

CHARITY REGISTRATION NUMBER: 1157182

**The Welsh Reserves & Cadets Charitable Incorporated  
Organisation**

**Unaudited Financial Statements**

**31 March 2021**

**WALTER HUNTER & CO LIMITED**

Chartered accountants  
24 Bridge Street  
Newport  
South Wales  
NP20 4SF

# **The Welsh Reserves & Cadets Charitable Incorporated Organisation**

## **Financial Statements**

**Year ended 31 March 2021**

	<b>Page</b>
Trustees' annual report	<b>1</b>
Independent examiner's report to the trustees	<b>4</b>
Statement of financial activities	<b>5</b>
Statement of financial position	<b>6</b>
Notes to the financial statements	<b>7</b>

# **The Welsh Reserves & Cadets Charitable Incorporated Organisation**

## **Trustees' Annual Report**

### **Year ended 31 March 2021**

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 March 2021.

#### **Reference and administrative details**

<b>Registered charity name</b>	The Welsh Reserves & Cadets Charitable Incorporated Organisation
<b>Charity registration number</b>	1157182
<b>Principal office</b>	Maindy Barracks Cardiff CF14 3YE

#### **The trustees**

Major John Charles TD DL  
Commander Peter Machin RD DL RNR  
Commander Robert Reid RNR  
Sdn Ldr (Ret) Peter Sinclair  
Mr G Thomas

<b>Independent examiner</b>	Mr Jonathan Rhodes BSc BFP FCA Walter Hunter & Co Limited 24 Bridge Street Newport South Wales NP20 4SF
-----------------------------	--

#### **Structure, governance and management**

The Wales Reserves and Cadets CIO ("WRC-CIO") was first registered on 23 May 2014 and it was established under a "foundation" model constitution which sets out its objects and powers.

On 8 July 2014, the assets, liabilities and activities of The Glamorgan Private Fund were transferred to WRC-CIO.

WRC-CIO is governed by a Board of Trustees which shall be appointed by The Reserve Forces & Cadet's Association for Wales ("RFCA for Wales").

The day-to-day management of the CIO is undertaken by RFCA for Wales.

#### **Appointment and induction of trustees**

There were no changes in the trustees during the year.

The trustees are selected to be reflective of all areas of Wales, and being tri-service, the branch of the military they served under.

# **The Welsh Reserves & Cadets Charitable Incorporated Organisation**

## **Trustees' Annual Report** *(continued)*

**Year ended 31 March 2021**

### **Objectives and activities**

The object of WRC-CIO is to promote the efficiency of the armed forces of the crown by any exclusively charitable means and in particular, but not limited to, support for the reserves and cadets of the Army, Royal Navy and Royal Air Force.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

### **Achievements and performance**

During the year the charity distributed £21,038 (2020: £23,531) to various units by way of small grants.

### **Financial review**

#### **Principal funding sources and how expenditure in the year under review has supported the key objectives of the charity**

The charity's income is investment income derived from the charity's assets of equities and bank deposits.

The charity has appointed Barclays Wealth, a part of Barclays Bank plc financial division, to act as its broker and financial advisers. The trustees have adopted an ethical policy in relation to its investments in stocks and shares in consultation with its financial advisers. This policy is kept under review.

#### **Availability and adequacy of assets of each of the funds**

The trustees are satisfied that the charity's assets are available and adequate to fulfil its obligations.

The trustees consider the current state of the charity's finances to be sound.

#### **Transactions and financial position**

The Statement of Financial Activities show net incoming resources, after net gains on investments, for the year of £206,683 (2020: outgoing £137,156).

The total reserves at the year end stand at £1,160,206 (2020: £953,523).

#### **Specific changes in fixed assets**

The charity's stocks and shares portfolio is managed by Barclays Wealth. Disposals and acquisitions of stocks and shares have taken place during the year upon the advice of these investment managers.

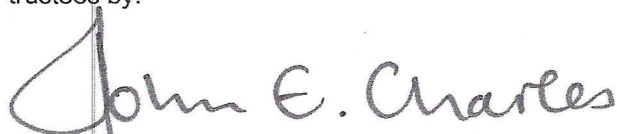
Further details of the movement in fixed asset investments during the year is shown in note 11 to the accounts.

