

**Service Non Public Funds Final Accounts,
Managing Trustee's Report, Internal Audit Board Report
and Independent Examiner's Report (SORP 2005 compliant)
Regimental Accountant Scheme**

Army Form N1514
(Rev 11/09)

Unit Household Cavalry Regiment
Address Ward Barracks, Bulford SP4 9NA
In respect of the **PRI Fund**

Charity Commission/Regulator registered number 1130632

For the period from 1 April 24 to 31 March 25

Managing Trustee(s) during the period:

From	1 Apr 24	to	31 Mar 25	Name	Lt Col R Spiller
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Fund Manager(s) during the period:

From	1 Apr 24	to	31 Mar 25	Name	Maj Mansfield
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Internal Auditor(s) during the period:

From	1 Apr 24	To	31 Jun 24	Name	Capt J Wilkes
From	1 Jul 24	To	30 Sep 24	Name	Capt Hart
From	1 Oct 24	To	1 Dec 24	Name	Capt Perrott
From	2 Dec 24	To	31 Mar 25	Name	Capt Hart

Audit Assistants¹ (during the period):

From	1 Oct 24	To	1 Dec 24	Name	Maj C Leeson

Regimental Accountant(s) during the period:

From	1 Apr 24	to	30 Sep 24	Name	SSgt Ibrahim
From	1 Oct 24	to	1 Dec 24	Name	Capt Hart
From	2 Dec 24	to	31 Mar 25	Name	SSgt Asumadu

¹ SFR Chap 5 para 0505 and Annex D to Chap 5.

Notes to the Accounts (Paras 2 to 12 are to be completed by all funds which have a gross income of £100K or over and those funds already registered with the Charity Regulator, all other funds are to complete Paras 6 and 7 and the declarations at Para 12):

1. Principal Accounting Policies

a. **Accounting Convention.** The financial statements are prepared under the historical cost convention as modified by the inclusion of investments at market value and in accordance with applicable accounting standards. In preparing the financial statements the charity follows best practice as set out in the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP) 2005

(<http://www.charitycommission.gov.uk/investigations/sorp/sorp05docs.asp>)

b. **Incoming Resources.** Income is recognised in the period in which the charity is entitled to receipt, and the amount can be measured with reasonable certainty. Grants from other agencies including donations and other income from activities are in furtherance of the charity's objects and are part of the general funds of the charity. A restricted fund is only recognised where this is an agreed and explicit condition of the grant or donor.

c. **Intangible Income.** Due to the close collaborative relationship and the manner in which the charity's activities compliment those of the Army, intangible income, reflected in time and use of premises is not quantifiable or measurable and so is not recognised in the accounts.

d. **Resources Expended and Basis of Allocation of Costs.** Expenditure is included when incurred or exceptionally where a commitment is made which requires an accrual when payment is to be made in the subsequent accounting period. Similarly, where prepayments are made in recognition of commitments falling due in a subsequent accounting period, the appropriate credit is entered in the accounts and reversed the following year. Grants payable are included in the SOFA when approved by the Managing Trustee. Expenditure is recognised in the period in which it is incurred. The majority of costs are directly attributable to specific activities. Irrecoverable VAT is charged to the activity for which it was incurred.

e. **Governance Costs.** Governance costs are the costs of professional advice, holding trustee meetings or committee meetings associated with decision making, any fee for audit or independent examination and any fee incurred in the preparation, statutory filing, printing or copying of the annual report and accounts.

f. **Capitalisation and Depreciation of Tangible Fixed Assets.** All assets having a purchase value of more than £500 are capitalised. The cost of tangible fixed assets are written off by equal annual instalments over their expected useful lives using the following methods of depreciation:

Furniture, fixtures and equipment - Straight Line over a period of 2 to 10 years.

Motor vehicles - Straight Line over a period of 2 to 10 years.

