrictions over the duration of the reporting period. All elements of the Trust's fundraising programme continued to be impacted as a result.

In stark contrast to many in the third sector however, GWT's core income streams proved extremely resilient. Having adjusted fundraising targets down in response to the likely effects of a more restrictive environment, end of year results surpassed these and exceeded even the pre-Covid budgetary targets.

In assessing the underlying reasons behind this success, three major determining factors were identified:

Supporter stewardship

Individual donors are at the heart of GWT's fundraising strategy and the Trust continues to work on providing each of them with tailored information about the work they fund, to ensure they feel valued as the vital 'part of the team' that they are.

The Trust was fortunate in having developed and expanded its digital presence in advance of the pandemic. In turn, the ability to communicate and engage with the supporter base was largely unaffected. New online Community Fundraising initiatives like the raffle, monthly curry club and auction generated c. £33k and will now become annual initiatives in the GWT calendar going forward.

The Cause

Because of the simplicity of the GWT cause and clarity of our messaging, supporters often see the Trust as 'their charity'. The loyalty, commitment and generosity of supporters cannot be overstated.

This year's Samachara 58 campaign sought to raise funds for earthquake-resilient homes in Nepal. The appeal was mailed to 47,213 people, generated 10,389 responses and over £800k in income (the second largest in GWT history) thanks to some excellent content and a strong proposition.

This year again legacies remained the most profitable fundraising income, with 245 notifications received over the period, the vast majority of whom were supporters of the Trust in their lifetime.

Fundraising structure

The Trust's fundraising activity is weighted towards individuals (through Individual Giving appeals and legacies) as opposed to fundraising areas which were worse affected by the pandemic such as events, challenges and community fundraising.

The majority of fundraising expenditure across the year was on acquisition and the Trust was successful in bringing c.5k new supporters onto the mailing lists for future appeals. With events halted, GWT was able to host just one event over the year – the Doko Challenge in Wimbledon on 6 June 21 which raised c. £20k.

OUR FINANCIAL AID

This year we committed to continue the provision of financial aid to Welfare Pensioners and recipients of the Disability Support Grant during 2020/21. At 1 July 2020 there were 4,119 Welfare Pensioners in receipt of a pension of NPR 12,600 per month, and 232 recipients of the Disability Support Grant. At the 30 June 2021, there were 3,812 Welfare Pensioners and 225 recipients of the Disability Support Grant.

We committed to a Winter Allowance in the form of the provision of thermos flasks to all Pensioners distributed prior to end of November 2020.

We committed to the provision of financial support for family members required to provide full time care to our Welfare Pensioners through the Home Care Allowance, and for the immediate support to Welfare Pensioners and their families in times of hardship through Hardship Grants and a Funeral Grant.

WELFARE PENSIONS

We pay a pension to thousands of impoverished Gurkha veterans or widows in Nepal who aren't eligible to receive a British Army pension.

The rate is calculated each year using a 'shopping basket' of basic goods such as rice, vegetables and firewood. For many people, this is their only source of income. In addition to the food basket, the Trust now utilises the Government of Nepal's statistical data used to define the minimum wage as another relevant benchmark.

At the beginning of the reporting period there were 4,119 individuals in receipt of a Welfare Pension from the Trust. They were each paid a Welfare Pension equating to 12,600 NPR per month.

During the period 373 WPs were recorded as ceased and a further 25 ceased due to their move to the UK. 34 new welfare pensions were authorised including 14 returning from UK and 57 pensions were transferred to widows. Three pensions were ceased due to the beneficiaries moving into the Residential Homes.

As at 30 June 2021 the number of Welfare Pensioners had reduced to 3,812.

For 2021/22 Trustees agreed an increase of 4% to the rate of welfare pension from NPR 12,600 to NPR 13,100 per month (NPR 157,200 pa). In addition, Trustees approved a new annual festival allowance of NPR2,000. This increase maintains the r0ate at 100% of the food basket used to determine a pensioner's monthly requirement for essential items. In 2020/21 the cost of the Welfare Pension programme was £5,577,000 (2019/20: £5,859,000) which represents 31% of total charitable expenditure (prior to movement in the constructive obligation).

2,056 WPs are now paid through the bank on regular monthly basis; all Darjeeling pensioners receive their pension directly through their designated bank accounts.

WINTER ALLOWANCE

Our Winter Allowance is an additional annual gift distributed to all of our pensioners to ensure that they are equipped to endure the colder months of winter.

The allowance was previously paid in cash however, in line with the Trust's policy of avoiding cash payments in favour of payment in-kind, this reporting period saw all of our Welfare Pensioners issued with thermos-type flasks.

The direct cost of the Allowance in 2020/21 was £47,100 (2019/20: £91,000).

DISABILITY SUPPORT GRANT

For disabled children of our core beneficiaries, we offer a regular monthly grant similar to the Welfare Pension. Without this financial support, and in the absence of a developed-world health system, disabilities can pose an insurmountable obstacle in Nepal.

As at 30 June 2021, there were 225 beneficiaries in receipt of the grant (2019/20: 232). The total cost of delivering these grants in 2020/21 was £282,000 (2019/20: £285,000). For 2021/22 Trustees increased the scope of the grant to include orphaned disabled children of ex Gurkhas and multiple eligible siblings living in the same home. Trustees also agreed a new annual festival allowance of NPR2,000 payable to DSG beneficiaries.

SUPPORTING GURKHA VETERANS & WIDOWS THROUGH WINTER

Winters in Nepal can be bitterly cold, with the temperatures often plummeting to a chilly sub-zero. We help Gurkha veterans and widows prepare each year with a Winter Allowance.

Thanks to generous donations from our our supporters, we are able to deliver the Winter Allowance as an annual gift on top of the monthly financial aid they receive. In the past we have distributed blankets, warm jackets and hats. Last winter our Pensioner Support Teams delivered thermal flasks after many requested these.

A hot drink (that stays hot) during the winter months is a luxury that many of them haven't had since their Army days. The flasks hold 1.8 litres of liquid and are made of double wall stainless steel. They're insulated, durable and will keep their drinks warm for hours.

During the winter we delivered over 3,000 flasks to Gurkha veterans and widows. They were delighted with their new gifts, although it took some explaining – some had never seen a flask before! One widow needed us to demonstrate how to use the flask and describe the benefits. We managed to convince her in the end.

The elderly pensioners can now keep their water, milk and tea warmer for longer. They no longer need to light a fire every time they need to heat liquid, helping them to save their firewood and fuel.

BATTLING THE MONSOON TO REACH OUR PENSIONERS

The brave people of Nepal face a deadly monsoon every year with landslides and flooding resulting in the loss of thousands of homes and acres of farmland, as well as hundreds of deaths.

We were encouraged by an incredible response to our monsoon appeal in the summer as our teams tackled floods, landslides and impassable roads to reach the most vulnerable Gurkha veterans and widows living in remote locations.

We do whatever we can to make sure the Gurkha veterans and widows we care for are safe.

Dr Anil Maharjan's job is to visit Gurkha veterans and widows at their homes in rural parts of Nepal to deliver medicine, check their health and refer them to local hospitals if they need further treatment.

"We have to travel mostly off-road to visit the Gurkha veterans and widows. The road conditions are not good all year round and particularly worse during monsoon. We do not know what to expect during our journey."

Travel is often only possible by motorbike, with the additional difficulty of carrying medical instruments, medicines and supplies. Tackling deep mud, debris from landslides and flooding on the roads, our staff have to be ready to carry out essential repairs at any time.

At the end of the day, there is still no respite for our brave workers

"Pre COVID-19, we usually took shelter in the pensioner's house or nearby hotels. However, we could not use either and we had to arrange our own accommodation in tents in open fields even during heavy rainfall. After a hard day's work, it was difficult to prepare our food with limited resources. We even had difficulties in finding water to prepare food."

HOME CARERS ALLOWANCE

Sometimes, family members of our Pensioners care for them full-time. When this happens, they are able to apply for a grant from us to support them as they are unable to work.

In 2020/21 405 people received this grant (2019/20: 420). The total cost of these grants in 2020/21 was £108,000 (2019/20: £129,000).

WELFARE GRANTS

We are needed the most during moments of tragedy. When disaster strikes in the form of fire, flood, landslide or earthquake, GWT is ready to provide immediate assistance, by offering financial and other support.

A total of 1,261 grants were made in 2020/21 for the immediate relief of destitution and in response to fire, flood and landslide damage at a total at a cost of £1,283,000 (2019/20: £1,330,000).

The additional cost also includes the third tranche of the Trust's earthquake-resilient home project.

Funeral grants were paid in respect of 348 former Welfare Pensioners.

OUR EARTHQUAKE-RESILIENT HOMES

It's not if another earthquake hits Nepal, it's when. We are taking pre-emptive action by building earthquake-resilient homes for Gurkha veterans and widows. We committed to the provision of 100 homes in each of the three years commencing July 2018.

This year, 101 new homes for vulnerable pensioners were completed. These homes offer a safer alternative for some of our most vulnerable Pensioners.

BUILDING NEW HOMES

Light at the end of the tunnel: Khagi's story

We first heard of Khagi's plight in 2019 when she fell victim to devastating monsoon flooding and landslides and lost her home.

"The following morning, I went out and saw that my house had slid about a hundred metres down from where it was. My heart sunk, I didn't know what to do. I cried a lot."

Widow Khagi Thapa lost everything that night, and tragically her brother-in-law suffered a heart attack during the commotion and died.

We were desperate to get Khagi into her new home as soon as we possibly could.

However, hundreds of our projects were delayed or halted during lockdown. Ensuring the safety of our staff and those we support was paramount. Due to the remote location of Khagi's home, it was near-impossible to transport construction materials, causing further delay. Finally, in October we were able to complete construction and deliver the news to Khagi that her new home was ready.

"I am very happy. The house is very nice. I can't keep continuing staying at other's houses. I can live the rest of my life peacefully there. I can only say thank you."

Your support has helped us build over 1,500 new homes for Gurkha veterans and widows since the major earthquake in 2015.

Nepal is one of the most beautiful countries in the world, but also one of the most dangerous. Environmental catastrophes, mountainous terrain, and even a lack of internet connection create daily obstacles for those living there. As our pensioners grow older, having a safe home to live in becomes ever more important.

Donations from our supporters also allow us to give them everything they need to make a house a home, allowing them to live with dignity in their later years. That could be a roof repair, a new smokeless stove, or brand new bedding. It's all about giving our veterans the home they need after they've given so much throughout their lives.

Our Deputy Field Director and former Gurkha Yam Bahadur Rana says: *"Growing up in Nepal, I understand the kinds of challenges that our veterans face. Their homes tend to be extremely makeshift and need continual repairs to keep the elements out."*

Despite restrictions over the past year, we have continued to build safe new homes for brave veterans and their families.

Buddhiman Limbu served with the 10th Gurkha Rifles in Malaya. The brave veteran was living with his wife Rupmaya in an old house made of wood, bamboo and CGI roof. At one point, the house was greatly damaged by a fallen tree, and it would certainly have collapsed in an earthquake.

"I am extremely happy with my new home. I would like to thank The Gurkha Welfare Trust's supporters and wish the best for them. This is a good deed that you have done."

Uttamkumar served with the 7th Gurkha Rifles in Malaya, Borneo and Hong Kong.

The Gurkha veteran's home was in desperate need of rebuilding. He had been living in a single room with his wife for over 20 years, in a basic house made of bamboo. There were holes in the roof which leaked. We were delighted to move Uttamkumar and his wife into their new earthquake-resilient home.

"I am very happy and thankful to the British people. They have made a very beautiful house for me."

OUR RESIDENTIAL HOMES

The Trust runs two Residential Homes (RHs), one located at the Area Welfare Centre (AWC) at Kaski, west Nepal and a second located at the AWC at Dharan, east Nepal.

The Homes provide round-the-clock care to Gurkha veterans and widows who would otherwise struggle to live alone. With no comparable facility in Nepal, they set the standard of care for the elderly.

The RHs have a maximum capacity of 48 (including rehabilitation) and there were 33 permanent residents as at 30 June 2021 with a total expenditure of £492,000 (2019/20: £502,000). The annual running costs of both RHs are met by designated funds.

Despite the constraints imposed by COVID-19, the RHs have continued to deliver rehabilitation care; during the last quarter, RH Kaski was able to take on three new rehabilitation patients with one already successfully returned to their home and RH Dharan has taken on one patient.

PIONEERING CARE AT OUR RESIDENTIAL HOMES

Our Residential Homes in Kaski and Dharan provide round-the-clock care to Gurkha veterans and widows who would otherwise struggle to live alone. With no comparable facility in Nepal, they set the standard of care for the elderly. They combine the best in western geriatric care with an eastern culture of respect for elders.

Residential Home nurse Aastha Strestha is enthusiastic about the facilities at the home:

"We do different types of recreational and engaging activities with our residents to enhance their skills, like dancing, singing and watching movies. We have a social area for different types of social activity such as reading newspapers to our residents, drawing, writing, card games and board games. And my favourite part of the Residential Home – the dining hall!"

How we helped Padam Kumari

One of our most lively residents, Padam Kumari had a tragic upbringing. When she was just 11 years old, her parents and grandparents all died from cholera within a year of each other, leaving Padam and her eight siblings to fend for themselves.

Later that year, her eldest two siblings moved away to get married, leaving Padam in charge of her six younger siblings, running the house, and looking after the animals. This was a very unhappy and difficult time for her. They sold milk and ghee and she learnt to cook by watching her neighbours.

When she turned 16, Padam met her husband Rifleman Bhakta Bahadur Sunuwar, a soldier from the 10th Gurkha Rifles. He had been injured in India during the war and had been medically discharged. They had 12 children – nine daughters and three sons together. Bhakta sadly died, leaving Padam alone with the children.

Padam moved into our Residential Home in Kaski, near Pokhara, seven years ago and says it is "heaven". She makes Chakkatis (cushions made of corn husk and recycled plastics), loves dancing and is learning to write her name. Bhakta her husband taught her to count to 20 in English many years ago and she is very proud that she can still remember the numbers. One of her relatives is also a resident and he has been teaching her Nepali letters.

Padam, though not the youngest resident, says that she is the fittest and the strongest so she should be the one to meet and greet all the people who visit the Residential Home.

"We cannot change what is written in our destiny neither can we pass on what is destined for us to others. We have to live with our deeds and whatever is meant to happen."

"Till you speak to others they remain strangers, once you communicate you start loving even strangers like your own."

OUR MEDICAL AID

The Trust provides an international standard of healthcare and medication to Gurkha veterans and their families living in Nepal. We do this through our regional medical clinics, via home visits by specialist staff and by arranging subsidised treatment at carefully selected national hospitals. We committed to the provision of primary medical care enabling all pensioners' access to an appointment at one of our medical centres and to be seen by appropriately qualified medical staff.

GWT medical services have provided ~131,000 patient consultations and 8,150 home visits during the year benefiting from the favourable rate of exchange at a total cost of £6,248,000 (2019/20: £6,443,000).