# **The Welsh Reserves & Cadets Charitable Incorporated Organisation**

## **Trustees' Annual Report** *(continued)*

**Year ended 31 March 2021**

The trustees' annual report was approved on 7 October 2021 and signed on behalf of the board of trustees by:

A handwritten signature in dark ink that reads "John E. Charles". The signature is written in a cursive style with a large initial 'J'.

Major John Charles TD DL  
Trustee

# **The Welsh Reserves & Cadets Charitable Incorporated Organisation**

## **Independent Examiner's Report to the Trustees of The Welsh Reserves & Cadets Charitable Incorporated Organisation**

**Year ended 31 March 2021**

I report to the trustees on my examination of the financial statements of The Welsh Reserves & Cadets Charitable Incorporated Organisation ('the charity') for the year ended 31 March 2021.

### **Responsibilities and basis of report**

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

### **Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Mr Jonathan Rhodes BSc BFP FCA  
Independent Examiner

Walter Hunter & Co Limited  
24 Bridge Street  
Newport  
South Wales  
NP20 4SF

7 October 2021

# The Welsh Reserves & Cadets Charitable Incorporated Organisation

## Statement of Financial Activities

Year ended 31 March 2021

		2021		2020
		Restricted	Total funds	Total funds
	Note	funds	£	£
<b>Income and endowments</b>				
Investment income	4	29,630	<u>29,630</u>	<u>36,259</u>
<b>Total income</b>		<u>29,630</u>	<u>29,630</u>	<u>36,259</u>
<b>Expenditure</b>				
Expenditure on charitable activities	5,6	26,299	<u>26,299</u>	<u>28,906</u>
<b>Total expenditure</b>		<u>26,299</u>	<u>26,299</u>	<u>28,906</u>
<b>Net income</b>		<u>3,331</u>	<u>3,331</u>	<u>7,353</u>
<b>Other recognised gains and losses</b>				
Gains/(losses) from revaluation of fixed assets		203,352	<u>203,352</u>	<u>(144,509)</u>
<b>Net movement in funds</b>		206,683	<u>206,683</u>	<u>(137,156)</u>
<b>Reconciliation of funds</b>				
Total funds brought forward		953,523	<u>953,523</u>	<u>1,090,679</u>
<b>Total funds carried forward</b>		<u>1,160,206</u>	<u>1,160,206</u>	<u>953,523</u>

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.

All funds are held as restricted funds to be used for the objectives of the organisation as set out in the Trustees Report.

The notes on pages 7 to 11 form part of these financial statements.

# The Welsh Reserves & Cadets Charitable Incorporated Organisation

## Statement of Financial Position

31 March 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Investments	11	1,119,381	919,091
<b>Current assets</b>			
Cash at bank and in hand		43,707	37,167
<b>Creditors: amounts falling due within one year</b>	12	<u>2,882</u>	<u>2,735</u>
<b>Net current assets</b>		<u>40,825</u>	<u>34,432</u>
<b>Total assets less current liabilities</b>		<u>1,160,206</u>	<u>953,523</u>
<b>Net assets</b>		<u>1,160,206</u>	<u>953,523</u>
<b>Funds of the charity</b>			
Restricted income funds:			
Revaluation reserve		254,497	51,611
Other restricted income funds		<u>905,709</u>	<u>901,912</u>
<b>Total charity funds</b>	13	<u>1,160,206</u>	<u>953,523</u>

These financial statements were approved by the board of trustees and authorised for issue on 7 October 2021 and are signed on behalf of the board by:

*John E. Charles*

Major John Charles TD DL  
Trustee

The notes on pages 7 to 11 form part of these financial statements.

# **The Welsh Reserves & Cadets Charitable Incorporated Organisation**

## **Notes to the Financial Statements**

### **Year ended 31 March 2021**

#### **1. General information**

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is Maindy Barracks, Cardiff, CF14 3YE.

#### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

#### **3. Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Since March 2020 the Covid-19 pandemic has seriously affected the UK generally. As a charity we have taken all necessary steps to combat the effects of the virus and to ensure that the charity is able to continue to operate.

##### **Going concern**

There are no material uncertainties about the charity's ability to continue.

##### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **Fund accounting**

All funds are held as restricted funds to promote the efficiency of the armed forces of the crown by any exclusively charitable means and in particular, but not limited to, the support of the reserves and cadets of the Army, Royal Navy and Royal Air Force by way of grant-making activities.