Assets with a life of more than one year but with a purchase value of below £500 are included within the inventory but the cost is written off in the year it is incurred and is not depreciated over the useful life of the asset. Where the asset is depreciated over a period of more than 10 years, details of the item and period are to be provided following the notes on page 14.

g. **Fixed Asset Investments.** Fixed asset investments are included at market value at the balance sheet date. Any gain or loss on revaluation is shown in the Statement of Financial Activities (SOFA).

h. **Stocks.** Purchased stocks are valued at the lower cost or net realisable value making due allowance for any obsolete or slow-moving items.

i. **Funds Accounting.** Funds held by the charity are:

(1) **General Purpose/Unrestricted /Designated Funds.** These are funds that can be used in accordance with the charitable objects at the discretion of the Managing Trustee. Designated funds are unrestricted funds which have been allocated/earmarked for a particular purpose by the Managing Trustee and are to be declared in the Managing Trustees comments in accordance with Para 12 to these notes stating what they are intended to be used for and when.

(2) **Endowment Funds.** Endowment funds are those investments and other gifts accepted by the unit, the capital sum or property being held in perpetuity and the income only being available for charitable use.

(3) **Restricted Funds.** These are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Further explanation of the nature and purpose of each fund is to be included in the notes to the accounts.

j. **Heritage Assets.** In the course of the unit's history, the charity may have acquired gifts, memorabilia, regalia, silverware, antiques and other historical artefacts in the course of distinguished military service in service of the Crown. The value of these pieces is in large part derived from their close association with Regimental history which precludes the use of conventional valuation techniques being applied. Whilst the objects of the charity do not specifically include preservation and conservation, the pieces represent an essential element of celebrating the unit's history and foster esprit-de-corps. Consequently the Managing Trustee considers the charity to hold heritage assets both for functional use and as an element of national history on behalf of the nation. Heritage assets acquired prior to 1 Apr 06 are therefore not capitalised on the balance sheet but a description of those assets is disclosed as part of the notes to the accounts. Heritage assets acquired after 1 Apr 06 where the purchase price is known and which exceed £500.00 are included in the balance sheet at acquisition value but are not depreciated.

k. **Other Costs.** Other costs are those costs not incurred in the undertaking of charitable activity in furtherance of the objects of the charity, i.e. the provision of facilities, recreational programmes or activities in furtherance of military efficiency. They are also costs incurred in the making of grants and donations, in the costs of generating funds, i.e. the costs incurred in trading or fundraising undertaken by the charity, or in governance costs.

2. **Grants Made.** (if total grants are over 5% of the charity's total expenditure).

The charity made the following grants/donations:

Grants to institutions

Name of institutions	Purpose	Total number of grants given	Total amount of grants paid
N/A – No grants or donations			
	Total grants to institutions	£0.00	£0.00

Grants to individuals

Purpose	Total number of grants given	Total amount of grants paid
N/A – No grants or donations		
Total	£0.00	£0.00

3. **Related Party Transactions & Remuneration and Expenses**

Whilst the charity has a close working relationship with the Army, there are no transactions with the Army which require disclosure under SORP 2005. The only transactions made by the charity in favour of the unit are wholly attributable to the charitable activities of furthering military efficiency. The Managing Trustee is an officer or equivalent and fulfils the role as trustee in accordance with the applicable laws and regulations. No expenses have been paid to the trustee. In the event that expenses have been paid to the trustee these are disclosed under the Managing Trustee's comments.