A two-year contractual agreement commenced in January 2020 with International SOS for medical services in Darjeeling.

In 2020/21 the Trust supported two medical camps at Terathum and Dolpa that treat the wider community at a direct cost of £103,000 (2019/20: £60,000). The medical camp model has been developed and refined to concentrate on chronic health problems that affect quality of life rather than life expectancy. As the camps have now become specialist interventions a significant development is the collaboration and utilisation of local hospitals which can provide space, equipment and human resources as well as assisting with initial screening and post camp follow up. Local health professionals are also involved so that they may learn new skills and develop best practice.

New specialities that have been successfully introduced, audiometry and hearing aid provision, adjustable spectacle distribution, mobility aids including the provision of artificial limbs, Ear, Nose and Throat referrals and funding referrals to secondary care for selected beneficiaries. In addition, a school health programme has been introduced focussing on dental and menstrual hygiene. This financial year's two camps were not able to provide dental care due to the potential increased risk of Covid-19 infection.

OUR SCHOOLS

Our schools' programme builds, repairs and improves schools in remote regions of Nepal and in turn provides access to education and a better future for Nepali children.

Retaining the skills and expertise in construction techniques amongst our staff is a key requirement in ensuring that we retain skills in-house to ensure we can react immediately following natural disaster and forms part of our disaster resilience strategy. We committed to the provision of three major schools, 12 minor schools and 52 refurbishment projects (adjusted to 11 minor and 54 refurbishment projects in the detailed planning phase).

Total expenditure in 2020/21 was £1,078,000 (2019/20: £1,069,000). The following were provided during this reporting period:

- Three major school builds.
- Eleven minor school extensions.
- 54 school refurbishments.

HOW OUR MEDICAL CAMPS CHANGE LIVES

Our medical camps have a strong reputation in Nepal, with some citizens travelling up to two days to access first-class treatment.

The beginning of 2021 saw a successful medical camp take place at our Area Welfare Centre in Tehrathum, eastern Nepal. A total of 198 people in the remote area received life-changing treatment such as cataract removal – a surgery that is usually unavailable for those living in such remote areas.

Restoring Dilmaya's sight

Dilmaya completely lost her sight around six months ago. She lost vision in both of her eyes because of cataracts. For the four years before that, she could only see shadows and blurry images and needed to crawl and use her hands to find her way around.

"It was really difficult. Because of my eyesight, I couldn't do anything. I couldn't see anything"

The 57 year-old couldn't get her eyes treated because she couldn't afford the cost. After losing her eyesight due to cataracts, it was even more difficult for her to earn money as she had to completely depend on others for everything.

Dilmaya arrived at our medical camp on a tuk-tuk (three-wheeled taxi) with her husband, which took around two hours from their home. The cataract-removal surgery was smooth and successful, and she felt the benefits straight away:

"After removing the bandage from my eyes, I felt really good and relieved. I was happy from within. I quickly watched everywhere. I felt that I can see the world again. I felt very lucky and all of a sudden, a big burst of energy came inside me."

"I want to thank The Gurkha Welfare Trust and all involved. I hope you will get whatever you wish for. After my successful surgery, I now started to believe in myself, I have hope and am determined to do all things that I can."

"I will never forget the good deed the organisation did for me. They helped me in such a difficult time. I wish them good luck in whatever they do. I really want to thank them from the bottom of my heart."

Providing quality medical care

It took Gha Bahang six hours to reach our medical camp via public transport. He had a cataract in his left eye and could not see properly. He had suffered from reduced vision for more than ten years.

Because our doctors need to check their eyes the next day, those who need cataract operations and their families are provided with a place to sleep for the night. We also provided them medicine and glasses after their bandages were removed.

"Now I can see with both my eyes. It's very clear now."

"For me, this medical camp is the best. After they cured my eye, I found it even better. I am very happy. In this old age to have a vision like this is all that you can ask for. What more do I need. My stay in the hospital was also good. They had well-managed beds to sleep in, proper food and water to eat and drink. It felt like home. What more can you ask for."

BACK TO SCHOOL AFTER LOCKDOWN

We create inspiring, safe places to learn for thousands of children who otherwise wouldn't have access to an education.

Transforming the provision of education

Shree Malawardevi Secondary School is located in the Rupandehi District, a one hour drive from our nearest office in Butwal. As this area is in Nepal's Terai region, away from the Himalayas, the land is relatively flat and almost all pupils are able to ride bicycles to school.

With an increased demand for education in the local area, the school lacked the infrastructure to cope with additional pupils and provide a suitable learning environment for them.

We have now completed our project to transform the school with

- A new double-storey building with 6 classrooms
- Refurbishment of existing buildings
- A new toilet block
- Furniture for classrooms
- A brick masonry incinerator
- Improved water supply system

Happy to be back at school

Pupils in Nepal have been able to return to their lessons as Covid-19 restrictions were eased. However, the children have had a huge gap in their education. In a developing country like Nepal, children and teachers are unlikely to have internet access. They can't take part in lessons over Zoom like children in the UK. Parents are often too busy working, collecting water, and farming, and don't have time or resources to homeschool them.

We caught up with some of the staff and children to find out what it was like in lockdown, and what it meant for them to return to school.

"During the lockdown, we were unable to conduct any classes. Mediums like internet and online classes are out of the question for the low-level income parents in this community. They barely have the basic necessities. We resumed classes just over a month ago and we are running it in two shifts every day – morning and afternoon. We have students coming to school from as far as one hour by bicycle." Meena Kumair Gautam – Teacher

"My village is Chhapiya which is about 40/45 mins by cycle. There is another school nearby my village but it's not very good. I like it here. We speak Bhojpuri in our home. My father works in Mumbai, India and I have my mom and elder sister in the house. My mom works as a labour in the fields. My favourite subject is Maths. I'm glad to be back at school." Shivam, 10 years old

"Our village is Bahadur Gaon and is about 20 mins ride by bicycle. My father died when I was young and my mother supports me, my brother and sister. She works as a labour in fields. During the lockdown, we didn't have any classes so I worked with my mum in the fields and helped her as much as I could." Laxmi, 15 years old.

TRUSTEES' REPORT

EDUCATION PLAYS A VITAL ROLE IN OUR WATER PROJECTS

Huma Kumari Thapa Magar is 43 years old. As a community health volunteer in her village, it's her role to advocate good health and to keep her community safe from illness. It's something GWT trained her to do and is part of our commitment to provide fresh drinking water to remote communities across Nepal.

It is never our intention as an organisation to reach these villages, install taps and leave – the legacy we leave behind and the preparation before work begins is instrumental to them succeeding. If we don't work to challenge social norms and behaviours then illness will prevail no matter what new water system we install. People like Huma are essential.

How a simple leg break cost her an education

As a twelve year-old girl Huma suffered an accident and fractured her leg while playing on a swing with friends. As she was unable to receive proper medical treatment for leg, she missed a whole year of school. When she was finally able to return to school, she found she couldn't cope. Instead she took on work sewing local blankets and hats for sale at the market.

Family life – keeping her children healthy

At just 19 she got married and settled down in her village located in the Tanahun district. It was here she raised two sons and worked the field, producing maize, rice, wheat and potatoes. Throughout all of this, obtaining clean water for her work and her family was near impossible.

"At first, it was so hard to fetch water from the public tap stand early morning. In our village, there were only five public tap stands. It was not enough. During the monsoon, there was dirty and turbidity water, thus children used to get sick of water borne disease mainly diarrhoea. Thinking of that time, life was hard as most of the time we were behind the time due to water fetching. I was so busy with household activities, caring for my children, my animals and my farmland."

Enter The Gurkha Welfare Trust

Having identified Huma's community as in need of a new, clean water source our team visited the village and spoke to the locals. Huma was identified early on as someone who would be essential to have on-board to help – such was her well-respected reputation. As we piped the new water access points for the village, we provided extensive health training to Huma at our headquarters in Pokhara.

"Everyone in the village called my name to participate. I was so nervous! In total it was seven days training. All of the trainers were very good. They made us comfortable and taught us about the importance of latrines, leadership, gender empowerment, how to conduct a community meeting, sustainability, disease prevention, sanitation, proper handwashing, water structure, community empowerment and water purification. I learned so many important things. Once the training was over I was determined to bring positive changes in knowledge, attitudes, beliefs and practices among community members in my village."

A new life for the village

With a new water system now installed in the village, and fresh water tapstands in every home, Huma sends us a monthly progress report on the environment hygiene, personal hygiene, school sanitation and waste management in the village.

"I am so happy that the village which I came before is totally different now. We do not have to wait to collect the water. We can get it instantly. I can sleep more and manage household activities. Every household has one taps as well as toilet. We are so happy that we have systematic water supply system that provides us safe water."

OUR CLEAN WATER AND SANITATION

Our water projects bring clean water and sanitation to remote communities in Nepal. We install individual tap stands and toilets to households and schools. By ensuring a safe water source and providing a comprehensive education programme on the importance of sanitation we see sharp drops in water-borne diseases such as dysentery. FY 2020/21 marked the final year of the Phase V agreement with FCDO.

FCDO agreed to a new five-year funded accountable grant commencing 1 July 2021 to 30 June 2026 at a total cost of £19.0M. An inclusion, for the first time, of an element of disaster preparedness funding has necessitated a change of name from the Rural Water and Sanitation Programme (RSWP) to Resilient WASH and Emergency Preparedness Programme (RWEPP).

This has led to some new practical implementation developments. In addition to the traditional WASH programme, the new programme will include a Disaster Risk Reduction Management (DRR/M) component to assist in improving emergency preparedness, resilience and response capacity. There will be an expansion of Community level emergency preparedness leading to more resilient WASH services and reduced mortality in the event of disasters. DRR/M will be closely aligned with District Disaster Relief Committees (DDRC) and include full collaboration with local government structures.

RWEPP will directly contribute to the attainment of the UN's Sustainable Development Goal 6 (increasing access to clean water and sanitation services) and Goal 9 (building resilient infrastructure, promotion of inclusive and sustainable industrialisation and foster innovation). RWEPP will also contribute support to the UK's strategic priorities of climate change, Covid-19 and global health, and humanitarian preparedness and response.

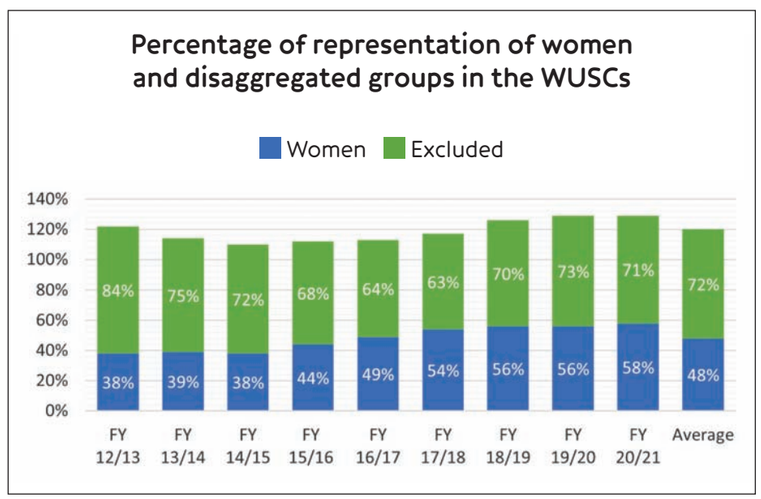
Over the year a total of 30 (2019/20: 109) projects were constructed bringing the RWSP Phase V programme to an end. This constitutes coverage of a total of 6,285 beneficiaries (2019/20: 6,532). In partnership with FCDO, the Trust delivered the projects at a cost of £1,888,000 (2019/20: £3,644,000).

One of the key achievements of the RWSP Phase V programme was the implementation of the "one house, one tap" concept, subsequently adopted by the Government of Nepal following the 2015 earthquake. RWSP schemes have a proven life of at least 15 years and in many cases over 25 years, giving an average per capita cost of £6.40.

The programme was targeted to support the most vulnerable, and empower women and excluded groups through participation in user committees. The impact of these projects can be measured as follows:

Water fetching time per household (usually by women and children) was reduced by an average of 2 hours per day.

Female representation on user committees was 48%. Marginalised and excluded group representation on user committees was 72%. This can be seen in illustrative terms:



OUR DISASTER RESILIENCE

The new RWEPP in collaboration with FCDO has been signed and is effective from 1 July 21. The funding structure for the 5-year contract differs from previous programmes with a lower first year funding profile. This initial shortfall is being funded by GWT. There will continue to be an on-going GWT funding requirement, as with previous programmes, to pay the annual VAT element.

As part of the Trust's reserves, a £7.5M Disaster Response fund has been set aside as designated funds which will allow the Trust to respond and act immediately when required. The Board elected to raise this from £6M to reflect inflationary increases since its inception in 2018 but also to acknowledge that the next seismic event in Nepal is forecast to be more significant than in 2015 therefore necessitating greater expenditure.

The fund continues to provide the wherewithal to react swiftly to perennial localised disasters particularly during the monsoon months.

OUR INFRASTRUCTURE AND STAFF

The staff and administration costs of The Gurkha Welfare Trust in Nepal continue to be met in large part by the MOD through an annual Grant in Aid (GIA) for the Trust's contribution to fulfilling vital tasks on behalf of the serving and retired members of the Brigade of Gurkhas, that the MOD is unable to facilitate itself, through its network of staff and AWCs throughout Nepal by the secondment of a Field Director and Project Engineer and part of the time of the Defence Advisor as Director GWT(N). These tasks include liaising with family members of serving Gurkha servicemen in compassionate cases.

Our network of 21 Area Welfare Centres (AWCs) has been divided in to five clusters with up to four satellite AWCs centred around a Key AWC (Butwal, Kaski, Kathmandu, Dharan & Damak). Within these clusters, multi-disciplinary Pensioner Support Teams (PST) facilitate a more dynamic and mobile approach to welfare delivery direct to our pensioner's homes. How often a pensioner is visited will depend on the vulnerability assessment that has been conducted for all Welfare Pensioners with those deemed most vulnerable being visited with greater frequency according to need.

In the UK, the Trust has a Gurkha Welfare Advice Centre (GWAC) to assist pensioners and their dependants with access to welfare and statutory entitlements that arise as a result of linguistic and cultural hurdles. This centre is co-located with the Trust Headquarters in Salisbury. In addition, the Trust runs another advice centre jointly with HQ Brigade of Gurkhas (HQBG) in Aldershot, one of the main centres of Gurkha settlement in the UK.

