



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.*

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Registered Charity Number: 1103669

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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.



A handwritten signature in dark ink that reads "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 summited 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





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.

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.

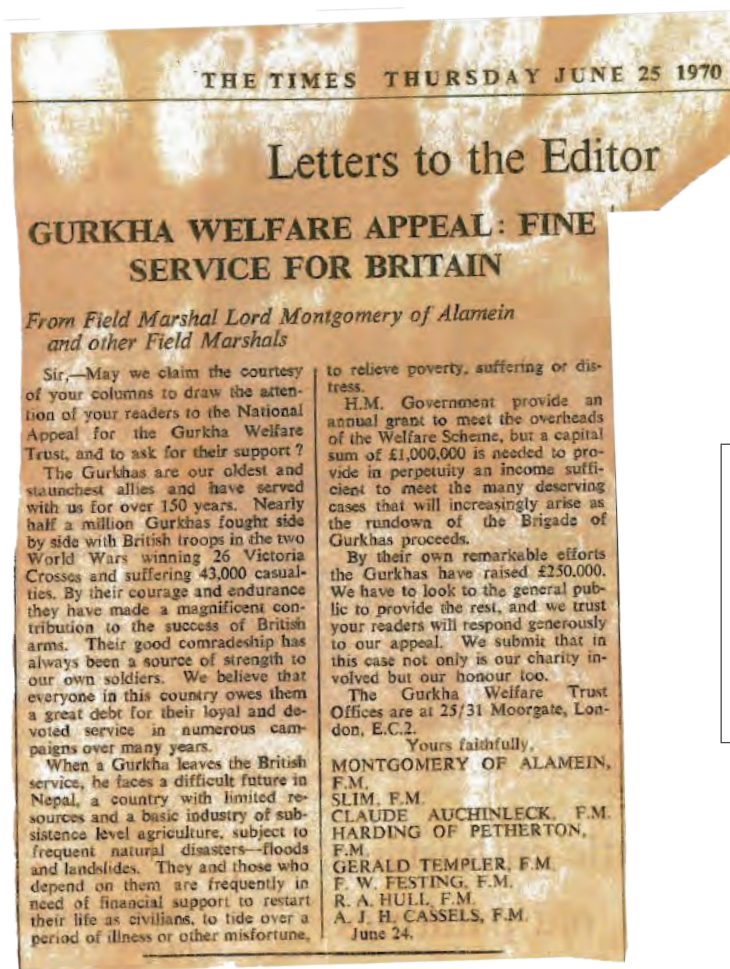
Unlike their British counterparts who could rely on the welfare state in old age, the Nepali Gurkhas had no such safety net.

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.

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.



Captain Rambhadr Limbu, V.C., the most recent of 13 Gurkha recipients of the Victoria Cross.

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 Rambhadr 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.