4. **Analysis of Capital Property**

	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£
Balance b/f	£0.00	£0.00	£0.00
Purchases	£0.00	£0.00	£0.00
Sales & W/Os	£0.00	£0.00	£0.00
Depreciation	£0.00	£0.00	£0.00
Balance c/f	£0.00	£0.00	£0.00

5. **Total Value of Investments by Category**

	Value £
Carrying value (market value) at beginning of year	£126,169.00
Add additions to investments at cost (investments purchased)	£0.00
Less disposals at carrying value (investments sold)	£0.00
Add/(deduct) net gain/(loss) on revaluation (gain/loss at end of accounting period/audit)	£0.00
Carrying value (market value) at end of year	£126,169.00

Breakdown of Market Values at

Year End	GPF/ Unrestricted	Restricted	Endowment	Total value	Income during year
	Value £	Value £	Value £	Value £	Value £
Investment properties	£0.00	£0.00	£0.00	£0.00	£0.00
Investments listed on a recognised stock exchange	£0.00	£0.00	£0.00	£0.00	£0.00
Investments held in unit trusts or other collective investment schemes	£126,169.00	£0.00	£0.00	£126,169.00	£0.00
Investments in subsidiary or connected undertakings and companies	£0.00	£0.00	£0.00	£0.00	£0.00
Securities not listed on a recognised Stock Exchange	£0.00	£0.00	£0.00	£0.00	£0.00
Cash held as part of the investment portfolio	£0.00	£0.00	£0.00	£0.00	£0.00
Other investments	£0.00	£0.00	£0.00	£0.00	£0.00
Total	£126,169.00	£0.00	£0.00	£126,169.00	£0.00

6. List of Debtors

Debtor	Date of Debt	Amount
IMPREST (9041)	Mar 23	£1,328.83
Ex CRESTA POOL	Jan 24	£366.03
TPR Wood (8025)	Feb 23	200.00
Total		£1,894.86

* There are no amounts falling due after more than one year (delete as appropriate).

7. List of Creditors

Creditor	Date of Credit	Amount
AFCT	Nov 22	£2,742.00
AGC Association Fund – RAWOS	Oct 24	£0.36
Capt Douglas – Boxing team	Oct 24	£3.25
Coopers Company - Charity	Oct 24	£1,791.95
Ex DOLOMITE DASH	Oct 24	£2,150.00
IMPREST Chq for BACS	Mar 25	£192.31
Pay Office T&S	Feb 25	£175.00
TGBF	Dec 24	£1000.00
Welfare coffee Machine Grant	Nov 22	£15.00
Welfare Donations - CINLINK	Oct 23	£250.00
Total		£8,319.87

* There are no amounts falling due after more than one year (delete as appropriate).

8. Paid Employees

	This year £	Last year £
Gross wages paid	£0.00	£0.00
Employer's National Insurance paid	£0.00	£0.00
Pension Contributions paid	£0.00	£0.00
Total staff costs	£0.00	£0.00

Give the number of employees who were engaged in each of the following activities:

	This year	Last year
Costs of generating funds	£0.00	£0.00
Charitable activities	£0.00	£0.00
Other	£0.00	£0.00
Total	£0.00	£0.00

No individual employee received a salary of over £60,000.00

9. Governance Costs

	This year £	Last year £
Audit or independent examination fee	0.00	0.00

10. Restricted/Endowment Funds

Give details of the movements of the individual funds summarised in the restricted and endowment column of the Statements of Financial Activities (SOFA).

See the attached SOFA.

Year End	Bal B/F	Incoming Resources	Outgoing Resources	Transfers	Gains and losses	Bal C/F
	Value £	Value £	Value £	Value £	Value £	Value £
A Sqn	£1228.77	£1010.00	£1821.83	£0.00	£0.00	£416.94
B Sqn	£0.00	0.00	£00.00	£0.00	£0.00	£0.00
C Sqn	£70.05	£00.00	£70.00	£0.00	£0.00	£0.05
D Sqn	£2,260.57	£292.44	£849.00	£0.00	£0.00	£1704.01
HQ Sqn	£916.39	£2092.35	£1997.45	£0.00	£0.00	£1011.29
AGC Fund	£567.46	£928.71	£1384.20	£0.00	£0.00	£111.97
LAD	£3458.61	£3058.37	£3830.00	£0.00	£0.00	£2686.98
Adventure training	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Sailing	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Football	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Army Carp fishing	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Golf	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Christmas Party Soldiers	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Battlefield tours	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Boxing	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Mini bus fund	£852.70	£705.00	£1064.18	£0.00	£0.00	£493.52
Gaming machines	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00