The Trust and both GWACs work closely with local councils, Government departments and other Service charities to ensure effective support to those ex-servicemen and their dependants who may struggle as a result of linguistic and cultural hurdles in accessing appropriate support. Those service charities remain responsible for meeting the cost of any welfare support which enables the Trust to retain its focus on Nepal and those ex-servicemen and their dependants who remain in conditions of very real poverty and distress. However, in recognition of their work supporting the increasing number and complexity of welfare cases in the UK the Trust makes an annual welfare grant to ABF – The Soldier's Charity. During this reporting period, this welfare grant was £250,000. The Trust remains extremely grateful for the assistance provided by ABF – The Soldier's Charity and those other organisations that are routinely involved with assisting those arriving from Nepal to settle in the UK.

INTERNAL COMMUNICATION

Effective communication with employees is of vital importance and the Trust has established procedures to provide information to, and consult with, employees on financial, employment and other matters that affect them.

DIVERSITY AND INCLUSION

The Trust is committed to promoting and supporting diversity through the creation of an environment in which individuals are treated on the sole basis of their relevant merits and abilities. All staff and trustees share this commitment. The Trust will not tolerate any discrimination or behaviours towards an individual in respect of age, disability, race, religion, gender or sexual orientation, which are offensive, discriminatory or hostile towards the individual.

Through the provision of reasonable adjustments within the workplace, the Trust seeks to maximise the talent and opportunities for both potential and current employees. Arrangements will be made, wherever possible, for retraining employees to enable them to perform work identified as appropriate to their aptitude and ability.

The Trust complies with all UK legislation and applies this as best practice in Nepal wherever practicable, in accordance with Nepal statutory regulations.

ENVIRONMENTAL MATTERS

The Trust is committed to minimising the impact that its processes have on the environment and to providing a safe working environment for our employees. Accordingly, a new Environmental policy has been produced by the Trust.

In accordance with the UK Government's Streamlined Energy & Carbon Reporting policy, the Trust is a low energy consumer in the UK and is therefore exempt from providing detailed energy consumption disclosures.

In Nepal, the Trust seeks to reduce its environmental footprint in a number of ways. The use of solar panels in both the HQ and across our AWC network helps mitigate energy consumption. Travel by vehicle and domestic airlines has been reduced through the greater use of online conference and communication facilities as a direct result of the digitisation of our welfare network.

As a consequence of the restriction of movement due to local and national lockdowns, both in UK and Nepal, our environmental footprint has aided a further reduction in our environmental footprint.

TRAINING

The Trust is committed to ensuring that staff are properly trained for their roles as well as helping maintain motivation and supporting continued professional development. We have increased the number of staff available to deliver in-house training and had a comprehensive programme to utilise a wide range of individuals and teams from UK, where the necessary skills did not exist in Nepal.

Unfortunately, the Trust's training budget has been under-utilised during FY20/21 as a result of on-going travel restrictions emanating from the pandemic

Statement of how directors have complied with their duties to have regard to matters in Section 172(1) of the Companies Act 2006

A director of a company must act in a way he/she considers, in good faith, would be the most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard to the following matters:

(a) The likely consequences of any decision in the long-term: The Trust's future work is defined through a five-year Strategy Review; the current review period runs to 2025 having been endorsed by Trustees on 16 September 2020.

(b) The interests of the company's employees: Our employees are our key asset and Trustees are committed to promoting a highly motivated workforce through inclusion in the workplace, promoting and supporting training and development opportunities and supporting their physical and mental wellbeing. In Nepal, regular staff surveys are undertaken, and a Staff Council has been introduced to enhance communication.

(c) The need to foster the company's business relationships with suppliers, customers and others: The Trust seeks to manage its relationships with suppliers in an open and transparent way, ensuring there is fairness in all aspects of the tender process. At a local level in Nepal the Trust liaises with local authorities and federal Governmental structures through our Welfare Officers located around the country. From a Strategic perspective the Trust's relationship with the Government of Nepal centres on the annual Brigade of Gurkhas Welfare Coordination Committee (BGWCC) which endorses the Trust's work and provides our license to operate.

(d) The impact of the company's operations on the community and environment: The Trust's work is intrinsically linked with local communities, and our network of Welfare Officers work closely with local administrations. Our long-term partnership with FCDO has improved the lives of hundreds of communities through the provision of potable water and sanitation.

(e) The desirability of the company maintaining a reputation for high standards of business conduct: Trustees seek to maintain the reputation and esteem in which the Trust is held by both beneficiaries and supporters, through openness and clarity in our objectives and deliverables and ensuring that maximum benefit reaches our core beneficiaries enabling them to "Live with Dignity". There is a robust governance structure with committees and Trustees meeting on a regular basis.

(f) The need to act fairly as between members of the company: Trustees expect all within the Trust to uphold the highest standards and be seen as an exemplar to other similar organisations. To support consistent standards the Trust has a Values & Standards document, a Competency Framework, Appraisal Reporting policy and procedures and a Discipline policy and procedures within the Staff Handbook and TACOS.

Statement summarising how directors have engaged with suppliers, customers and others in a business relationship with the company.

The Trust assesses the need of its beneficiaries through a Pensioner Risk Assessment, from which a welfare care plan is developed by our Welfare Officers. The plans are regularly reviewed to ensure that the level of care is appropriate, and our Internal Audit and Assurance programmes assess the level of compliance and achievement.

The long-term grant arrangement with FCDO for the provision of potable water and sanitation is based on an agreed target and annual assessment of performance. This has led to the programme achieving an A or A+ rating with a low risk rating each year since grading was introduced in 2012. Dir GWT(N) has the lead for the senior management of the relationship with FCDO staff based at the British Embassy; day to day management of the programme is invested in the RWEPP Programme Director.

OUR POLICIES

GRANTS POLICY

Welfare Pensions are awarded in cases of destitution to ex Gurkha Soldiers who have served in the British Army and their widows who have not qualified by length of service for a pension paid by the British Government. All cases are investigated by an Area Welfare Officer and only in cases where obvious destitution exists, are they granted. All cases are re-examined at a time determined at the time of award, but no longer than five years, to ensure that the pension is still required.

Hardship grants are made when the applicant reports, or the hardship case is discovered by a Pensioner Support Team. At this stage a form is completed outlining the situation, the status of the applicant and any other relevant details. In the case of a house rebuild, details of land ownership are also captured. Group cases, such as large-scale rebuilding of houses following a natural disaster such as the 2015 earthquake are considered by members of a board who will decide relative merits of cases and allocate appropriate resources within priorities and budget.

A Home Care Allowance is awarded to those who support our most vulnerable pensioners, those who are unable to look after themselves or even to get out of bed. The allowance is made to a member of the family or an acquaintance who will then look after the pensioner, manage their medical condition and ensure that they eat properly. Allowances are only granted once case specific training has been received and regular visits are made to ensure the 'home carer' is discharging their duties appropriately. Such allowances are reviewed when the pensioner risk assessment is reviewed.

FUNDRAISING POLICY

In order to comply with best fundraising practice and General Data Protection Regulation (GDPR) we have taken the following steps:

- We communicate with supporters based on their preferences and only telephone or email people who have given us explicit consent to do so. For our Direct Mail programme, we use the Information Commissioner's Office (ICO) guidelines around 'legitimate interest' when contacting supporters. We provide clear information on how to opt out of receiving any communications from us via every channel we use.
- We have paid the levy to join The Fundraising Regulator and promote our association and aim to comply with their guidance on our website.
- We are registered with the Fundraising Preference Service and ensure nobody is contacted who logs their requests with them.
- We comply with the Fundraising Regulator's Fundraising Code of Practice.
- We ensure that our staff and our fulfilment agency are sighted on policies which safeguard our donors at every stage of their supporter journey. Individuals do not always recognise that they are vulnerable or that they might need additional help or assistance. As a result, staff (and fulfilment agencies) are given processes to help identify potential vulnerabilities and to then consider:
  - How they communicate (ie. tone /language/volume) with them and all the options available.
  - What they communicate to them and how it might impact the donor.
  - When to offer additional support.
- We do not share supporter details with any other organisation for marketing or fundraising purposes.
- We update donor details on our database according to their wishes and ensure our database is fully GDPR compliant.
- We have a procedure for logging complaints: **www.gwt.org.uk/complaints**. In total twelve complaints were received over the year; eleven were related to individual giving correspondence (or lack of), and one was in relation to one of our corporate partnerships.
- All staff have regular training on Data Protection.
- We update our Privacy Policy on a regular basis to comply with ICO guidance.
- We do not wealth screen in compliance with the GDPR.
- We only share donor data with third parties assisting us with our fundraising and we take every measure to ensure data is transferred securely via encryption and passwords and to secure servers.
- Our supporters are at the heart of everything we do and you can find our Supporter Promise here: **www.gwt.org.uk/our__vow**

The Charity Commission issued guidance "Charity Fundraising – a guide to Trustee duties" and the Fundraising checklist (CC20) in 2016. The 2021 assessment was reviewed by the Audit Committee in August 2021.

INVESTMENT POLICY AND PERFORMANCE

The Trust meets the key challenges of short-term liquidity, cash flow flexibility and long-term investment by holding cash in a short-term portfolio and splitting investments between medium-term and long-term portfolios. In addition, there is a strategic portfolio invested in alternative investments and global smaller companies. The purpose of the two main portfolios is to delineate the Trust's requirements between monies that are held as an immediate reserve to cover cash flow requirements (c. 18 months) and truly long-term monies that can weather capital volatility with a 5-7 year investment time horizon. The medium-term portfolio seeks a return that is better than 3m Libor UK cash and, over the past 12 months to 30 June 2021, delivered a flat return compared to 0.1% for the benchmark. The long-term and strategic portfolios seek a return that is better than both a composite benchmark and an inflation plus target (CPI + 4%). Over the past 12 months, the long-term portfolio returned 16.7% (after fees) compared to 16.5% for the benchmark. Over the same period, the strategic portfolio returned 18.3% (after fees) compared to 8.5% for the benchmark with both portfolios exceeding their inflation plus targets.

Investment Risk – the risks and how do we mitigate these through our investment strategy?

Investment risk covers a number of different areas and the investment committee, on behalf of the Trustees, regularly reviews counterparty, custody, capital loss, market, liquidity, regulatory and sustainability risks as well as the investment process of the Trust's fund manager in order to ensure that all of the industry safeguards are in place. The investment committee has guarded against two main areas of risk.

The first risk is loss of capital and hence our decision to invest in a well-diversified global portfolio across different asset classes to reduce the risk of loss from a single investment or strategy. To minimise volatility risk, we also aim to protect investments from sudden variations in market movements by balancing levels of risk and return between short-term, medium-term, long-term and strategic portfolios.

The second is currency risk as the Trust's fundraising activities and the MOD's grant in aid are in a different currency (Sterling) to the recipient beneficiaries (Nepali Rupee – NPR). It is difficult to mitigate this risk as there are few investments that can be made in Nepal and the NPR has been in steady decline against Sterling over the past 25 years. The solution has been to keep some short-term monies in Nepal in NPR, have some exposure to the US Dollar and Indian Rupee (the Nepal Rupee is pegged to the Indian Rupee at a rate of NPR 1.60/1 INR) in the medium-term portfolio and to have a large weighting of global equities in the long-term portfolio.

Increasing exposure to global equities has provided access to a wider and more diversified investment universe that historically has enhanced returns and reduced the concentration risk more prevalent in UK domestic indices. It has enabled our fund manager to invest in global themes such as digitalisation, automation, climate change, ageing demographics and evolving consumption that are increasingly relevant in a post-Covid world. Sustainability lies at the heart of the fund manager's investment process ensuring that environmental, social and governance (ESG) risks are also monitored and minimised.

Risk Management

All activities are subject to regular risk review by the Board of Trustees. Major risks are, for this purpose, those that could have a significant effect on:

- The Trust's operational performance, including risks to personnel and volunteers.
- The Trust's ability to achieve its objects.
- Meeting the expectations of beneficiaries and supporters.
- The Trust's reputation and integrity.
- The Trust's assets.

The Trustees review all risks on an ongoing basis and satisfy themselves that adequate procedures are in place to minimise and manage the risks identified. Where possible and appropriate, risks are covered by insurance.

The Trust's financial Reserves policy is assessed and set at a level which enables the Trust to help manage its risks.

OUR PRINCIPAL RISKS AND UNCERTAINTIES

A. Operational Risks

All key risks appear in the Trust's Risk Register and include operational risks. The key risks are identified as:

- **Withdrawal of Government of Nepal support for GWT activities.** Potentially as a result of an adverse change in inter-Governmental relationship between UK and Nepal that affects or inhibits activities in Nepal or a breakdown in relationship at Ministerial level with failure to gain approval for GWT projects or activities. This is mitigated at a strategic level with continuous review by the Defence Attaché (also Director GWTN) with the Government of Nepal (GoN). At an operational level close liaison is maintained through our Welfare Officers with Chief District Officers (CDO) to ensure compliance with GoN requirements via the BGWCC. In September 2020 the UK Government bilaterally submitted its proposal for a renegotiation of the Dharan Understanding (DU) to GoN. The DU forms the authority for the in-country presence of the MOD as well as GWT's ability to operate. GoN's response is now awaited.
- **Natural disasters.** Nepal suffers from a high level of seismic activity as evidenced by the earthquakes in 2015. The Trust has a decentralised structure with Area Welfare Centres spread across the country which provide a local base for emergency response. If one area is affected severely then neighbouring centres can immediately move in to provide support. This national footprint forms the cornerstone of our future disaster management plan as part of the RWEPP Phase VI in collaboration with FCDO.
- **Activities that jeopardise the Trust's reputation.** The Trust operates in a country that has a relatively high risk of fraud and corruption. To minimise this risk Audit and Governance committees monitor recruitment and adherence to procedures. An internal audit function carries out risk related checks. In addition, GWT(N) senior management are recruited from former Gurkha officers who have a proven track record of financial probity in the British Army. The Trust is committed to ensuring the safeguarding of our beneficiaries and our employees. Clear policies are in place that are both accessible and understood by all staff as well as guidance on whistleblowing. These are enhanced by regular training and increased awareness among staff particularly during the induction process for new employees.
- **Safeguarding.** The Trust works with a diverse and often vulnerable demographic both in UK and Nepal, whether they are beneficiaries or supporters. We are committed to their protection and that of our staff by developing and maintaining an environment that is free from harassment, abuse and

exploitation which applies to all our work with individuals and communities. The same principles apply in both UK and Nepal. This is supported by a robust safeguarding policy and supported by regular training for all staff, including the Board of Trustees.

- **Cyber Security and data protection.** The Trust places high importance in maintaining compliance with the Data Protection Act 2018 and the EU General Data Protection Regulation. This applies to both supporter information in UK and personal medical data of our beneficiaries in Nepal. The Trust has appropriate IT and Information Security policies which are regularly reviewed. Cyber security and data protection are incorporated in to staff training and induction. Further investment in our IT structure is being implemented both in UK and Nepal to ensure that our framework remains current and effective.