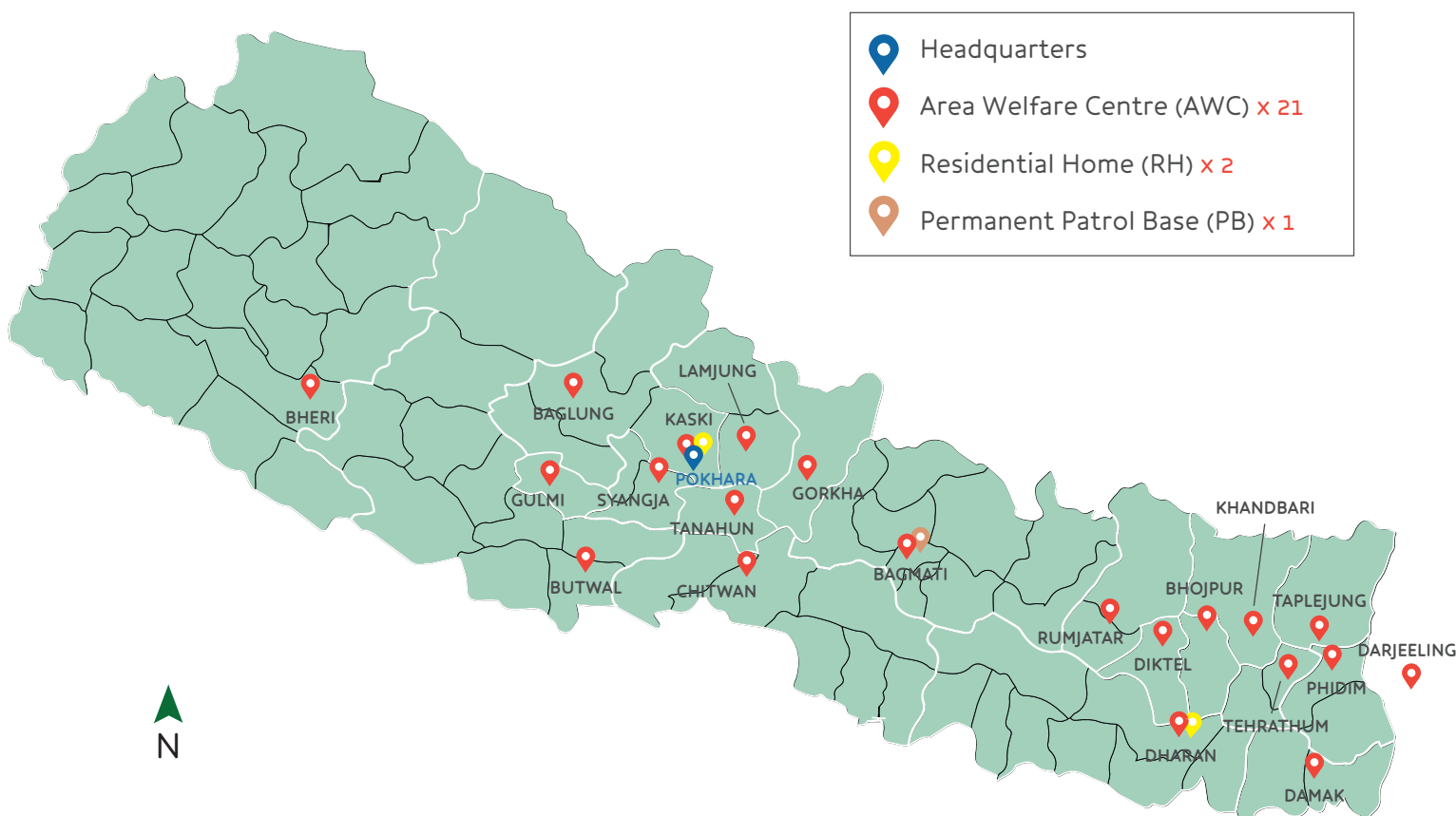


2. COMMUNITY AID

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.



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.