income						
Mayflower	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Chef fund	£153.54	£0.00	£64.00	£0.00	£0.00	£89.54
Welfare fund	£162.27	£4560.00	£4530.52	£0.00	£0.00	£191.75
Welfare house	£1626.61	£4510.00	£4131.69	£0.00	£0.00	£2004.92
Total	£11296.97	£17,156.87	£19,742.87	£0.00	£0.00	£8710.97

A brief explanation as to the nature and purpose of the charity's Restricted Funds is to be provided.

Name of Restricted Fund	Purpose of fund
A Sqn, C Sqn, D Sqn, HQ Sqn, AGC-Fund, Chef, and LAD	These Restricted Funds have been setup to manage the income and expenditure of small sub-unit/functional groupings.
Adventure Training	This fund manages the income and expenditure of all regimental adventure training activities/expeditions.
Battlefield Tours	This fund manages the income and expenditure of all regimental battlefield tours.
Sports Funds	These funds manage the income and expenditure of various Army, HCav and HCR sports teams and tours.
Christmas Party Soldiers	This fund manages the income and expenditure relating to provision of a Christmas lunch for the junior members of the HCR.
Gaming Machines	This fund manages the income and expenditure relating to gaming machines run by the contractor.
Minibus Fund	This fund manages the income and expenditure associated with hiring out and maintenance of the regimental minibus.
Mayflower	This fund manages the income and expenditure associated with Regimental move from Windsor to Bulford 2019.
Welfare Fund	This fund manages the income and expenditure of various welfare activities for HCR personnel and their families.
Welfare House	This fund manages the income and expenditure associated with the booking and maintenance of the HCR welfare house.

11. **Heritage Assets.**

Heritage assets that are owned by the charity but purchased/acquired prior to 1 Apr 06 are not included in the charity's capital property value (see note 1,j). A list/description of these assets is below:

No Heritage Assets are owned by the Charity.
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12. **Declarations**

All of the charity's commitments are provided for in the accounts.

No guarantees have been given to third parties.

The charity has not received any loans that are outstanding at the year-end and secured on assets.

The charity has not granted any loans to institutions or companies connected with the charity.

The charity did not make any ex-gratia payments during the year.

Sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with the restrictions imposed.

The financial activities, assets and liabilities of all the charity's branches or sections have been included.

The trustees have not changed the year end date or the length of the charity's financial year.

The charity has no designated funds.

All the charity's operations are continuing operations and there were no operations discontinued or acquired during the year.

No funds (unrestricted, designated, restricted or endowment) are in deficit at the balance sheet date.

The charity has no intangible assets.

There were no inter-fund loans outstanding at the balance sheet date.

None of the charity's functional fixed assets have been re-valued during the year and the charity does not have a policy of revaluation of these assets.

The charity has no subsidiary companies.

The charity has no material fixed assets which have not been capitalised and included in the balance sheet.


No internal transfers have occurred out of restricted/endowment funds.

All investments held are investment assets in the UK unless otherwise stated.

Note: Where any of the declarations are not correct they are to be crossed out and details provided in the Managing Trustees comments.

Additional comments:

1. The PRI shop stock reconciliation year to date has a turnover of £0.00. The return profit percentage is lower than expected. This low profit could be maximised further as it only sells rank slides and medals. Outsourcing to an online PRI shop could yield profits without having to hold stock. The profit return on a PRI is expected to be within 10-25%. There is also legacy stock that should be considered for write off, such as over 100 miniature Diamond Jubilee medals. Subscriptions should be reviewed in the next financial year to make sure they are fair.

Signature 

Name Maj Wright

Date: 23 OCT 25

Appointment Senior Fund Manager

Managing Trustee's Annual Report and Comments:

UnitHousehold Cavalry Regiment.....