B. Financial Risks

The Trust faces a number of key financial risks. The Trustees consider that the following summarises those financial risks and their responses to them:

- **Investment performance insufficient to maintain an appropriate level of financial reserves.** The Trust maintains sufficient reserves to meet all of its obligations and these are regularly reviewed by the Investment committee and our Fund Managers in order to ensure that the balance of the portfolio is appropriate. This is supported by developing and maintaining contingency fundraising plans.
- **Exchange Rate Risk.** The Trust monitors the rate of exchange on a daily basis. Over the long term the rate of exchange moves to counteract the differential in inflation between two countries but over periods of up to 10 years politics and financial confidence can cause significant movements up or down away from this trend. As inflation has traditionally been higher in in Nepal than UK the movement has benefited the Pound and assisted our work in Nepal. However, in 2007 the financial collapse severely affected the value of the Pound and again in June 2016, following the EU referendum. Over the past 25 years the Pound has gained by an average of 3% per annum but this includes swings of plus 16% or minus 14%. During 2020/21 the average rate of exchange for the year gained 9% over the average rate for the previous financial year. At present, a 1% change to the average rate creates an increase or reduction in costs of £180,000 but it also changes the value of our liabilities on the balance sheet by £400,000 so our net assets can change significantly one year to the next. To mitigate against adverse movements funds to cover three months cash flow are held in Nepali Rupees and the investment portfolio is spread across a wide range of currencies.

C. Going concern

The Trust has undertaken a robust assessment of the continued global economic effects of COVID-19 and its impact on the ability of the Trust to operate as a Going Concern.

The two main areas of financial risk have been identified as:

- **Reduction in fundraising income; and**
- **Reduction in valuation of the investment portfolio**

When agreeing the budget for 2021/22, Trustees have been able to draw on the evidence of fundraising performance during 2020/21 in which fundraising income exceeded projections and maintain levels of charitable activity. When assessing the required level of reserves, Trustees have increased the optimal level of free reserves from 12 to 18 months of routine expenditure to reflect continued economic uncertainty.

The Trust has applied a sensitivity assessment to future income projections and the investment portfolio, to understand the extent to which reductions can be managed without impacting on long term commitments and the ability to deliver charitable activities to our beneficiaries. Financial performance is scrutinised on a regular basis by the Finance Committee and the Main Board so that any shortfall in income will be identified to Trustees in a timely manner.

Trustees have concluded that the Trust remains in a strong financial position and operates as a Going Concern.

ADDITIONAL POLICIES

The Trust is committed to sustainable development, meeting the needs of our beneficiaries without compromising the ability of future generations to meet their own requirements and this is a guiding principle within our work in Nepal. Concern for the environment is an integral and fundamental part of this commitment and our aim is to reduce the impact of our operations on the environment. This aim is promulgated through the Environmental Policy.

OUR FINANCIAL REVIEW

INCOME

Trust income from all sources during the financial year 2020/21 was £22,046,000 (2019/20 restated: £24,717,000).

Donations from individuals, companies, trusts and other organisations totalled £8,230,000 (2019/20: £6,534,000). We continue to be supported by the MOD who provided a grant of £3,355,000 (2019/20: £2,966,000) towards the cost of the means of delivery of our aid and a grant towards the provisions of medical services £2,525,000 (2019/20: £2,500,000). Our RWSP Phase V agreement with the FCDO was extended to 30 June 2021 and during the year we received £970,000 (2019/20: £4,040,000).

Notable donations include £141,500 (2019/20: £131,600) contributed by all ranks of the Brigade of Gurkhas under the Service Day's Pay Giving scheme. Legacy income totalled £5,004,000 (2019/20 restated: £5,863,000). The use of Gift Aid generated additional income of £1,021,000 (2019/20: £879, 000).

An anonymous donor provided items for GWT(N) to distribute to the community during COVID-19, including PPE, oximeters and oxygen concentrator included as a Gift in Kind of £431,700.

EXPENDITURE

Charitable expenditure totalled £18,088,000 (2019/20: £20,025,000). This represents 88% of a total expenditure (prior to movement in the constructive obligation) of £20,554,000 (2019/20: £22,504,000). The average rate of exchange for the year has increased by 9% reducing the cost of GWT(N) expenditure by ~£1.5M when reported in GBP, without reduction in actual activity. Our cost of raising funds including investment management is £2,466,000 (2019/20: £2,479,000) of which 72% is covered by our investment income of £1,780,000. Fundraising expenditure of £2,119,000 (2019/20: £2,162,000) continues to be effective raising income of £13,416,000 (2019/20 restated: £12,915,000). This represents a Return on Investment of £6.33 for every £1 spent (2019/20 restated: £5.97). 2020/21 is the third year of the 5-Year Fundraising Strategy which is based on increased

investment for donor acquisition in order to sustain and increase total income over the longer term. The rate of return remains above industry standards.

RESERVES

Designated Fund

The Trustees are concerned that the level of running costs of the Residential Homes should not have a detrimental effect on our ability to provide support to the much wider community of Welfare Pensioners. Therefore, a designated fund has been created that is sufficient to meet the annual running costs for 20 years.

Trustees have agreed a further increase of £400,000 to cover major refurbishments costs through to 2035.

Following specialist advice on the risk of future earthquakes, in June 2018, the Trustees agreed a designated fund (£6,000,000) to allow an immediate response to natural disaster. Funds were agreed for the replacement of four beneficiaries' home destroyed during the 2020 monsoon season and two further homes destroyed by fire during the year. Trustees agreed to increase Disaster Response funds to £7,500,00 to reflect the effects of inflation since 2015.

GWT is committed to contribute £4,500,000 to RWEPP over the next five years. Trustees agreed to create a designated fund to cover this commitment.

Designated funds total £21,037,000 (2019/20: £14,768,000) as at 30 June 2021.

Restricted Funds

As a result of the COVID-19 lockdown in March/April 2020, projects were initially paused, resulting in slippage in the completion of a number of school and water projects to early 2020/21. At 30 June 2020, there was an opening restricted balance of £1,353,000. The restricted balance at 30 June 2021 is £1,838,000; of which £826,000 follows an extremely successful appeal and is for 100 homes and hardship grants in 2021/22, £164,000 is for planned school projects spanning two years, £81,000 is for medical camps following COVID-19 cancellations and £565,000 is for support costs as a result of COVID-19 procurement delays and the favourable rate of exchange.

Constructive Obligation

When a charity has created a valid expectation through past practice that it will meet a liability the Charity Commission requires it to recognise the liability on the balance sheet as a constructive obligation. The Trust considers that a constructive obligation has been created for the payment of the Welfare Pensions and the disability support grants.

Based on WP and DSG beneficiary numbers at 30 June 2021 and key assumptions including: 50 new WP joiners for each of the next five years (average age 73), agreed increases in rates payable, extended mortality rates, long-term inflation at 7% and a discount rate at 6.5%. The actuarial calculation at 30 June 2021 ROE is £37.6M; a reduction of £2.009M from June 2020.

Financial Policies – Change in Accounting Policy

In 2020/21 the Trust changed its accounting policy regarding legacies. Legacies are now recognised and accounted for based on the earlier of receipt of payment or issue of Estate Accounts. The revised policy provides the Trust with a better understanding of both short-term funding flows and associated financial risk.

Reserves Policy

Based on a risk assessment and after allowing for funds to meet the constructive obligations, Residential Homes running costs and Disaster Response, as mentioned above, the Trust's Reserves Policy takes into consideration:

- The Trust's clear and long-term objective of supporting the Welfare Pensioners in their declining years including the provision of welfare and medical support.
- Essential provision for a period of readjustment for those in receipt of welfare support if the Trust should ever be required to reduce or cease its activities, for whatever reason.
- The Trust's requirement to respond promptly and appropriately to new and unforeseen needs or challenges that might affect the way in which welfare support is delivered. Trustees specifically note the Trust carries out its welfare activities in a country where there are not only geophysical dangers such as earthquakes but also political, social and economic uncertainties. In addition, to deliver welfare support, the Trust depends on a number of partners whose support in the future is not guaranteed.
- The impact of adverse changes to the rate of exchange between Sterling and the Nepali Rupee (NPR).
- Economic adversity, as despite a strong supporter base, there is no guarantee that recent levels of income will be matched in the future or that investments/assets will maintain their value.

In light of the continued economic uncertainty following the global pandemic, Trustees consider that the Trust ideally requires free reserves equivalent to 18 months of standard expenditure not covered by other provisions (an increase from 12 months at June 2020), currently around £24,279,000. This level of reserve will enable the Trust to adjust its infrastructure and respond quickly to any of these risks. The Reserve Policy is reviewed annually during the budget setting process taking account of current and future risks and the economic climate, both in the UK and Nepal, and consequential impact on the Trust's investment portfolio.

After taking the Constructive Obligation into account the Trust has total funds of £56,967,000 (2019/20 Restated: £43,634,000), however, the free reserves which are available to meet contingencies and exclude tangible fixed assets, designated and restricted funds amount to £33,019,000 (2019/20 Restated: £26,546,000). This represents 136% of the minimum level of reserves deemed appropriate by the Trustees. With financial uncertainty anticipated for at least 12 – 24 months, this level of free reserves has enabled Trustees to agree a budget for 2021/22 and early planning for 2022/23 and maintain current levels of charitable activity. Trustees have also agreed to an additional investment of £625,000 in the GWT(N) IT network which is currently sub-optimal and a key risk.

Given the continued effects of the COVID-19 pandemic, the volatility of investment markets, the continued uncertainty over future rates of exchange, the uncertain fundraising climate and the substantial risk of future natural disasters in Nepal, Trustees will continue to keep Trust finances under close review balancing current needs and the need to reach the ideal level of reserves to protect the interests of beneficiaries in the future.

This Trustees' Report incorporating the Strategic Report was approved and authorised for issue by the Board of Trustees on 08 December 2021 and signed on its behalf by:

Original signed

Lieutenant General R Wardlaw OBE
Chairman

08 December 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also directors of The Gurkha Welfare Trust for the purposes of company law, are responsible for preparing the Trustees' Annual report (including the Group Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions, disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charitable company's constitution. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the company and the group'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.

TRUSTEES

Under the patronage of HRH The Prince of Wales KG KT GCB OM AK QSO PC ADC

Vice Patrons

Field Marshal Sir John Chapple GCB CBE DL

Miss Joanna Lumley OBE

TRUSTEES, OFFICIALS AND ADVISORS

Trustee Directors

Lieutenant General (Retd) Sir Nick Pope KCB CBE (Chairman) (to 2 November 2020)*

Lieutenant General R Wardlaw OBE (Chairman from 2 November 2020)*

J J Brade Esq MBE (to 16 September 2020)

Major General J J Cole OBE (to 27 May 2021)****

S J Cooper Esq

J G R David (from 9 December 2020)

Colonel J P Davies MBE (to 11 November)**

Major General A J S Fay CB (to 1 August 2020)****

P M A Grant (from 9 December 2020)

Major (Retd) Krishnabahadur Gurung MVO MBE (to 8 December 2020)

D G Hayes Esq CBE (to 18 May 2021)***

D J Hitchcock Esq OBE (to 11 May 2021)

Dr J D Keeling MBA, MB BS, FRCGP, DRCOG

Mrs A Levin

Major (Retd) Hemchandrai Rai MBE BEM (from 9 December 2020)

Colonel D Rex MVO (from 15 September 2021)***

Colonel D J Robinson (from 12 November 2021)**

Major General G M Strickland DSO MBE (to 27 May 2021)****

Ms C L Turner

Audit and Finance Committees

S J Cooper Esq (Chairman)

Colonel J P Davies MBE (to 4 October 2020)**

Dr J D Keeling MBA, MB BS, FRCGP, DRCOG

Ms C L Turner

Investment Committee

D J Hitchcock Esq OBE (Chairman) (to 11 May 2021)

J J Brade Esq MBE (to 16 September 2020)

Major General J J Cole OBE ****

J G R David (from 9 December 2020)

P M A Grant (Chairman from 12 May 2021) (from 9 December 2020)

P M Rigg Esq

A Brown (from 8 February 2021)

C Gate Esq (to 8 December 2020)

Governance Committee

Mrs A Levin (Chair)

J J Brade Esq MBE (to 16 September 2020)

Colonel J P Davies MBE (from 4 October 2020 to 11 November 2021)**

Major General A J S Fay CB (to 1 August 2020)****

D G Hayes Esq CBE (to 18 May 2021)***

Colonel D J Robinson (from 12 November 2021)**

Members

Major General J J Cole OBE (from 28 May 2021)****

Brigadier J L Clark CBE (from 26 May 2021)****

Brigadier P S Reehal MBE (from 23 June 2021)****

Major General G M Strickland DSO MBE (from 28 May 2021)****

THE GURKHA WELFARE TRUST

Chief Executive Officer, The Gurkha Welfare Trust
A P W Howard Esq

Director The Gurkha Welfare Trust (Nepal)
Colonel R Goodman (to 01 June 2021)
Colonel P T Smith (from 01 June 2021)

Field Director The Gurkha Welfare Trust (Nepal)
Lieutenant Colonel E Davis QG SIGNALS (to 30 October 2021)
Lieutenant Colonel M Hing RLC (from 30 October 2021)

Head of Fundraising and Communications
A Bentham Esq

Company Secretary
N D J Rowe Esq

Investment Managers
Sarasin & Partners LLP
Juxon House,
100 St Paul's Churchyard
London EC4M 8BO

Auditors
Crowe U.K. LLP
4th Floor,
St James House
St James Square
Cheltenham GL50 3PR

Bankers
The Royal Bank of Scotland
Lawrie House,
Victoria Road,
Farnborough GU14 7NR

HSBC Bank plc
90 Baker Street,
London W1M 2AX

Solicitor
A J Lutley Esq
Springfield,
Rookery Hill,
Ashtead Park,
Ashtead,
Surrey KT21 1HY

Registered Address
P.O Box 2170,
22 Queen Street
Salisbury SP2 2EX

Company Limited by Guarantee Number
05098581

Registered Charity Number
1103669

* Ex officio Trustee – Colonel Commandant Brigade of Gurkhas
** Ex officio Trustee – Colonel Brigade of Gurkhas
*** Nominated – Gurkha Brigade Association
**** Nominated – The Royal Gurkha Rifles, The Queen's Gurkha Engineers, The Queen's Gurkha Signals and The Queen's Own Gurkha Logistic Regiment

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE GURKHA WELFARE TRUST

Opinion

We have audited the financial statements of The Gurkha Welfare Trust ('the charitable company') and its subsidiaries ('the group') for the year ended 30 June 2021 which comprise Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Consolidated Statement of Cash Flows, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 30 June 2021 and of the group's 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 trustee's 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 or the group'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 contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 our audit

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 35, the trustees (who are also the directors of the charitable company for the purposes of company law) 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.

Auditor's 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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 auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members including internal specialists and significant component audit teams. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Health and safety legislation, employment law, and Anti-fraud, bribery and corruption legislation. We also considered compliance with local legislation for the group's overseas operations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, welfare pension payments and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, component auditors and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing audit procedures to test the timing of income and welfare pension payments, reviewing of component auditor working papers, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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.