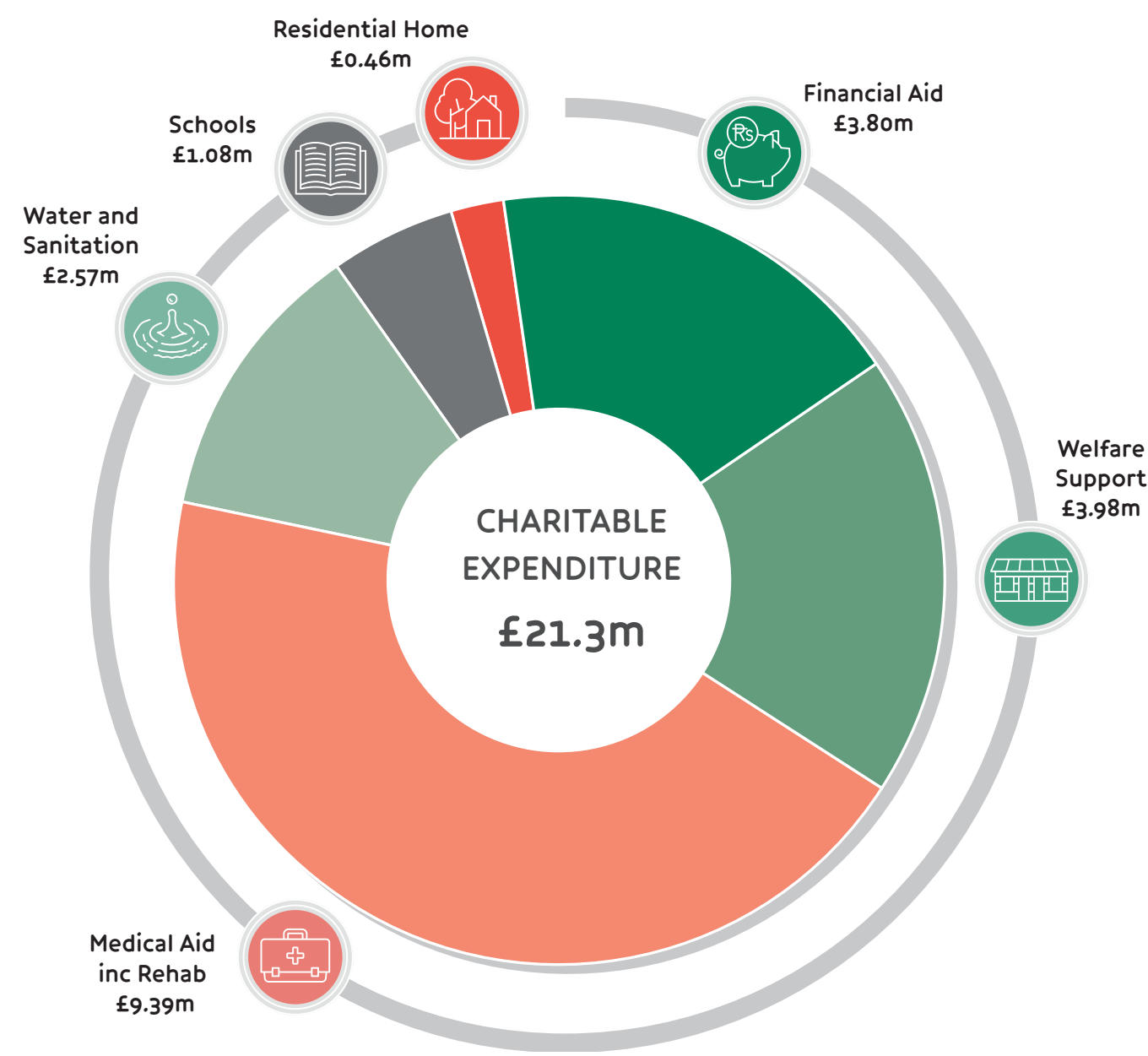
Though at its core, the support of elderly and vulnerable Gurkha pensioners remains a priority our wider services across Nepal continue to deliver an exponential impact.

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.