Address..... Ward Barracks, Bulford SP4 9NA.....

Charity name and Charity Commission/Regulator registered Number..... 1130632.....

Description of the charity's trusts

This should include:

- a. Details, including date if known of the charity's governing document (e.g. trust deed, will, constitution etc); and
- b. A brief explanation of the charity's objects.

Where applicable, you may choose to give details of any specific investment powers of the charity.

Governing Document (e.g. Trust Deed, Constitution)	MOD Constitution Document dated 29 Jul 20.
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Objects of the Charity	The promotion of efficiency of the Armed Forces of the Crown by the provision and support of facilities and activities for the efficiency and well-being of service personnel.
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Explain briefly how trustees are elected or appointed and details of any induction and trustee training attended.

Trustee selection method	Managing Trustee selected on appointment as Commanding Officer.
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Trustee induction and training	The Managing Trustee has attended the Commanding Officer (Designate) Course. Fund Manager has completed the AAFM training via the DLE.
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Explain about what the charity is trying to do and how it is going about it. You are only required to provide a brief summary of the main activities and achievements of the charity during the year in relation to its objects.

Summary of main activities in relation to the Charity's objects	The fund is to provide welfare, social, adventure training and sporting activity to assist all Regimental personnel.
Summary of main achievements of the Charity during the year	The fund has contributed to a number of Adventurous Training activities enabling all ranks to experience the benefits of challenging pursuits. Regimental sports teams have had success in a number of competitions they have entered and the Fund has contributed towards regimental participation in the Army Nordic and Alpine Skiing competitions and regimental boxing. There were additional regimental activities in the form of the Troopers Christmas Lunch and regimental visits.

Provide a brief review of the financial position of the charity. This should include the principal types of income.

Financial Review	The fund is healthy. The main sources of income of this fund are through PRI subscriptions, shop profits, and donations to the fund.
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The Managing Trustee should give in their report a description of the following policies:

- a. For the selection of investments for the charity.
- b. For determining the level of income reserves held, stating and explaining the level of reserves held.
- c. Where grants are made by the charity, the selection of individuals and institutions who are to receive grants out of the assets of the charity.

Financial reserves policy	No financial reserves policy less that it retains sufficient funds to meet liabilities.
Investments selection policy and performance of those investments.	The PRI investment is managed by Schroder on behalf of the Household Cavalry Foundation. In 24/25 £126,169.00 returned 0% profit. That figure is identical from the previous financial year. The HCF was contacted for an update on the current state of investment, however due to the RAO deploying for the rest of the year, this report needs the signature and to be submitted. Managin trustee inform.

Provide the name of all trustees/the Managing Trustee(s) during the report year.

Managing Trustee's name/trustees' names	Lt Col Spiller has been the managing trustee throughout this period.
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Serious Incidents	None.
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Public Benefit Statement	<p>This fund provides public benefit by assisting service personnel to more effectively perform their roles within the Armed Forces of the Crown. It does this by</p> <ol style="list-style-type: none"> a. Providing and supporting regimental facilities and social activities. b. Providing and supporting sporting, adventurous training activities, battlefield studies and welfare events. <p>This assistance enables service personnel to face the challenges and danger associated with military service by developing and maintaining teamwork; skills; fitness; confidence, character, spirit and attitude; and morale. As a result the fund promotes the efficiency of the Armed Forces of the Crown by enhancing the British Army's capability to undertake the roles demanded of it including the defence of the United Kingdom and its interests.</p> <p>(I confirm that I have paid due regard to the Charity Commission of England and Wales guidance on public benefit when deciding what activities the charity should undertake, i.e. that it benefits the public in general, or a sufficient section of the public).</p>
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Additional comments (noting any changes to the Declarations made at paragraph 12 of the Notes to the Accounts):

1. All declarations at paragraph 12 are correct.

The debtors within the PRI, whilst over 3 months, are now continuing to make regular payments to reduce the debt and have a financial plan for repayment agreed with the RAO.