Original signed

Tara Westcott

Senior Statutory Auditor

For and on behalf of
Crowe U.K. LLP

Statutory Auditor
St James House
St James Square
Cheltenham, GL50 3PR

21st December 2021

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 JUNE 2021

(incorporates the consolidated income and expenditure account)

	Notes	Unrestricted General £000	Unrestricted Designated £000	Restricted £000	2020-21 Total £000	Restated 2019-20 Total £000
Income from:	3					
Donations and legacies						
Donations	3a	4,808	0	3,422	8,230	6,534
Legacies	3b	5,004	0	0	5,004	5,863
Grants						
Ministry of Defence	3c	0	0	3,355	3,355	2,966
Charitable activities	3d					
Ministry of Defence		0	0	2,525	2,525	2,500
Foreign, Commonwealth and Development Office		0	0	970	970	4,040
KAAA		0	0	0	0	95
Other trading activities						
Fundraising Events	3e	167	0	1	168	518
Retail		14	0	0	14	0
Investments	3f	1,774	0	6	1,780	2,201
Total		**11,767**	**0**	**10,279**	**22,046**	**24,717**
Expenditure on:	4					
Raising funds						
Fundraising	4f	2,119	0	0	2,119	2,162
Investment management costs	4f	347	0	0	347	317
Charitable activities						
Individual aid	4a	3,929	30	3,996	7,955	8,367
Medical Aid	4b	3,303	0	2,945	6,248	6,443
Disaster response	4d	0	30	0	30	0
Residential Homes	4c	0	492	0	492	502
Community aid	4e	510	0	2,853	3,363	4,713
Sub Total Expenditure		**10,208**	**552**	**9,794**	**20,554**	**22,504**
Movement in constructive obligation	4g/14	(2,009)	0	0	(2,009)	(4,088)
Total		**8,199**	**552**	**9,794**	**18,545**	**18,416**
Net income/(expenditure) before other gains and losses		3,568	(552)	485	3,501	6,301
Other gains and losses						
Net gains on investments	9	9,841	0	0	9,841	2,483
Net income/(expenditure)		13,409	(552)	485	13,342	8,784
Transfers between funds	16 & 17	(6,821)	6,821	0	0	0
		6,588	6,269	485	13,342	8,784
Other recognised gains/(losses)						
Profit & loss revaluation (loss)/gain		(9)	0	0	(9)	(101)
Net Movement in Funds		6,579	6,269	485	13,333	8,683
Reconciliation of funds						
Funds brought forward		27,513	14,768	1,353	43,634	34,951
Total Funds Carried Forward		**34,092**	**21,037**	**1,838**	**56,967**	**43,634**

NOTES

The consolidated statement of financial activities includes the income and expenditure account.

There are no other gains and losses other than those shown above.

All the Trust's activities are derived from continuing activities.

Profit for Companies Act purposes (before unrealised gains and losses) is: £3,581,000 including movement in constructive obligation (2019/20 restated: £5,081,000).

Net Income/(expenditure) before movement in constructive obligation: £1,493,000 (2019/20 restated: £2,213,000).

The prior year is restated for comparator purposes following the change in accounting policy for the recognition of legacies.

See Note 20 for a comparative statement of financial activities for year ended 30th June 2020.

The notes on pages 49 to 73 form part of these accounts.

CONSOLIDATED AND CHARITY BALANCE SHEET
AT 30 JUNE 2021

The Gurkha Welfare Trust Company registration number 05098581

	Notes	Group		Charity	
			Restated		Restated
		2021	2020	**2021**	2020
		£000	£000	**£000**	£000
Fixed assets:					
Intangible assets	7	**80**	10	**72**	10
Tangible assets	8	**1,995**	2,026	**1,430**	2,026
Investments	9	**86,128**	69,183	**86,128**	69,183
Total fixed assets		**88,203**	71,219	**87,630**	71,219
Current assets					
Medication, project & trading stock		**411**	332	**405**	332
Debtors	10	**736**	682	**737**	682
Cash at bank and in hand		**6,011**	11,871	**5,997**	11,855
Total current assets		**7,158**	12,885	**7,139**	12,869
Liabilities					
Creditors: amounts falling due within one year	11	**(756)**	(822)	**(744)**	(819)
Provisions for liabilities falling due within one year					
Constructive Obligation	14	**(4,026)**	(4,470)	**(4,026)**	(4,470)
Net current assets or liabilities		**2,376**	7,593	**2,369**	7,580
Provisions for liabilities falling due after more than one year					
Constructive Obligation	14	**(33,612)**	(35,178)	**(33,612)**	(35,178)
Total net assets or liabilities		**56,967**	43,634	**56,387**	43,621
Funds:					
Restricted funds	18	**1,838**	1,353	**1,838**	1,353
Unrestricted funds					
General		**71,730**	67,161	**71,151**	67,148
Welfare pension reserve		**(37,638)**	(39,648)	**(37,638)**	(39,648)
Net General funds	17	**34,092**	27,513	**33,513**	27,500
Designated	17	**21,037**	14,768	**21,037**	14,768
Unrestricted funds after provision for liabilities and charges		**55,129**	42,281	**54,550**	42,268
Total funds		**56,967**	43,634	**56,388**	43,621

NOTES:

The net income in funds for the Trust for the year ended 30 June 2021 was £13,342,000 (2020 restated: £8,784,000). As permitted by Section 408 of the Companies Act 2006, no separate Statement of Funds or Income and Expenditure account has been presented for the Charity only.

The prior year is restated for comparator purposes following the change in accounting policy for the recognition of legacies.

Approved and authorised for issue by the Board of Trustees on 08 December 2021 and signed on their behalf by:

Original signed

Lieutenant General
R Wardlaw OBE
Chairman
08 December 2021

The notes on pages 49 to 73 form part of these accounts.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	Notes below	2020/21 £000	Restated 2019/20 £000
Cash flows from operating activities:			
Net cash (used in)/provided by operating activities	Note A	(106)	871
Cash flows from investing activities:			
Dividends and interest from investments		1,780	2,201
Purchase of Intangibles		(15)	(8)
Purchase of property, plant and equipment		(415)	(555)
Proceeds from sale of investments		4,748	21,026
Purchase of investments		(11,621)	(20,758)
Net cash provided by (used in) investing activities		(5,523)	1,906
Operating activities			
Change in cash and cash equivalents in the reporting period		(5,629)	2,777
Cash and cash equivalents at the beginning of the reporting period	Note B	14,639	11,862
Cash and cash equivalents at the end of the reporting period	Note B	9,010	14,639

NOTES

A. Reconciliation of net income to net cashflow from	**2020/21** £000	2019/20 £000
Net income for the reporting period (as per SOFA)	13,342	8,784
Adjustments for:		
Depreciation	391	369
Fixed Asset Impairment/Write-off	0	37
Gains on investments	(9,841)	(2,48)
Investments donated	0	(28)
Dividends and interest from investments	(1,780)	(2,201)
Losses on foreign exchange	(9)	(101)
(Increase) in stocks	(79)	(124)
(Increase)/decrease in debtors	(54)	905
Decrease in creditors	(67)	(198)
Decrease in constructive obligation	(2,009)	(4,088)
Net Cash provided by (used in) operating activities	(106)	871

B. Analysis of cash and cash equivalents	**2020/21 £000**	2019/20 £000	Cash flow in year £000
Cash in hand and at bank	**6,011**	11,871	(5,860)
Notice deposits (less than 3 months)	**2,999**	2,768	231
Total cash and cash equivalents	**9,010**	14,639	(5,629)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDING 30 JUNE 2021

1. BASIS OF PREPARATION

Statement of compliance

The financial statements are prepared under the historical cost convention as modified to include the revaluation of investments at fair value. The format of the financial statements has been presented to comply with the Companies Act 2006 and FRS102 The Financial Reporting Standard applicable in the UK and Ireland and the Statement of Recommended Practice Accounting and Reporting by Charities ("SORP 2015 updated 2019"). The Charity is a Public Benefit Entity as defined by FRS102.

General information

The Charity is a private company limited by guarantee, incorporated in England and Wales (company number: 05098581) and a charity registered in England and Wales (charity number: 1103669). The Charity's registered office address is:

P.O Box 217,
22 Queen Street,
Salisbury SP2 2EX

Basis of Consolidation

These financial statements consolidate the results, assets and liabilities of the Charity's trading subsidiary, GWT Trading Limited, on a line by line basis. The statements also include consolidation of the Ex Servicemen and Families Support Society, a not for profit company registered in Nepal 2 July 2018 for the legal ownership of land assets purchased by GWT in Nepal.

The Charity's own Statement of Financial Activities has not been presented, as permitted by section 408 of the Companies Act 2006. The Charity's net income for the year as an individual entity was a surplus of £13,342,000 (2019/20 restated: £8,784,000).

Going concern

The Trust has undertaken a robust assessment of the continued global economic effects of COVID-19 and its impact on the ability of the Trust to operate as a Going Concern.

The two main areas of financial risk have been identified as:

- Reduction in fundraising income; and
- Reduction in valuation of the investment portfolio

The Trust has applied a sensitivity assessment to future income projections and the investment portfolio, to understand the extent to which reductions can be managed without impacting on long term commitments and the ability to deliver charitable activities to our beneficiaries. Financial performance is scrutinised on a regular basis by the Finance Committee and the Main Board and therefore any shortfall in income will be identified to Trustees in a timely manner.

Trustees have concluded that the Trust remains in a strong financial position and operates as a Going Concern.

Significant judgments and sources estimation uncertainty

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Charity's accounting policies. The key judgements that have been applied by management relate to:

- **Constructive obligation:** The valuation of the constructive obligation is based on the following assumptions:
  - Future long term inflation rate in Nepal at 7.0% per annum.
  - Future payments have been discounted at 6.5% per annum.
  - Life expectancy for our beneficiaries is based on the Nepali Government Mortality tables extended to age 110 to reflect the increased longevity of our beneficiaries.
  - There are anticipated 50 new Welfare Pension entrants per year for each of the next five years, with an average age at joining of 73.
  - 50% of former soldier pensions will be transferred to a widow.

- There are 23 anticipated new Disability Support Grant beneficiaries in 2021/22.
- There are a further 85 future new Disability Support Grant beneficiaries.

- **Legacies:** Income is accrued when there is entitlement through the earlier of cash receipt or Estate Accounts (entitlement), it is possible to reliably estimate the amount receivable (measurement) and there is probability of receipt.
- **Depreciation/Amortisation:** The rates of depreciation for tangible fixed assets and amortisation for intangible fixed assets are selected by management based on their estimate of normal economic life taking into consideration the environment in which the assets are deployed.

2. PRINCIPAL ACCOUNTING POLICIES

The following principal accounting policies have been applied:

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.

Recognition of income is deferred where conditions specify that such income relates to future accounting periods. Where donors specify that funds are for specific purposes such income is included in incoming resources of restricted funds.

Donations. Income from donations, covenants and gift aid includes receipts from fundraising events. Donations, together with the resulting tax credit from gift aid, are credited directly to the statement of financial activities when received by the Trust. Donations and all other receipts (including capital receipts) from fundraising are reported gross and the related fundraising costs are reported in raising funds.

Gifts in Kind are recognised in respect of personnel funded by the Ministry of Defence in roles which would have to be replicated by the Trust. An equivalent cost is also reported within staff costs. Gifts in Kind are recognised in respect of donated goods either in support of fundraising activity or in direct support of the provision of charitable activity. An equivalent cost is also reported within the cost of fundraising or the appropriate cost of charitable activity.

Legacies are recognised and credited directly to the statement of financial activities based on the earlier of settlement of the estate and issue of Estate Accounts or receipt of payment. This represents a change in accounting policy where previously entitlement had been recognised at the point of Grant in Probate and income had been recognised when there was sufficient evidence to value the legacy (measurement) and there was probability of receipt. The 2019-20 numbers have been restated to reflect the change. The effects of which are shown at Note 19.

Grant Income. Income from government and other grants, whether 'capital' grants or 'revenue' 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.

Income from other trading activities is recognised as earned as the related goods are provided.

Interest and Dividends Receivable. Investment income is recognised on a receivable basis and when the amounts can be measured reliably. Interest on funds on deposit is included when receivable upon notification by the relevant banking institutions. Dividends receivable on assets held for investment purposes are receivable upon notification by the relevant investment institutions.

Expenditure

All expenditure is included in accordance with the accruals concept. Any liabilities as a result of legal or constructive obligations committing the Trust to expenditure have been included.

Cost of raising funds comprises costs directly attributable to fundraising and managing the investment portfolio. Charitable activity costs in the UK are incurred in running the Gurkha Welfare Advice Centre and in supporting the activities in Nepal. The costs of running the Trust's office and staff costs have been allocated on a time spent and area occupied basis to raising funds and charitable activity.

Governance costs are apportioned on the same basis as the office and staff costs and are disclosed in the notes comprising audit and legal fees and the costs associated with constitutional and statutory requirements.

Costs in Nepal have been allocated to the direct charitable activities. Direct costs include actual grants made, provision of medical services and costs related to people directly employed in delivering one of our charitable activities. Other direct costs such as staff costs and overheads of the Area Welfare Centres established for the delivery of more than one charitable activity are apportioned as other direct costs. Support costs include staff and administrative overheads. Support and governance costs have been allocated to activity cost categories in a fair and appropriate method on a basis consistent with the use of resources by applying person days spent on the various activities or space occupied.

Grants payable to individuals may be subject to conditions. Expenditure on such performance-related grants is recognised to the extent that the recipient has complied with the conditions.

Short-term benefits including holiday pay are recognised as an expense in the period in which the service is received. Termination benefits are accounted for on an accrual basis and in line with FRS 102.

Taxation

Irrecoverable VAT is not separately analysed and is charged directly to the Statement of Financial Activities (SOFA) as part of the expenditure to which it relates.

Operating leases

Rental payments under operating leases are charged on a straight-line basis over the period of the lease.

Foreign currencies

Fixed assets in foreign currencies are converted to sterling at the exchange rate ruling at the time of purchase. Investments, current assets and liabilities in foreign currencies are converted into sterling at the exchange rate ruling at the balance sheet date. Transactions during the year in foreign currencies, mainly Nepalese rupees, are converted into sterling at the average rate of exchange for the month in which the transaction was undertaken. Exchange rate gains or losses are recorded as support costs to the activities to which they relate.

Pensions and retirement benefits

In the UK, the Trust makes contributions to employee individual defined contribution pension plans.

In Nepal, previously the Trust contributed to individual plans within a defined contribution Provident Fund managed by Standard Chartered Bank Nepal Limited. In addition, employees were entitled to a one-off gratuity payment on leaving that was based on length of service. Following changes under the Labour Act of Nepal in 2017 the gratuity liability was transferred from a defined benefit to contributory scheme.

In November 2019, the Trust enrolled in the new Social Security Fund of Nepal with contributions at a rate of 31% of staff salary being 20% employer contribution and 11% employee contribution.