Charitable activity
87.0%



Investment management
1.5%

Fundraising
11.6%

FUNDRAISING STRATEGY

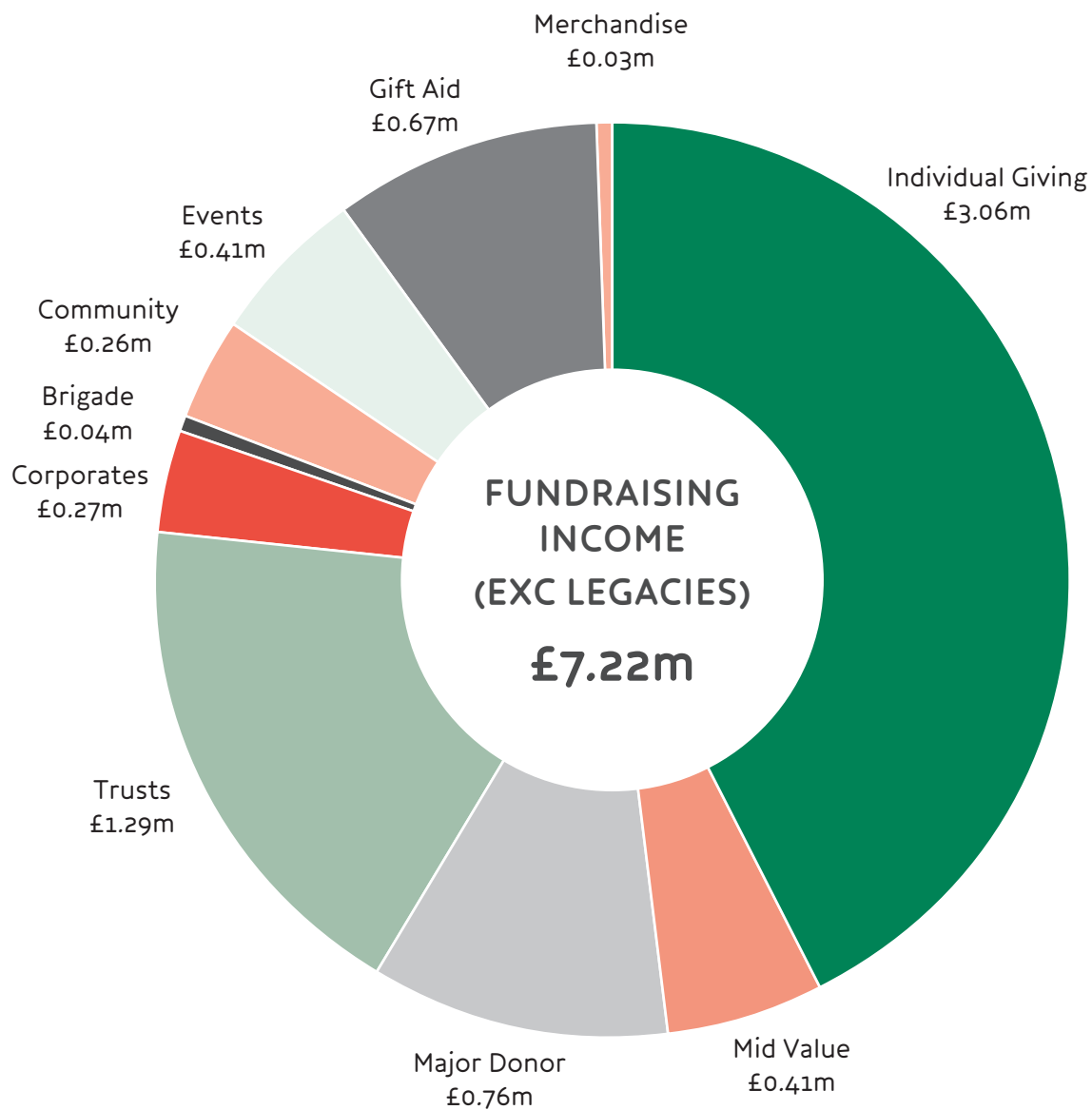
This year (2023/24) represented the first year of the Trust’s new five-year fundraising strategy.

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.