The unit should investigate methods to invigorate the PRI shop to deliver more profitability.

Investments are managed by an out-sourced agent, Schroder, and over the past 2 years this has returned 0% profit. HCR will investigate alternative management levers to reinvigorate this investment.

Signature Roland
Spiller

Digitally signed by
Roland Spiller
Date: 2025.10.27 18:12:53
Z

Name Lt Col R Spiller

Date: _____

Appointment CO Household Cavalry Regiment

Internal Auditor's Report

1. I have examined the books of account and records from which the final accounts were prepared and have obtained all the information and explanations that were necessary for the purpose of my internal audit.
2. I certify that end of period checks have been conducted in accordance with Service Funds Regulations.
3. Subject to the observations given below I am satisfied that proper books of account have been kept and that the final accounts give a true and fair view of the results of transactions over the period and of the state of the Fund's affairs as at the date of the balance sheet. Subject also to my observations, I am satisfied that cash and bank balances and stocks on hand have been properly checked at prescribed intervals and that adequate insurance exists.
4. I have stamped and signed the original books of account and the original records I have checked. All vouchers relating to this account period have been cancelled.
5. I have made the following observations whilst carrying out the internal audit:

Statement of financial activities

Total funds has not exceeded £100k, however the fund is already registered with the Charities Commission and the relevant 1514s are submitted yearly. Fund is healthy with **£126,169** in investments, **£67,884.91** in the Bank account, **£2,650.96** in stock, **£1,894.86** in debtors, **£16,975.49** in Creditors.

Management

FM Monthly Checks. All FM checks were conducted monthly in a timely fashion.

Stock Checks. Stock checks had not occurred monthly due to deployment (Op TOSCA). As stock quantities are held in the QMs where it is deemed a minimum risk, but all have now been briefed that stock checks must occur every month.

Stock movement. Several items of stock have not moved within the audit period. FM to investigate alternative options for sale. Several stock codes are no longer used and should look to be removed.

Percentage Profit. The PRI shop has a very small profit margin due to limited stock. I would urge FM and shop manager to review functionality and better maximise the PRI for better % profit.

Property Checks. No capital property is held within the fund.

Investments. The investments held within the fund have not been accounted for correctly. And due to the RAO position being gap, likely the routine of informing the regiment of the current state of the investment has been overlooked. This will not be the case for next financial year.

Write offs. No stock was written off during the period but may need to be in next FY.

Licences and insurance. All appropriate licences and insurance are held for the fund, are current and in date.

Income & Expenditure

The overall fund has a healthy balance but could deliver better profit. Overall no fund is in deficit.

Restricted Funds

The FM and FSA are to complete a full review of all restricted funds and ensure those which have seen no in year movement are now closed, removing the excess of funds held on PAXTON+.

Debtors

- 1) There have been no transfers out of Restricted funds.
- 2) The Debtors amount is manageable and monitored.

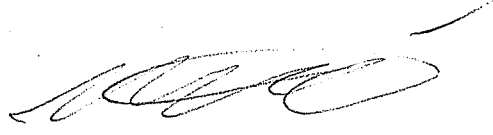
Creditors

The creditors amount is manageable and monitored.

Date:

22/07/25

Signature



Name

Capt N Hart

Appointment

Internal Auditor

Comd/SO2 SPS – Independent Examiner's Report on the Accounts, and Comments

Respective Responsibilities of Trustees and Examiner

The Charity's Trustees are responsible for the preparation of the accounts. The Charity's Trustees consider that an audit is not required for this year (under section 43(2) of the Charities Act 1993 (the Act) and that an independent examination is needed.

It is my responsibility to:

- a. Examine the accounts (under section 43(3)(a) of the Act).
- b. Follow the procedures laid down in the General Directions given by the Charity Commissioners (under section 43(7)(b) of the Act).
- c. State whether particular matters have come to my attention.