Contributions for staff in both UK and Nepal are charged to the SOFA on the basis of amounts provided for the period.

Fund accounting

Funds held by the Trust are either:

- *Unrestricted general funds* – these are funds, which can be used in accordance with the charitable objects at the discretion of the Trustees.
- *Designated funds* – these are funds set aside by the Trustees out of unrestricted (general) funds for specific purposes.
- *Restricted funds* – these are unspent funds that can only be used for particular restricted purposes within the objects of the Trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations might be small. In particular:

- Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

Investments

Listed investments are stated in the balance sheet at fair value. All movements in value arising from investment changes and revaluations are included in the Statement of Financial Activities (SOFA).

Fixed assets

The cost of minor additions or acquisitions of fixed assets under £5,000 is charged wholly to the SOFA in the year of purchase. Fixed assets above this amount are capitalised in the financial statements at cost. Donated fixed assets are brought into account at an estimate of their market value at the time of acquisition. Land, beneficially owned by the Trust, is valued at historical cost and is not depreciated.

Intangible Assets: Software which is considered as an asset in its own right, is disclosed as an intangible asset.

Tangible Assets: Software which is an integral function of enabling supporting hardware to function, is considered a part of the overall tangible fixed asset.

Amortisation

The costs of intangible fixed assets are amortised over the expected useful life of the assets.

Amortisation rates are:

- Software — 33.33% per annum on a straight-line basis.

Depreciation

Depreciation is provided on all tangible assets except land to write off the costs of the asset less any material residual value, by equal instalments over their expected useful lives. Depreciation rates are:

- Completed buildings — 10% per annum on a straight-line basis
- Vehicles and equipment — 25% per annum on a straight-line basis.
- Computers and software — 33.33% per annum on a straight-line basis.

For all depreciable assets, a full year's depreciation is charged in the year of acquisition or completion and no depreciation is charged in the year of disposal.

Stocks

The stocks of medication, project materials and bought-in goods for sale are valued at the lower of cost and net realisable value on a first in first out basis.

Financial Instruments

Basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable are accounted for on the following basis:

- *Cash and cash equivalents* includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.
- *Debtors and creditors* are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognised as expenditure.
- *Bank borrowings.* Liabilities for borrowings which are subject to a market rate of interest are measured at the value of the amount advanced, less capital repayments.

3. INCOME

Total income includes income transferred from the charitable trust "Gurkha Welfare Trust", former charity number 1034080. The Trust is retained while it receives donations and legacy income.

	2021	Restated 2020
	£000	£000
a. Donations		
Donations from individuals	**6,878**	5,697
Donations from companies, trusts, clubs and organisations	**1,352**	837
	8,230	6,534
b. Legacies	**5,004**	5,863
c. Grants		
Ministry of Defence – to support operating costs in Nepal	**3,355**	2,966
d. Charitable Activities		
Ministry of Defence – for medical services	**2,525**	2,500
FCDO – for water and sanitation projects in remote locations	**970**	4,040
KAAA – for medical camps	**0**	95
e. Other trading activities		
Fundraising events	**168**	518
Retail	**14**	0
f. Investments		
Investment dividends and interest	**1,575**	1,713
Bank interest	**205**	488

Donations from individuals include part of the contributions made by all ranks of the Brigade of Gurkhas under Service Day's Pay Giving of £141,500 (2019/20: £131,032) and donations from the Gurkha Contingent of the Singapore Police of £93,850 (due to COVID-19 the 2019/20 donation was not received until 2020/21).

Donations from companies and organisations includes gifts in kind of £77,000 representing the benefit of the Field Director who is a serving Army Officer employed by the Ministry of Defence. The benefit is determined as the cost which would be incurred if the Trust had to directly employ an equivalent position. An anonymous donation of Personal Protective Equipment, oximeters and oxygen concentrator for distribution by GWT(N) to local communities is included within donations for companies and organisations at a value of £431,700.

Future legacy income of £5,876,000 is expected in respect of legacies due which have been notified to the GWT.

4. EXPENDITURE

	Grants	Direct Costs	Support Costs		2020/21 Totals	2019/20 Totals
			Support	Governance		
	£000	£000	£000	£000	**£000**	£000
a. Individual Aid						
Welfare pension	3,759	0	1,770	48	**5,577**	5,859
Care for the elderly	106	0	1	1	**108**	129
Disability support	176	0	104	2	**282**	285
Winter allowance	47	0	47	1	**95**	138
Welfare Grants & Support	738	95	439	11	**1,283**	1,330
UK welfare	250	334	4	22	**610**	626
Total individual aid	5,076	429	2,365	85	**7,955**	8,367
b. Medical aid	1,471	3,596	1,119	62	**6,248**	6,443
c. Residential Homes	25	392	70	5	**492**	502
d. Disaster Response	0	30	0	0	**30**	0
e. Community aid						
School projects	101	557	411	9	**1,078**	1,069
COVID support	0	389	3	5	**397**	0
Water projects	0	1,507	378	3	**1,888**	3,644
Total community aid	101	2,453	792	17	**3,363**	4,713
Sub Total Charitable activities	6,673	6,900	4,346	169	**18,088**	20,025
f. Cost of generating funds						
Fundraising	0	1,618	447	54	**2,119**	2,162
Investments	0	328	17	2	**347**	317
Total costs of generating funds	0	1,946	464	56	**2,466**	2,479
Total Expenditure prior to movement in Constructive Obligation	**6,673**	**8,846**	**4,810**	**225**	**20,554**	22,504
g. Movement in Constructive Obligation	0	(2,009)	0	0	**(2,009)**	(4,088)
Total Expenditure	**6,673**	**6,837**	**4,810**	**225**	**18,545**	18,416

UK Welfare includes a grant of £250,000 (2019/20: £250,000) paid to ABF The Soldiers' Charity for the support of former Gurkhas who have retired in the UK. All other grants totalling £6,423,000 (2019/20: £6,405,000) were to individuals or small community groups.

The number of grants issued to individuals or communities on the table below are recorded on a beneficiary database based on British Army records which is subject to independent audit in Nepal.

All grants to individuals require proof of identity before issue and community grants are only arranged with approval from the local community council.

Activity	Beneficiaries	Notes
Welfare pensions:	4,153	There were 4,119 recipients at the start of the year and 34 new recipients. 25 ceased due to their move to the UK. A detailed database of all welfare pensioners is maintained based on data from British Army records. Payments are made on a quarterly basis and require proof of identity. Following net movements, there are 3,812 recipients at 30 June 2021.
Home Care:	405	We provided grants to 405 carers in support of the most vulnerable beneficiaries. Carers are provided with training in support of their responsibilities.
Disability Support:	225	The number of recipients is 225 at 30 June 2021. This data is held on the same database as the welfare pensioners and is subject to both proof of identity and medical requirement.
Winter allowance:	~4,500	All welfare pensioners, wives, DSG recipients and residential home residents supported last December received a GWT thermos-type flask purchased through the winter allowance.
Welfare (Hardship) grants:	1,261	These grants were awarded for cases of special need not covered by the other awards. Each grant is individually assessed and approved by a senior member of staff. For 20-21 this included the third phase of the 300 Homes project in which 101 earthquake resilient houses were provided. A further 6 replacement homes were funded from the Disaster Reserve following severe damage from fires and monsoon landslips.
Residential care:	43	Our 2 Residential Homes have a capacity of 48. There were 33 permanent residents at the 30 June 2021. 2 rooms in each home have become rehabilitation and respite rooms providing short - medium term care for pensioners prior to returning to their homes. The Residential Homes have been locked down for a significant proportion of the year due to COVID-19 restricting opportunities for new residents during this period.
School projects:	68 (projects)	Communities were assisted through the repair, extension or new build of a school. Every project is arranged with and authorised by the local community committee and requires a community contribution. Despite COVID-19, 3 major, 11 minor and 54 refurbishment projects were completed in-year and one further major school project to be completed in 21-22.

Further information on the grants can be found in the Trustees' Annual Report.

The Trust has benefitted from a favourable Rate of Exchange was has increased from NPR146.69/£ at 30 June 2020 to NPR162.64/£ at 30 June 2021. As a consequence the cost (in GBP) of delivering charitable activity has decreased, whilst maintaining (and in some areas increasing) the actual level of support provided to our beneficiaries and the wider community.

The total charitable activity expenditure of £18,088,000 represents 88% of total expenditure before the movement in the constructive obligation.

Analysis of Support Costs

	People	Premises & vehicles	Services	Legal & Professional	Currency	Sub Total Support	Sub Total Governance	Total
	£000	£000	£000	£000	£000	£000	£000	£000
a. Individual Aid	1,382	327	227	7	422	**2,365**	**85**	**2,450**
b. Medical Aid	654	159	107	3	196	**1,119**	**62**	**1,181**
c. Disaster response	0	0	0	0	0	**0**	**0**	**0**
d. Residential Homes	41	10	7	0	12	**70**	**5**	**75**
e. Community Aid	541	100	77	1	73	**792**	**17**	**809**
f. Fundraising	273	56	85	33	0	**447**	**54**	**501**
g. Investment management	11	2	3	1	0	**17**	**2**	**19**
Total	**2,902**	**654**	**506**	**45**	**703**	**4,810**	**225**	**5,035**
Basis of allocation	**Time spent**	**Space & time**	**Time spent**	**Direct**	**Pro rata with cost**		**Attribution & time**	

5. GOVERNANCE COSTS

Apportioned governance costs were:

	2020/21 Total	2019/20 Total
	£000	£000
Staff employment costs	**113**	101
Staff & trustee other costs	**18**	55
Premises costs	**25**	21
Office services	**24**	18
Legal & professional	**45**	49
	225	244

6. STAFF, TRUSTEE AND GOVERNANCE COSTS

a. Staff numbers

The trust employed the following average number of staff:

		2020/21	2019/20
UK:	Administration & fundraising	**17**	18
	Welfare	**8**	9
Nepal:	Individual aid inc welfare and general staff	**239**	234
	Medical services	**130**	110
	Water projects	**114**	114
	Schools projects	**7**	7

b. Staff costs

		2020/21	2019/20
		£000	£000
UK:	Salaries	**935**	958
	Benefits	**11**	9
	Social security costs	**95**	101
	Pension	**80**	85
		1,121	1,153
Nepal:	Salaries	**4,195**	4,252
	Benefits	**56**	57
	Pension (see Note 13)	**296**	367
	Gratuity (see Note 13)	**285**	271
	Ex Gratia	**6**	0
	Severance	**0**	3
		4,838	4,950
		5,599	6,103

The number of employees whose emoluments exceeded £60,000 for the year was:

	2020/21 Number	2019/20 Number
£60,001 - £70,000	**1**	1
£70,001 - £80,000	**-**	1
£80,001 - £90,000	**-**	1
£90,001 - £100,000	**1**	1
£100,001 - £110,000	**1**	-

Employer's pension contributions for the higher paid employees were £9,000 (2019/20: £16,000).

Key people in the Trust in UK and Nepal with delegated authority from the Trustees are the CEO, Director GWT(N), the Field Director GWT(N), Medical Director GWT(N) and the Head of Fundraising and Communications. They have combined salary and benefits cost to the Trust totalling £287,000 (2019/20: £333,000).

Both the Director GWT(N) and the Field Director GWT(N) are seconded from the British Army with their costs being met by the MOD.

The Trust approved an ex gratia payment of £6,128 to the widow of a member of staff in Nepal who sadly died having contracted COVID-19.

There were no redundancy payments during the year (2019/20: £3,150).

Trustees' expenses, remuneration and donations

In 2020/21 no Trustee received any remuneration or pension but three Trustees were either reimbursed or expenses were paid on their behalf of £2,920: principally on travel to Nepal but also in respect of attendance at meetings at in London (2019/20: seven Trustees were either reimbursed or expenses were paid on their behalf of £17,300). Trustees donated a total of £1,320 (2019/20: £2,315).

Related party transactions

Colonel Jody Davies is a Trustee of The Gurkha Museum Trust. Transactions between The Gurkha Welfare Trust and The Gurkha Museum Trust during 2020/21 totalled:

Payments to The Gurkha Museum Trust: £479.00 Payment for the provision of goods and services received.

Payments from The Gurkha Museum Trust: Nil

David Hayes is Chairman of the Gurkha Brigade Association (GBA). A payment of £592 was made to the GBA in respect of a Legacy which had been incorrectly paid to The Gurkha Welfare Trust.

There are no other related party transactions.

Net expenditure

Net expenditure for the period is stated after charging:

			2020/21	2019/20
			£000	£000
Audit Fees	UK excluding VAT	Crowe U.K. LLP UK	**26**	25
	Nepal:	CSC & Co	**10**	14
		Joshi and Bhandari	**3**	5
Tax Advisory Services		Crowe U.K. LLP UK	**3**	2
Actuarial fees		M/s K A Pandit (India)	**2**	2

7. INTANGIBLE ASSETS

a. Group

	Computer Software	Assets Under Construction	Total
	£000	£000	£000
Cost			
At 1 July 2020	15	0	15
Additions	12	3	15
Asset transfers	96	0	96
At 30 June 2021	123	3	126
Amortisation			
At 1 July 2020	(5)	0	(5)
Amortisation	(41)	0	(41)
At 30 June 2021	(46)	0	(46)
Net Book Value			
At 1 July 2020	10	0	10
At 30 June 2021	77	3	80

b. Charity

	Computer Software	Assets Under Construction	Total
	£000	£000	£000
Cost			
At 1 July 2020	15	0	15
Additions	0	3	3
Asset transfers	96	0	96
At 30 June 2021	111	3	114
Amortisation			
At 1 July 2020	(5)	0	(5)
Amortisation	(37)	0	(37)
At 30 June 2021	(42)	0	(42)
Net Book Value			
At 1 July 2020	10	0	10
At 30 June 2021	69	3	72

8. TANGIBLE FIXED ASSETS, GROUP AND CHARITY

a. Group

	Freehold Land & Buildings	Leasehold Property	Vehicles & Equipment	IT	Assets in Construction	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 July 2020	2,182	617	906	330	297	4,332
Additions	32	-	-	-	383	415
Asset transfers	174	350	7	-	(531)	0
Reclassifications	-	-	-	-	(96)	(96)
Disposals	-	-	(44)	(10)	-	(54)
At 30 June 2021	2,388	967	869	320	53	4,597
Depreciation						
At 1 July 2020	(1,062)	(218)	(797)	(201)	(28)*	(2,306)
Depreciation	(109)	(97)	(59)	(85)	-	(350)
Disposals	-	-	44	10	-	54
At 30 June 2021	(1,171)	(315)	(812)	(276)	(28)	(2,602)
Net Book Value						
At 1 July 2020	1,120	399	109	129	269	2,026
At 30 June 2021	1,217	652	57	44	25	1,995

Reclassification: IT software reclassified from Tangible Fixed Assets (Assets in Construction) to Intangible Fixed Assets.
* Impairment

b. Charity

	Freehold Land & Buildings	Leasehold Property	Vehicles & Equipment	IT	Assets in Construction	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 July 2020	2,182	617	906	330	297	4,332
Additions	0	-	-	-	383	383
Asset transfers	(359)	350	7	-	(531)	(533)
Reclassifications					(96)	(96)
Disposals	-	-	(44)	(10)	-	(54)
At 30 June 2021	1,823	967	869	320	53	4,032
Depreciation						
At 1 July 2020	(1,062)	(218)	(797)	(201)	(28)*	(2,306)
Depreciation	(109)	(97)	(59)	(85)	-	(350)
Disposals	-	-	44	10	-	54
At 30 June 2021	(1,171)	(315)	(812)	(276)	(28)	(2,602)
Net Book Value						
At 1 July 2020	1,120	399	109	129	269	2,026
At 30 June 2021	652	652	57	44	25	1,430

9. INVESTMENTS

The historical cost of investments at 30 June 2021 (including investment cash) was £67,317,248 (2020: £59,702,265). 89% of the investment assets are placed in a mixed portfolio of thematic funds.