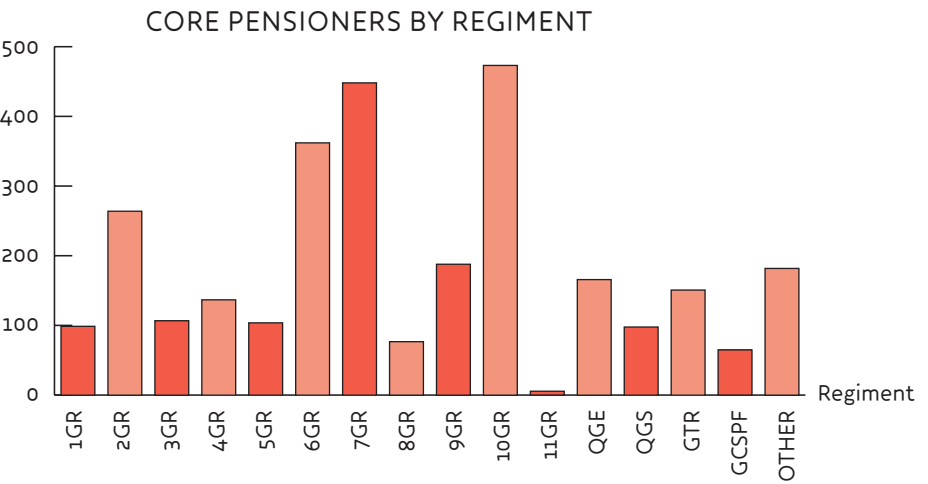
CORE PENSIONERS BY AWC

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 partnership 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

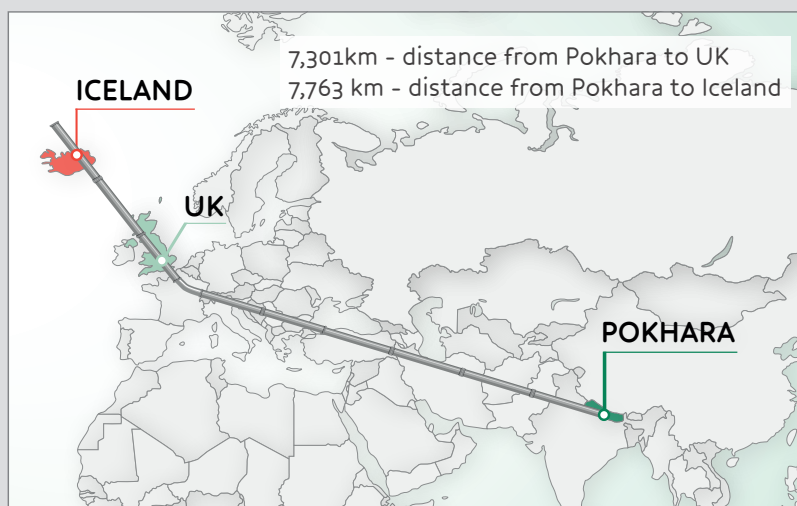
Through RWEPP we work increasingly with local authorities and activities have directly contributed to poverty reduction, with a special emphasis on the poorest and the most excluded.

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 activities 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).

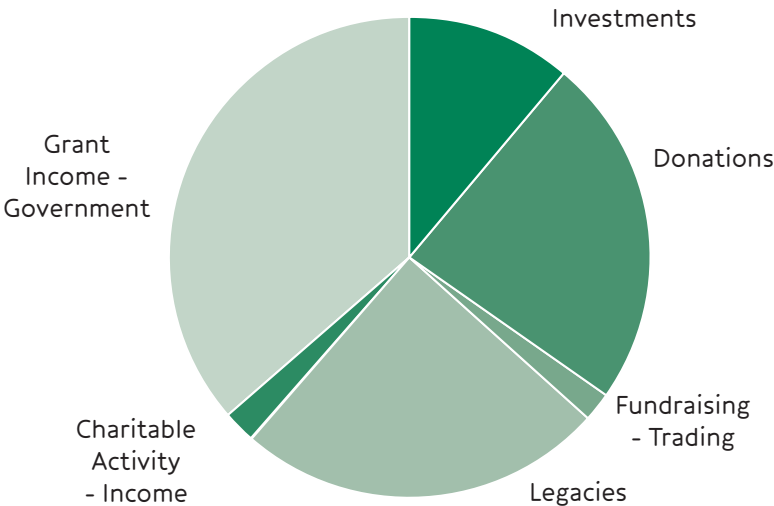
Investment income increased to £3,136,000 (2022/23: £2,703,000) reflecting strengthening in markets and increased interest rates for fixed deposit accounts in Nepal.