Basis of Independent Examiner's Statement

My examination was carried out in accordance with General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the accounts. -

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention (other than that disclosed overleaf*):

- a. Which gives me reasonable cause to believe that in any material respect the requirements have not been met:
 - (1) To keep accounting records in accordance with section 41 of the 1993 Act:
 - (2) To prepare accounts which accord with the accounting records and comply with the accounting requirements of the Act:
- b. To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

* Delete as applicable.

Respective Responsibilities of Trustees and Examiner

The Charity's Trustees are responsible for the preparation of the accounts. The Charity's Trustees consider that an audit is not required for this year (under section 43(2) of the Charities Act 1993 (the Act) and that an independent examination is needed.

It is my responsibility to:

- a. Examine the accounts (under section 43(3)(a) of the Act).
- b. Follow the procedures laid down in the General Directions given by the Charity Commissioners (under section 43(7)(b) of the Act).
- c. State whether particular matters have come to my attention.

Basis of Independent Examiner's Statement

My examination was carried out in accordance with General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the accounts.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention (other than that disclosed overleaf*):

~~a. Which gives me reasonable cause to believe that in any material respect the requirements:~~

~~(1) To keep accounting records in accordance with section 41 of the 1993 Act:~~

~~(2) To prepare accounts which accord with the accounting records and comply with the accounting requirements of the Act:~~

~~have not been met.~~

~~b. To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.~~

* Delete as applicable.

Disclosure Section (Only to be completed if the examiner needs to highlight material problems/discrepancies)

Give here brief details of any items that the examiner wishes to disclose
Nil

Comd/SO2 SPS Comments

1. Scope of the Examination

An Independent Examination was conducted on the PRI fund for FY 2024/25. The review included analysis of the SOFA, balance sheet, trial balance (including restricted funds), G-code classifications, stock management, debtors and creditors, and assessment of Fund Manager, Managing Trustee, and Internal Auditor comments. This was a limited-scope examination, not an audit.

2. Statement of Financial Activities – Findings

a. Income (current vs last FY):

- 1) Voluntary income: £6,799.16 – last FY £7,955.17.
- 2) Investment income: £2,283.93 – last FY £1,954.85.
- 3) Income from charitable activities: £17,209.62 – last FY £17,811.92.
- 4) Total income: £26,292.71 – last FY £27,721.94.

b. Expenditure:

- 1) Investment management cost: £28.79 – last FY £288.29.
- 2) Charitable activities: £24,503.19 – last FY £12,095.33.
- 3) Governance costs: £75.50 – last FY £1,075.60.
- 4) Other costs: £2,685.16 – last FY £2,956.84.
- 5) Total expended: £27,292.64 – last FY £16,416.06.

c. Net movement: –£999.93 – last FY £11,305.88.

d. Closing funds: £181,624.24 – last FY £182,624.17.

IE Observation: Income has reduced slightly while expenditure increased significantly, resulting in a minor deficit. Overall fund balance remains strong, supported by a stable investment holding.

3. Balance Sheet Observations

- a. Investment: £126,169 — unchanged for the third consecutive year.
- b. Bank account: £67,884.91 – last FY £68,471.73 — matches Central Bank.
- c. Debtors: £1,894.86 – last FY £12,206.99 — significantly reduced.
- d. Stock: £2,650.96 — unchanged.
- e. Creditors: £16,975.49 – last FY £26,874.51.
- f. Restricted funds: £8,710.97 – last FY £11,296.97.
- g. Accumulated Trading & GPF: £172,913.27 – last FY £171,327.20.
- h. Total assets: £198,599.73 – last FY £209,498.68.

IE Observation: Fund remains healthy. Investment performance (0% return for three years) requires review. Stock turnover continues to be minimal.