Listed investments	**2020/21**	2019/20
	£000	£000
Fixed interest		
UK	**9,856**	9,967
Equities		
UK	**316**	526
Americas	**365**	285
Emerging markets	**2,278**	2,201
Alternative investments	**14,445**	13,281
Other overseas/Non-specific region	**52,144**	38,449
Property	**3,725**	1,706
	83,129	66,415
Cash held as part of investment portfolio	**2,999**	2,768
	86,128	69,183

Major movements in investments during the year were:	**2020/21**	2019/20
	£000	£000
Opening market value (excl. Cash)	**66,415**	64,171
Purchases	**11,621**	20,758
Disposal proceeds	**(4,748)**	(21,026)
Gains on investments	**9,841**	2,484
Investments donated	**0**	28
Closing market value (excl cash)	**83,129**	66,415

Investment in subsidiary
GWT owns 100% of the issued share capital of GWT Trading Ltd, being 2 ordinary shares with a nominal value of £1. GWT Trading Ltd is registered in England and Wales No.: 02986861 and its registered office is P.O Box 2170, 22 Queen Street, Salisbury SP2 2EX.

GWT Trading Ltd INCOME Statement for the year ended 30 June 2021

	2020/21	2019/20
	£	£
Turnover	**55,465**	31,113
Cost of sales	**(36,456)**	(11,881)
Gross profit	**19,009**	19,232
Administrative expenses	**(4,541)**	(4,446)
Operating profit	**14,468**	14,786
Profit for the financial year before taxation	**14,468**	14,786
Tax on profit on ordinary activities	**0**	0
Profit for the financial year after taxation	**14,468**	14,786

GWT Trading Ltd Statement of Changes in Equity

	2020/21		2019/20	
	£ P&L	**£ Share Capital**	£ P&L	£ Share Capital
Total funds brought forward	**14,786**	2	36,899	2
Profit for the year	**14,468**	0	14,786	0
Gift Aid payment	**(14,786)**	0	(36,899)	0
Retained earnings at year end	**14,468**	2	14,786	2

The company has no recognised gains or losses other than the profit in both periods.
All amounts relate to continuing activities.

GWT Trading Ltd Balance Sheet at 30 June 2021

	2021	2020
	£	£
Fixed Assets		
Intangibles	**7,923**	0
Total Fixed Assets	**7,923**	0
Current Assets		
Stock	**4,922**	0
Debtors	**1,035**	908
Cash at bank and in hand	**14,671**	16,162
	20,628	17,070
Creditors - amounts falling due within one year	**(14,081)**	(2,282)
Net Current Assets	**6,547**	14,788
Net Assets	**14,470**	14,788
Share Capital	**2**	2
Retained Profit	**14,468**	14,786
	14,470	14,788

As a result of COVID-19 a number of physical fundraising activities were either cancelled or postponed during the year, with the first events (Doko Challenge and GWT Golf Day) re-starting in June 2021. Fundraising adapted to the constraints of COVID-19 with a successful on-line auction followed by an on-line raffle. GWT Trading launched a limited branded merchandise range during the year, which will be expanded during 2021/22.

The GWT Group includes the consolidation of the Ex Servicemen and Families Support Society, a not for profit company registered in Nepal for the legal ownership of land assets purchased by GWT(N). The Directors of the company are all employees of GWT(N) and they must resign their role as Director when their employment is terminated It is therefore deemed that GWT(N) has control of the Ex Servicemen and Families Support Society and the results are consolidated into the GWT results from 1 July 2020 with the subsidiary retaining all of its profits. Legal ownership of land assets at Kaski has been transferred to the company during 2020/21 and the remaining land assets in Dharan, Damak and Gulmi (£228k) are scheduled for transfer during 2021/22.

The following GWT(N) employees are the Directors of the Ex Serviceman and Families Support Society:

• Yam Bahadur Rana • Shyamkumar Rai • Pim Bahadur Gurung • Siddhartha Gurung • Lila Pun Sherchan

The Ex Servicemen and Families Support Society was registered in Nepal on 2 July 2018:
Registration number 192748/74/075. The registered address is Pokhara Lekhnath Metropolitan Municipality, Ward Number 10, Ramghat.

The trading results for the Ex Servicemen and Families Support Society the year ended 31 June 2021, as extracted from the financial statements are summarised below:

Ex Servicemen and Families Support Society Income and Expenditure for the Year ended 30 June 2021

	2020/21	2019/20
Income and Expenditure	**£**	£
Income	**0**	0
Administrative expenses	**152**	0
Operating loss	**(152)**	0
Loss for the financial year	**(152)**	0

Ex Servicemen and Families Support Society Balance Sheet at 30 June 2021

	2020/21	2019/20
	£	£
Fixed Assets		
Tangible Fixed Asset	**565,129**	0
Total Fixed Assets	**565,129**	0
Current Assets		
Cash at Bank	**390**	0
Creditors falling due within 1 year	**(138)**	0
Net Current Assets	**252**	0
Net Assets	**565,381**	0
Share Capital	**614**	0
Reserves	**564,767**	0
	565,381	0

10. DEBTORS

	Group		**Charity**	
		Restated		Restated
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Trade Debtors	**11**	12	**10**	12
Amounts owed by intercompany	**0**	0	**2**	0
Prepayments and Accrued Income	**172**	148	**172**	148
Legacies	**280**	127	**280**	127
Other Debtors	**273**	395	**273**	395
	736	682	**737**	682

11. CREDITORS

	Group		**Charity**	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Trade Creditors	**278**	373	276	373
Amounts owed to group and associated undertakings	**0**	0	**(8)**	0
Accruals	**182**	159	**180**	157
Taxation & social security	**29**	37	**29**	37
Other Creditors	**267**	253	**267**	252
	756	822	**744**	819

12. FINANCIAL INSTRUMENTS

	Group		**Charity**	
	2020/21	2019/20	**2020/21**	2019/20
	£000	£000	**£000**	£000
Financial assets measured at fair value				
Investments in shares	**83,129**	66,415	**83,129**	66,415
Other liabilities measured at fair value				
Constructive obligations (see Note 14)	**37,639**	39,648	**37,639**	39,648
Net financial instruments	**45,490**	26,767	**45,490**	26,767

The constructive obligation is measured at fair value based on the expected amounts payable, discounted at an appropriate market rate. The Trust has no loans or overdrafts and has no forward currency contracts or hedging arrangements.

13. PENSIONS AND LEAVING BENEFITS

The charity provides defined contribution pension arrangements for its employees in the UK, and UK employees based in Nepal. Each employee is able to either join the Government's NEST scheme or arrange their own personal pension plan and the charity contributes 2% of salary for every 1% contributed by the employee, up to a maximum of 10%. Contributions are charged to the statement of financial activities in the year in which they are made. The assets of the plans are held separately from those of the charity. The contributions made by the charity in 2020/21 were £79,850 (2019/20: £97,900). No further liability arose other than these payments.

The retirement benefits in Nepal previously consist of a defined contribution Provident Fund with 10% contributions from both employer and employee. The Provident Fund is held by the Gurkha Welfare Scheme Staff Retirement Benefit Fund, an independent body. In addition, Nepali Labour Laws required employers to contribute to a Gratuity fund. Traditionally this was accumulated in a fund and paid to employees on leaving based on years of service and an independent gratuity fund was established to match the liability. In 2017, under the Labour Act Nepal the gratuity changed from a defined benefit to a defined contribution scheme.

In accordance with the Labour Act, in November 2019, the Trust enrolled in the new Social Security Fund (SSF) of Nepal with combined contributions at a rate of 31% of staff salary; 20% employer contribution and 11% employee contribution. The majority of staff were required to transfer funds to the new SSF.

The Trust has no further liability other than the monthly payments recognised in the SOFA.

In response to COVID-19, the Government of Nepal funded both the employer and employee contributions due for three months in 2020 through a direct payment on behalf of employees into the SSF. A similar commitment was announced for 2021 although the Trust maintains a year-end liability for the contributions until confirmation of actual payment by the Government of Nepal.

14. CONSTRUCTIVE OBLIGATION (PROVISIONS FOR LIABILITIES FALLING DUE ATER MORE THAN ONE YEAR)

The Trust has recognised for some years a long-term constructive obligation, as defined by SORP (revised 2019), in respect of its welfare pensions. The SORP requires that such "constructive obligations", even though they are not legally binding liabilities, be recognised on a charity's balance sheet. From 2014/15 the Trust has recognised a similar obligation for the welfare support provided through the Disability Support Grant (DSG) to the disabled children of welfare pensioners who were not able to support themselves when their parents were deceased.

An independent actuarial assessment of the net present value of future payments for both the welfare pension and the DSG, as at 30 June 2021, has been obtained using the following long-term assumptions:

- The level of benefit agreed for welfare pensions for 2021/22, NPR 157,200 per annum (NPR 151,200 in 2020/21) and DSG of NPR 126,000 (NPR 120,840 in 2020/21) will increase with inflation at 7.0% over the long term (7.0% in 2019/20).
- A new annual festival allowance of NPR2,000 is payable to beneficiaries in September 2021.
- An estimated number of 3,812 welfare pensioners (2019/20: 4,119) with an average age of 81.15.
- Trustees approved the increase in recipients of the DSG from July 2021, to include new disabled orphans of ex Gurkhas and disabled siblings of existing beneficiaries. Including the new recipients eligible from 1 July 2021, there are 278 DSG beneficiaries (2019/20: 232) with an average age of 55.07.
- Mortality rates are based on Government of Nepal rates adjusted to reflect the increased longevity of the Trust's beneficiaries.
- An estimated 1,470 ex-Gurkhas who left the service in the late 1960's and early 1970's and 140 ex Indian Army who served before 1947 who are not in receipt of a service pension may apply for a welfare pension in the future. A provision has been included for 50 new entrants for each of the next five years with an average joining age of 73.
- Provision has been included for an estimated 85 future DSG beneficiaries.
- Future payments have been discounted at 6.5% pa (2019/20: 6.5%), which represents an average yield on high-quality bonds in Nepal.

The value of the obligation is particularly sensitive to the exchange rate of NPR to GBP with a low of NPR146.69/£ in July 2020, a high of NPR165.76/£ in April 2021 and an average for the year at NPR 156.88/£.

Based on the exchange rate of NPR162.64/£, (2019/20: NPR146.69/£) that applied on 30th June 2021, the value of the obligation for the welfare pension was £37,638,000. This is a reduction of £2,009,000 on the figure for 2019/20 of £39,647,500. Due to the increase in authorised beneficiaries, the liability to cover DSG has increased by £2,419,000 to £6,350,000, (2019/20: £3,931,000). The combined total constructive obligation is £37,638,000.

	Balance at 1 July 2020 £000	Movement in Actuarial Valuation £000	Movement in Rate of Exchange £000	Balance at 30 June 2021 £000
Welfare Pension	35,716	(1,069)	(3,359)	31,288
Disability Support Grant	3,931	3,099	(680)	6,350
Total Constructive Obligation	**39,647**	**2,030**	**(4,039)**	**37,638**

15. OPERATING LEASES AND OTHER COMMITMENTS

At 30 June 2021 the group's future minimum operating lease payments are as follows:

		2020/21 £000	2019/20 £000
UK Property lease	Within 1 year	**75**	83
	Between 1 to 5 years	**234**	283
	Over 5 years	**90**	160
Nepal Property	Within 1 year	**19**	29
	Between 1 to 5 years	**13**	1
	Over 5 years	**0**	0

Lease payments for the year which are recognised as expenses within the SOFA totalled £120,992 (2019/20: £143,746).

Capital commitments at the balance sheet date:

The Trust has capital commitments which are not provided for elsewhere in the accounts of £66,000 (buildings and related infrastructure) and £142,000 (IT). This represents the cost of the contracted commitment less the cost of payments already made.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS OF THE GROUP AND CHARITY

	Unrestricted General £000	Unrestricted Designated £000	Restricted £000	Total £000
Intangible assets	78	0	2	80
Tangible assets	995	886	114	1,995
Investments	65,977	20,151	0	86,128
Current assets	5,436	0	1,722	7,158
Current liabilities	(756)	0	0	(756)
Constructive obligation	(37,638)	0	0	(37,638)
	34,092	**21,037**	**1,838**	**56,967**

The unrestricted designated fund provides for:

- Running costs of the Residential Homes for 20 years (to 2034)
- A major improvement fund for the Residential Homes
- A Disaster Response fund
- GWT funding commitment to RWEPP to 2026

17. UNRESTRICTED FUNDS OF THE GROUP AND CHARITY

	Restated Balance at 1 July 2020	Incoming resources in the year	Outgoing resources in the year	Gains and Transfers	Movement in obligation	Balance at 30 June 2021
	£000	£000	£000	£000	£000	£000
Designated funds						
RWEPP	0	0	0	4,500	0	4,500
Disaster response	5,990	0	(60)	1,570	0	7,500
Residential homes	8,778	0	(492)	751	0	9,037
Total designated funds	14,768	0	(552)	6,821	0	21,037
General funds	27,513	11,767	(10,208)	3,011	2,009	34,092
Total unrestricted funds	**42,281**	**11,767**	**(10,760)**	**9,832**	**2,009**	**55,129**

Unrestricted funds, both general and designated, are expendable at the discretion of the Trustees in the furtherance of the Trust's objectives. The designated funds have been earmarked by the Trustees for particular purposes, but the designations have an administrative purpose only and do not legally restrict the Trustees' discretion to apply the funds.

Trustees took the prudent precaution in 2011-12 of creating a designated fund to cover the running costs of the residential homes for the next twenty years so that the homes would not be a drain on other activities. Trustees have identified the requirement to increase the fund to include major works (£400,000) for the next ten years. A further transfer-in of £351,000 represents the increase in valuation of the Residential Homes funds within the investment portfolio. The fund is currently valued at £9,037,000 assuming long term inflation in Nepal of 7.0%.