OUR INCOME

£27.9m

↑ up 13.6%
on 22-23

(+£2.2M (8.7%) increase in
MOD medical)

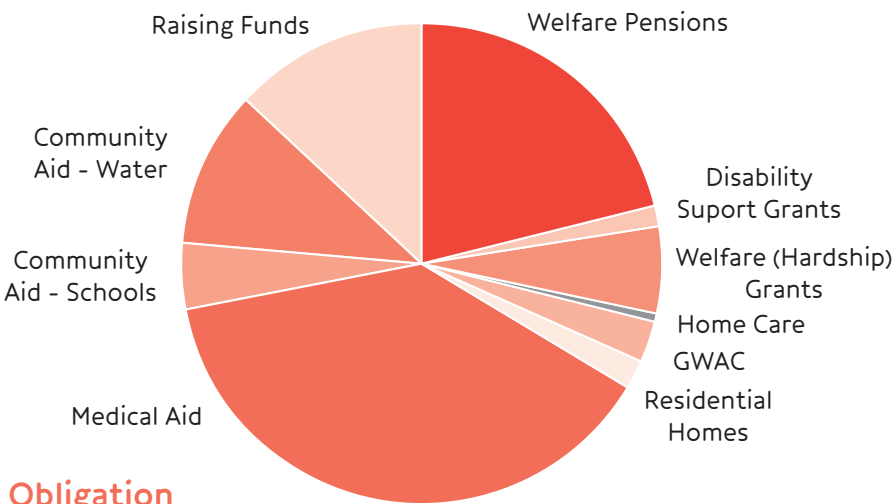


OUR EXPENDITURE

£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% in 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 £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.

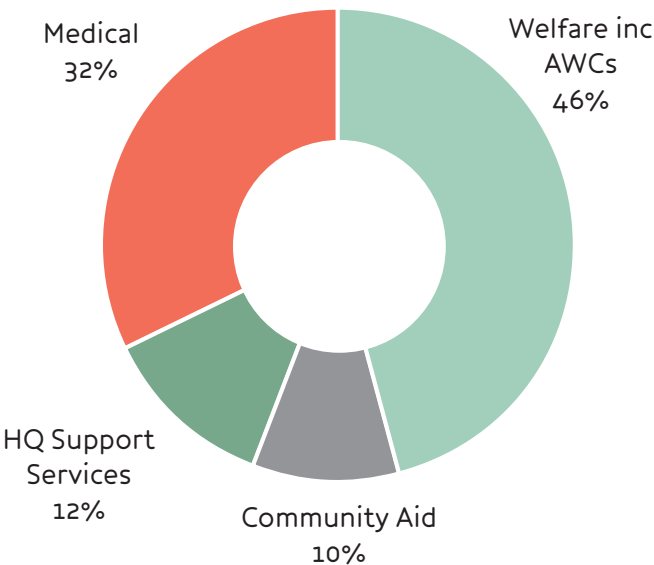
The Field Director of the GWT(N) in Nepal is responsible for daily operational management of the GWT(N) and implementing services to our beneficiaries in accordance with Trust policies.

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 summited 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	<u>1,459</u>	<u>(1,541)</u>
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		<u>(2,663)</u>	<u>4,715</u>
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	<u>13,778</u>	<u>14,982</u>

NOTES

A. Reconciliation of net income to net cashflow from	2023/24 £000	2022/23 £000
Net income for the reporting period (as per SOFA)	<u>6,318</u>	<u>4,472</u>
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	<u>1,459</u>	<u>(1,541)</u>

B. Analysis of cash and cash equivalents

	2023/24 £000	2022/23 £000	Cash flow in year £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	<u>13,778</u>	<u>14,982</u>	<u>(1,204)</u>