##### **Incoming resources**

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

# The Welsh Reserves & Cadets Charitable Incorporated Organisation

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2021

#### 3. Accounting policies *(continued)*

##### Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities. All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

##### Investments

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

##### Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Where investments in shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

#### 4. Investment income

	Restricted Funds	Total Funds 2021	Restricted Funds	Total Funds 2020
	£	£	£	£
Income from cash investments	<u>29,630</u>	<u>29,630</u>	<u>36,259</u>	<u>36,259</u>

# The Welsh Reserves & Cadets Charitable Incorporated Organisation

## Notes to the Financial Statements (continued)

Year ended 31 March 2021

### 5. Expenditure on charitable activities by fund type

	Restricted Funds	Total Funds 2021	Restricted Funds	Total Funds 2020
	£	£	£	£
Distribution to units	21,038	21,038	23,531	23,531
Support costs	5,261	5,261	5,375	5,375
	<u>26,299</u>	<u>26,299</u>	<u>28,906</u>	<u>28,906</u>

### 6. Expenditure on charitable activities by activity type

	Grant funding of activities	Support costs	Total funds 2021	Total fund 2020
	£	£	£	£
Distribution to units	21,038	5,261	26,299	28,906

### 7. Analysis of support costs

	Distribution to units	Total 2021	Total 2020
	£	£	£
Finance costs	5	5	33
Stockbroker management fees	3,174	3,174	3,296
RFCA administration fee	750	750	750
Independent Examiner fee	1,332	1,332	1,296
	<u>5,261</u>	<u>5,261</u>	<u>5,375</u>

### 8. Taxation

As a charity, the CIO is exempt from tax on income and gains, to the extent that such income or gains are applied exclusively to charitable purposes. No tax charges have arisen in the charity.

### 9. Independent examination fees

	2021	2020
	£	£
Fees payable to the independent examiner for:		
Independent examination of the financial statements	<u>1,332</u>	<u>1,296</u>

### 10. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

# The Welsh Reserves & Cadets Charitable Incorporated Organisation

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

### 11. Investments

	Cash or cash equivalents £	Other investments £	Total £
<b>Cost or valuation</b>			
At 1 April 2020	2,427	916,664	919,091
Additions	32,533	—	32,533
Disposals	(32,691)	(2,904)	(35,595)
Fair value movements	—	203,352	203,352
<b>At 31 March 2021</b>	<b>2,269</b>	<b>1,117,112</b>	<b>1,119,381</b>
<b>Impairment</b>			
At 1 April 2020 and 31 March 2021		—	—
<b>Carrying amount</b>			
<b>At 31 March 2021</b>	<b>2,269</b>	<b>1,117,112</b>	<b>1,119,381</b>
At 31 March 2020	2,427	916,664	919,091

All investments shown above are held at fair value.

### 12. Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals and deferred income	2,882	2,735

# The Welsh Reserves & Cadets Charitable Incorporated Organisation

## Notes to the Financial Statements (continued)

Year ended 31 March 2021

### 13. Analysis of charitable funds

#### Restricted funds

	At 1 Apr 2020 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2021 £
Accumulated fund	901,912	29,630	(26,299)	466	—	905,709
Revaluation reserve	51,611	—	—	(466)	203,352	254,497
	<u>953,523</u>	<u>29,630</u>	<u>(26,299)</u>	<u>—</u>	<u>203,352</u>	<u>1,160,206</u>

	At 1 Apr 2019 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2020 £
Accumulated fund	894,087	36,259	(28,906)	472	—	901,912
Revaluation reserve	196,592	—	—	(472)	(144,509)	51,611
	<u>1,090,679</u>	<u>36,259</u>	<u>(28,906)</u>	<u>—</u>	<u>(144,509)</u>	<u>953,523</u>

### 14. Analysis of net assets between funds

	Restricted Funds £	Total Funds 2021 £
Investments	1,119,381	1,119,381
Current assets	43,707	43,707
Creditors less than 1 year	(2,882)	(2,882)
<b>Net assets</b>	<u>1,160,206</u>	<u>1,160,206</u>

	Restricted Funds £	Total Funds 2020 £
Investments	919,091	919,091
Current assets	37,167	37,167
Creditors less than 1 year	(2,735)	(2,735)
<b>Net assets</b>	<u>953,523</u>	<u>953,523</u>

### 15. Related parties

No transactions with related parties were undertaken such as are required to be disclosed under FRS 102.