In June 2018, following advice from leading seismologists, Trustees created a designated fund to enable an immediate response to any future natural disasters. This fund was used during 2020/21 to provide two replacement earthquake resilient homes following destruction by fire and four replacement homes following destruction during the 2020 monsoon. Trustees agreed to increase the fund for the effects of inflation with the fund totalling £7,500,000 at 30 June 2021.

Trustees also identified the requirement for funds to meet the financial commitment for the 5-year RWEPP grant agreement of £4,500,000 at 30 Jun 2021.

18. RESTRICTED FUNDS OF THE CHARITY

	Balance at 01 Jul 20	Income	Expenditure	Transfers	Balance at 30 Jun 21
	£000	£000	£000	£000	£000
a. Grants to individuals:					
Welfare pensions & DSG	0	749	(749)	0	0
Welfare grants	495	1,137	(806)	0	826
	495	1,886	(1,555)	0	826
b. Medical:					
MOD Grant In Aid Medical	126	2,525	(2,651)	0	0
Medical	0	181	(181)	0	0
Medical camps	35	160	(114)	0	81
	161	2,866	(2,946)	0	81
c. Water projects:					
Water projects - FCDO	600	975	(1,461)	0	114
Water projects - other	0	167	(167)	0	0
	600	1,142	(1,628)	0	114
d. Schools projects:					
Neal Turkington Fund	18	0	0	0	18
Schools	79	476	(409)	0	146
	97	476	(409)	0	164
e. Community COVID projects					
COVID equipment	0	476	(388)	0	88
f. Other grants:					
Vehicles & equipment	0	10	(10)	0	0
MOD Grant in Aid Support	0	3,356	(2,791)	0	565
Support & infrastructure	0	67	(67)	0	0
	0	3,433	(2,868)	0	565
	1,353	10,279	(9,794)	0	1,838

a. Grants to individuals

Restricted funds for welfare pensions are obtained from individuals that regularly donate to a pensioner support fund as well as other advertising and appeals. Welfare grants include Tranche 3 of the 300 Homes programmes; delivering 101 earthquake resilient homes. The 100 Home fundraising campaign in 2021 was very successful and exceeded the programme budget, providing restricted funds towards Tranche 4 to be delivered in 2021/22.

b. Medical

The MOD Medical grant-in-aid is provided in support of medical services to our beneficiaries. Due to COVID-19 two medical camps were cancelled and the donor agreed that funds could be carried forward to 2021/22. Restricted income included funds for the additional COVID related expenditure incurred ensuring that the medical staff were able to undertake their work in safe environment

c. Water projects

FCDO funding is provided through an accountable grant agreement for the rural water and sanitation programme with additional funding coming from charitable trusts and individuals. The Phase V agreement was extended until 30 June 2021 to enable completion of projects delayed by COVID-19 during 2019/20. A new five-year agreement has been signed with FCDO for the provision of rural water and sanitation services from 1 July 2021. The balance at 30 June 2021, reflects the net book value of assets funded through the agreement which continue to be in use in support of the new delivery agreement.

d. Schools projects

Several individuals and charitable trusts have sponsored the rebuilding of schools. One of the major school projects was programmed over two financial years and restricted funds are carried forward to 2021/22 to enable completion. A memorial fund in memory of Neal Turkington, lost in action while serving in Afghanistan, funded two major build projects in 2013. A final school project has been identified for completion during 2021/22.

e. Community COVID Projects

Support to the wider community during the second wave of the COVID-19 pandemic in Nepal. This was principally through the distribution of Personal Protective Equipment (PPE), oximeters and oxygen concentrator which had been donated as goods for distribution, to the GWT.

f. Other grants

The MOD grant-in-aid is provided to support the administration and infrastructure costs of the GWT(N). Restricted donations included income to fund the additional COVID related expenditure incurred ensuring that the welfare staff were able to undertake their work in a safe environment. As a result of COVID-19, GWT(N) experienced delays in the procurement of equipment including replacement motorbikes, resulting in the carry-forward of restricted funds to 2021/22. The carry-forward is further increased by due to the favourable rate of exchange during the year.

19. CHANGE IN ACCOUNTING POLICIES

In 2020/21 the Trust has changed its accounting policy for the recognition of legacies. Previously the GWT had recognised income when there was legal entitlement through the Grant of Probate, there was sufficient evidence to value the legacy (measurement) and there was probability of receipt.

Legacies are now recognised on the earlier of the receipt of income or entitlement through the issue of approved Estate Accounts.

The 2019/20 comparatives have been restated to take account of the change in accounting policy. The impact of the adjustment means that total reserves at 30 June 2020 have decreased by £0.542M.

The effects of the change are detailed below:

	Balance at 30 Jun 20 £M
Reconciliation of Reserves	
Total Reserves as previously stated	44.176
Legacy accrual – change in basis	(0.542)
Total Reserves as restated	**43.634**

	2019/20 £M
Reconciliation of 2019/20 surplus for the year	
2019/20 surplus as previously stated	9.326
Legacy accrual movement – change in policy	(0.542)
2019/20 surplus as restated	**8.784**

The following notes, numbers 20 to 25, refer to financial year 2019/20 and are included for comparative purposes only. The restatement follows the change in accounting policy for the recognition of legacy income.

20. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 30TH JUNE 2020 - RESTATED

	Notes	Unrestricted General £000	Unrestricted Designated £000	Restricted £000	2019-20 Total £000
Income from:	3				
Donations and legacies					
Donations	3a	4,432	0	2,102	6,534
Legacies	3b	5,863	0	0	5,863
Grants					
Ministry of Defence	3c	0	0	2,966	2,966
Charitable activities	3d				
Ministry of Defence		0	0	2,500	2,500
Department for International Development		0	0	4,040	4,040
KAAA		0	0	95	95
Other trading activities					
Fundraising Events	3e	385	0	133	518
Investments	3f	2,191	0	10	2,201
Total		**12,871**	**0**	**11,846**	**24,717**
Expenditure on:	4				
Raising funds					
Fundraising	4f	2, 162	0	0	2,162
Investment management costs	4f	317	0	0	317
Charitable activities					
Individual aid	4a	4,535	10	3,822	8,367
Medical Aid	4b	3,965	0	2,478	6,443
Disaster response	4d	0	0	0	0
Residential Homes	4c	0	487	15	502
Community aid	4e	585	0	4,128	4,713
Sub Total Expenditure		**11,564**	**497**	**10,443**	**22,504**
Movement in constructive Obligation	4g/14	(4,088)	0	0	(4,088)
Total		**7,476**	**497**	**10,443**	**18,416**
Net (expenditure)/income before other gains and losses		5,395	(497)	1,403	6,301
Other gains and losses					
Net gains/(losses) on Investments	9	2,483	0	0	2,483
Net (expenditure)/income		7,878	(497)	1,403	8,784
Transfers between funds	16 & 17	(356)	356	0	0
		7,522	(141)	1,403	8,784
Other recognised gains/(losses)					
Profit & loss revaluation gain/(loss)		(101)	0	0	(101)
Net Movement in Funds		7,421	(141)	1,403	8,683
Reconciliation of funds					
Funds brought forward		20,092	14,909	(50)	34,951
Total Funds Carried Forward		**27,513**	**14,768**	**1,353**	**43,634**

21. COMPARATIVE STATEMENT OF EXPENDITURE 2019-20

	Grants	Direct costs	Support costs Support	Governance	2019/20 Totals
Charitable activities	£000	£000	£000	£000	**£000**
a. Individual aid					
Welfare pensions	4,039	0	1,762	58	**5,859**
Care for the elderly	124	2	1	2	**129**
Disability support	183	0	99	3	**285**
Winter allowance	91	0	46	1	**138**
Welfare grants	776	108	433	13	**1,330**
UK welfare	250	348	4	24	**626**
Total	5,463	458	2,345	101	**8,367**
b. Medical aid	1,107	4,163	1,102	71	**6,443**
c. Residential homes	28	398	70	6	**502**
d. Disaster Response	0	0	0	0	**0**
e. Community aid					
School projects	57	597	405	10	**1,069**
Water projects	0	3,136	503	5	**3,644**
Total Community Aid	57	3,733	908	15	**4,713**
Sub Total Charitable activities	**6,655**	**8,752**	**4,425**	**193**	**20,025**
f. Cost of generating funds					
Fundraising	0	1,619	494	49	**2,162**
Investments	0	298	17	2	**317**
Total costs of generating funds	**0**	**1,917**	**511**	**51**	**2,479**
Total Expenditure prior to movement in Constructive Obligation	**6,655**	**10,669**	**4,936**	**244**	**22,504**
g. Movement in Constructive Obligation	0	(4,088)	0	0	(4,088)
Total	**6,655**	**6,581**	**4,936**	**244**	**18,416**

22. COMPARATIVE ANALYSIS OF SUPPORT COSTS 2019-20

	People	Premises & vehicles	Services	Legal & Professional	Currency	Sub Total Support	Sub Total Governance	Total
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
a. Individual Aid	1,589	359	196	6	195	2,345	101	2,446
b. Medical Aid	745	168	94	5	90	1,102	71	1,173
d. Residential Homes	46	11	6	1	6	70	6	76
e. Community Aid	564	99	210	1	34	908	15	923
f. Fundraising	279	60	93	62	0	494	49	543
f. Investment management	10	2	3	2	0	17	2	19
Total	**3,233**	**699**	**602**	**77**	**325**	**4,936**	**244**	**5,180**
Basis of allocation	**Time spent**	**Space & time**	**Time spent**	**Direct**	**Pro rata with cost**	**Attribution & time**		

23. COMPARATIVE ANALYSIS OF NET ASSETS BETWEEN FUNDS, GROUP AND CHARITY 2019-20 - RESTATED

	Unrestricted General	Unrestricted Designated	Restricted	Total
	£000	£000	£000	£000
Intangible assets	6	0	4	10
Tangible assets	961	1,048	17	2,026
Investments	55,463	13,720	0	69,183
Current assets	11,553	0	1,332	12,885
Current liabilities	(822)	0	0	(822)
Constructive obligation	(39,648)	0	0	(39,648)
	27,513	14,768	1,353	43,634

The unrestricted designated fund provides for 20 year running costs of the two Residential Homes and a Disaster Response fund.

23. COMPARATIVE UNRESTRICTED FUNDS OF THE GROUP AND CHARITY 2018-19

	Balance at 1 July 2019	Incoming resources in the year	Outgoing resources in the year	Gains and Transfers	Movement in obligation	Balance at 30 June 2020
	£000	£000	£000	£000	£000	£000
Designated funds						
Disaster Response	6,000	0	(10)	0	0	5,990
Residential homes	8,909	0	(487)	356	0	8,778
Total designated funds	14,909	0	(497)	356	0	14,768
General funds	20,092	12,871	(11,564)	2,026	4,088	27,513
Total unrestricted funds	**35,001**	**12,871**	**(12,061)**	**2,382**	**4,088**	**42,281**

Unrestricted funds, both general and designated, are expendable at the discretion of the Trustees in the furtherance of the Trust's objectives. The designated funds have been earmarked by the Trustees for particular purposes, but the designations have an administrative purpose only and do not legally restrict the Trustees' discretion to apply the funds.

The transfer-in to the designated fund (residential home) of £356,000 represents the increase in valuation of designated funds within the investment portfolio.

Trustees took the prudent precaution in 2011-12 of creating a designated fund to cover the running costs of the residential homes for the next twenty years so that the homes would not be a drain on other activities. This fund is currently valued at £8,778,000 assuming inflation in Nepal over the period of 7.0%.

In June 2018, following advice from leading seismologists, Trustees created a designated fund to enable an immediate response to any future natural disaster. This fund was used to provide a replacement earthquake resistant home for a vulnerable pensioner whose home was destroyed in a major landslip at Gulmi during the monsoon. The Disaster Response fund is £5,990,000 at 30 June 2020.

25. COMPARATIVE RESTRICTED FUNDS OF THE CHARITY 2019-20

		Balance at 01 Jul 19	Income	Expenditure	Transfers	Balance at 30 Jun 20
		£000	£000	£000	£000	£000
a.	**Grants to individuals:**					
	Welfare pensions & DSG	0	650	(650)	0	0
	Welfare grants	17	1,117	(639)	0	495
		17	1,767	(1,289)	0	495
b.	**Medical:**					
	MOD Grant in Aid Medical	0	2,500	(2,374)	0	126
	Medical	0	44	(44)	0	0
	Medical camps	0	95	(60)	0	35
		0	2,639	(2,478)	0	161
c.	**Residential Homes:**	0	15	(15)	0	0
d.	**Water projects:**					
	Water projects - DfID	(85)	4,049	(3,364)	0	600
	Water projects – other	0	87	(87)	0	0
		(85)	4,136	(3,451)	0	600
e.	**Schools projects:**					
	Neal Turkington Fund	18	0	0	0	18
	Schools	0	319	(240)	0	79
		18	319	(240)	0	97
f.	**Other grants:**					
	Vehicles & equipment	0	3	(3)	0	0
	MOD Grant in Aid	0	2,966	(2,966)	0	0
	Support & infrastructure	0	1	(1)	0	0
		(50)	11,846	(10,443)	0	1,353

a. Grants to individuals

Restricted funds for welfare pensions are obtained from individuals that regularly donate to a pensioner support fund as well as other advertising and appeals. Welfare grants include Tranche 2 of the 300 Homes programmes; delivering 110 earthquake resistant homes. The 100 Home fundraising campaign in 2020 was the most successful run by the Trust and exceeded the programme budget, providing restricted funds towards Tranche 3 to be delivered in 2020/21.

b. Medical

The MOD Medical grant-in-aid is provided in support of medical services to our beneficiaries. Kadoorie Agricultural Aid Association (KAAA) continued to fund the medical camps for the final year. Due to COVID-19 two camps were cancelled and KAAA agreed that funds could be carried forward to 2020/21.

c. Water projects

DfID funding is provided through an accountable grant agreement for the rural water and sanitation programme with additional funding coming from charitable trusts and individuals. Due to COVID-19, completion of seven projects was delayed with restricted funds carried forward to 2020/21 to enable completion. In September 2020, DfID merged with the FCO to become the Foreign, Commonwealth and Development Office (FCDO).

d. Schools projects

Several individuals and charitable trusts have sponsored the rebuilding of schools. Due to COVID-19 the completion three major projects were delayed with restricted funds carried forward to 2020/21 to enable completion. A memorial fund in memory of Neal Turkington, lost in action while serving in Afghanistan, funded two major build projects in 2013. Funds continue to be raised for this cause although there was no expenditure incurred in support of the two schools during 2019/20.

e. Other grants

The MOD grant-in-aid is provided to support the administration and infrastructure costs of the GWT(N) while several individuals have sponsored the maintenance of our motorbikes used to assist our field staff in reaching remote locations.

Registered Charity Number: 1103669
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Registered in England

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