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
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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 £0	2022/23 £0
a. Donations		
Donations from individuals	4,958	5,179
Donations from companies, trusts, clubs and organisations	1,716	1,258
	<u>6,674</u>	<u>6,437</u>
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
	<u>3,136</u>	<u>2,703</u>

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
	£000	£000	Support £000	Governance £000	Totals £000	Totals £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	2022/23
	Total	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

		2023/24	2022/23
The trust employed the following average number of staff:			
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 £000	2022/23 £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 £000	Leasehold Property £000	Vehicles & Equipment £000	IT £000	Assets in Construction £000	Total £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 £000	Leasehold Property £000	Vehicles & Equipment £000	IT £000	Assets in Construction £000	Total £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
		<u>87,320</u>	<u>75,922</u>
	Cash held as part of investment portfolio	5,615	6,420
		<u>92,935</u>	<u>82,342</u>

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)	<u>87,320</u>	<u>75,922</u>

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	<u>152,844</u>	<u>142,076</u>
Administrative expenses	(7,845)	(5,167)
Operating profit	<u>144,999</u>	<u>136,909</u>
Profit for the financial year before taxation	<u>144,999</u>	<u>136,909</u>
Tax on profit on ordinary activities	0	0
Profit for the financial year after taxation	<u>144,999</u>	<u>136,909</u>

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: £6,361,000). 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)
	<u>47,195</u>	<u>16,157</u>	<u>1,259</u>	<u>64,611</u>

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)
	<u>46,459</u>	<u>16,157</u>	<u>1,259</u>	<u>63,875</u>

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						
<i>RWEPP</i>	500	0	0	(500)	0	0
<i>RWEPP restructuring</i>	640	0	(424)	(216)	0	0
<i>Disaster response</i>	8,610	0	(18)	299	0	8,891
<i>Residential homes</i>	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						
<i>RWEPP</i>	500	0	0	(500)	0	0
<i>RWEPP restructuring</i>	640	0	(424)	(216)	0	0
<i>Disaster response</i>	8,610	0	(18)	299	0	8,891
<i>Residential homes</i>	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
	£000	£000	£000	£000	£000
Charitable activities					
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						
<i>RWEPP</i>	2,000	0	0	(1,500)	0	500
<i>RWEPP restructuring</i>	0	0	0	640	0	640
<i>Disaster response</i>	8,709	0	(47)	(52)	0	8,610
<i>Residential homes</i>	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						
<i>RWEPP</i>	2,000	0	0	(1,500)	0	500
<i>RWEPP restructuring</i>	0	0	0	640	0	640
<i>Disaster response</i>	8,709	0	(47)	(52)	0	8,610
<i>Residential homes</i>	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
	<u>613</u>	<u>415</u>	<u>(880)</u>	<u>0</u>	<u>148</u>
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
	<u>30</u>	<u>3,477</u>	<u>(3,462)</u>	<u>0</u>	<u>45</u>
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
	<u>108</u>	<u>2,614</u>	<u>(2,404)</u>	<u>0</u>	<u>318</u>
e. Schools projects:					
Neal Turkington Fund	18	0	(8)	0	10
Schools	67	289	(312)	0	44
	<u>85</u>	<u>289</u>	<u>(320)</u>	<u>0</u>	<u>54</u>
f. Community COVID projects					
COVID equipment	12	0	(6)	0	6
	<u>12</u>	<u>0</u>	<u>(6)</u>	<u>0</u>	<u>6</u>
g. Other grants:					
Vehicles & equipment	5	7	0	0	12
MOD Grant in Aid Support	511	3,335	(3,104)	(388)	354
	<u>516</u>	<u>3,342</u>	<u>(3,104)</u>	<u>(388)</u>	<u>366</u>
	<u>1,364</u>	<u>10,147</u>	<u>(10,186)</u>	<u>(388)</u>	<u>937</u>

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
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The Alan Chinery Charitable Trust
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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
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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

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