4. Trial Balance – Restricted Funds

11 restricted funds have had zero balances for FY 2022/23, 2023/24, and 2024/25 (B Sqn, Adventure Training, Sailing, Football, Carp Fishing, Golf, Christmas Party, Battlefield Tours, Boxing, Gaming Machines Income, Mayflower).

Active funds show small movements and should be monitored to ensure they benefit members.

IE Observation: Dormant restricted funds should be reviewed for closure or consolidation. Active funds must ensure expenditure aligns with their intended purpose.

5. G Code Classification Issues

Several entries have been allocated to incorrect G-code ranges, leading to misclassification of income and expenditure within the SOFA.

a. Income Misclassification

- 1) G002 – PRI Subs (£5,999.16): Currently under Voluntary Income; should be coded as Subscriptions (G150–G299).

b. Expenditure Misclassification.

The following items have been coded under Other Costs (G800–G899) but belong in more appropriate categories:

- 1) G804 Presentations and G814 Picture/framing – should be Grants & Donations (G770–G799).
- 2) G822 Insurance – should be Governance Costs (G750–G769).
- 3) G831 Sports competition entry fees – should be Charitable Activities (G600–G749).
- 4) G839 Food & Drinks – should be Charitable Activities (function-related).

5) G858 Team cohesion activity – should be Charitable Activities.

c. Shadow Codes

1) G749 & G769: These appear to be linked to restricted fund expenditure but the description does not show which fund.

Action: Clarify the restricted fund they relate to.

d. Items Requiring Clarification (RFI)

1) G128 Bank interest (£2,143.93): Confirm allocation to all funds that earn interest (PRI, Officers' Mess, WOSM).

2) G500 Transaction fees (£28.79): Clarify which transaction(s) generated the fee.

3) G150 GPF Income (£820): Naming unclear; the income source should be confirmed.

IE Summary Observation

Most errors relate to incorrect use of the G800–G899 range, unclear descriptions, or shadow codes without linked restricted funds. These do not indicate misuse but require correction for accurate SOFA reporting and clearer audit trails.

6. Debtors – Aged Items

Total debtors £1,894.86. Items from FY 2023/24 still listed (Wood £200, Imprest £1,328.83, CRESTA POOL £366.03).

IE Observation: Older items require resolution or write-off consideration.

7. Creditors – Review Required

Total creditors £8,319.87. Several items likely represent credit balances rather than true liabilities. Older items (AFCFT, welfare grants/donations) remain from previous years.

IE Observation: Review and reclassify credits if applicable and clear historic balances.

8. Recommendations

- a. Review investment performance; explore alternatives.
- b. Improve PRI trading performance.
- c. Investigate alternative to manage stock – return to wholesaler, reduce price, sell externally or write-off – ensure paper trail.
- d. Correct all G-code misclassifications; clarify shadow codes.
- e. Allocate interest income correctly across all funds.
- f. Clear aged debtors and misclassified creditors.
- g. Rationalise dormant restricted funds.

h. Conduct stock check.

9. PRI Fund – Unit Management Comments and IE Observations

a. Fund Manager: Zero turnover; outsourcing recommended; legacy stock requires write-off; subscription review needed.

b. Managing Trustee: Debtor plan in place; PRI shop should be reinvigorated; 0% investment return requires review.

c. Internal Auditor: Fund remains under £100k; stock check impacted by deployment; some stock codes unused; investment accounting requires correction; unused restricted funds should be removed.

IE Observation: Controls generally satisfactory. Key issues relate to investment performance, stock stagnation, restricted fund rationalisation, and G-code accuracy.

10. Conclusion

Based on the procedures undertaken, nothing has come to the Independent Examiner's attention indicating that the PRI accounts were not properly maintained or that the financial statements do not reflect those records. Actions are required regarding investment review, stock management, G-code corrections, and clearing aged debtor/creditor items, but these do not materially affect the accuracy of the accounts.

Independent Examiner's
Signature



Name

CALLENDER

Date:

23 JAN 26

Appointment

3DRSX SO2 SPS

