

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

Unaudited Financial Statements

31 March 2024

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 2024

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The Welsh Reserves & Cadets Charitable Incorporated Organisation

Trustees' Annual Report

Year ended 31 March 2024

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 March 2024.

Reference and administrative details

Registered charity name	The Welsh Reserves & Cadets Charitable Incorporated Organisation
Charity registration number	1157182
Principal office	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

Independent examiner	Mr Jonathan Rhodes BSc BFP FCA 24 Bridge Street Newport South Wales NP20 4SF
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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.

During the year, the net assets and charitable activities of the following charities were transferred to this charity:

- Dyfed ACF Charitable Trust, charity number 1099263
- Friends of Gwent & Powys ACF, charity number 1145729

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 2024

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 £38,313 (2023: £28,844) 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 £171,871 (2023: outgoing £81,593). The net incoming resources for the year also includes the transfers from Dyfed ACF Charitable Trust (£42,991) and Friends of Gwent & Powys ACF (£57,542).

The total reserves at the year end stand at £1,300,522 (2023: £1,128,651).

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 12 to the accounts.

The Welsh Reserves & Cadets Charitable Incorporated Organisation

Trustees' Annual Report *(continued)*

Year ended 31 March 2024

The trustees' annual report was approved on 23 May 2024 and signed on behalf of the board of trustees by:

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 2024

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 2024.

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

24 Bridge Street
Newport
South Wales
NP20 4SF

23 May 2024

The Welsh Reserves & Cadets Charitable Incorporated Organisation

Statement of Financial Activities

Year ended 31 March 2024

		2024	2023
		Restricted funds	Total funds
	Note	£	£
Income and endowments			
Investment income	4	34,859	34,859
Total income		<u>34,859</u>	<u>34,859</u>
Expenditure			
Expenditure on charitable activities	5,6	44,079	44,079
Total expenditure		<u>44,079</u>	<u>44,079</u>
Net expenditure		<u>(9,220)</u>	<u>(9,220)</u>
Transfer of net assets	11, 15	100,533	100,533
Other recognised gains and losses			
Gains/(losses) from revaluation of fixed assets		80,558	80,558
Net movement in funds		<u>171,871</u>	<u>171,871</u>
Reconciliation of funds			
Total funds brought forward		1,128,651	1,128,651
Total funds carried forward		<u>1,300,522</u>	<u>1,300,522</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 2024

	Note	2024 £	2023 £
Fixed assets			
Investments	12	1,285,147	1,097,913
Current assets			
Debtors	13	12,542	—
Cash at bank and in hand		6,053	34,598
		<u>18,595</u>	<u>34,598</u>
Creditors: amounts falling due within one year	14	<u>3,220</u>	<u>3,860</u>
Net current assets		15,375	30,738
Total assets less current liabilities		1,300,522	1,128,651
Net assets		<u>1,300,522</u>	<u>1,128,651</u>
Funds of the charity			
Restricted income funds:			
Revaluation reserve		318,582	238,150
Other restricted income funds		981,940	890,501
Total charity funds	15	<u>1,300,522</u>	<u>1,128,651</u>

These financial statements were approved by the board of trustees and authorised for issue on 23 May 2024, and are signed on behalf of the board by:

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 2024

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.

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 2024

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 2024	Restricted Funds	Total Funds 2023
	£	£	£	£
Income from cash investments	<u>34,859</u>	<u>34,859</u>	<u>33,307</u>	<u>33,307</u>

The Welsh Reserves & Cadets Charitable Incorporated Organisation

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

5. Expenditure on charitable activities by fund type

	Restricted Funds	Total Funds 2024	Restricted Funds	Total Funds 2023
	£	£	£	£
Distribution to units	38,313	38,313	28,844	28,844
Support costs	5,766	5,766	5,549	5,549
	<u>44,079</u>	<u>44,079</u>	<u>34,393</u>	<u>34,393</u>

6. Expenditure on charitable activities by activity type

	Grant funding of activities	Support costs	Total funds 2024	Total fund 2023
	£	£	£	£
Distribution to units	<u>38,313</u>	<u>5,766</u>	<u>44,079</u>	<u>34,393</u>

7. Analysis of support costs

	Distribution to units	Total 2024	Total 2023
	£	£	£
Finance costs	22	22	15
Stockbroker management fees	3,374	3,374	3,224
RFCA administration fee	750	750	750
Independent Examiner fee	<u>1,620</u>	<u>1,620</u>	<u>1,560</u>
	<u>5,766</u>	<u>5,766</u>	<u>5,549</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

	2024	2023
	£	£
Fees payable to the independent examiner for:		
Independent examination of the financial statements	<u>1,620</u>	<u>1,560</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.

11. Transfer of net assets

During the year, the net assets and charitable activities of the following charities were transferred to this charity:

- Dyfed ACF Charitable Trust, charity number 1099263 - £42,991
- Friends of Gwent & Powys ACF, charity number 1145729 - £57,542

The Welsh Reserves & Cadets Charitable Incorporated Organisation

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

12. Investments

	Cash or cash equivalents £	Other investments £	Total £
Cost or valuation			
At 1 April 2023	2,210	1,095,703	1,097,913
Additions	146,493	108,926	255,419
Disposals	(147,109)	(1,634)	(148,743)
Fair value movements	–	80,558	80,558
At 31 March 2024	1,594	1,283,553	1,285,147
Impairment			
At 1 April 2023 and 31 March 2024		–	–
Carrying amount			
At 31 March 2024	1,594	1,283,553	1,285,147
At 31 March 2023	2,210	1,095,703	1,097,913

All investments shown above are held at valuation.

13. Debtors

	2024 £	2023 £
Other debtors	12,542	–

14. Creditors: amounts falling due within one year

	2024 £	2023 £
Accruals and deferred income	3,220	3,860

The Welsh Reserves & Cadets Charitable Incorporated Organisation

Notes to the Financial Statements *(continued)*

Year ended 31 March 2024

15. Analysis of charitable funds

Restricted funds

	At 1 Apr 2023 £	Income £	Expenditure £	Transfer of net assets (Note 11) £	Gains and losses £	At 31 Mar 2024 £
Welsh Reserves & Cadets Fund	1,128,651	34,261	(44,079)	–	70,524	1,189,357
Dyfed ACF	–	249	–	42,991	3,025	46,265
Friends of Gwent & Powys ACF	–	349	–	57,542	7,009	64,900
	<u>1,128,651</u>	<u>34,859</u>	<u>(44,079)</u>	<u>100,533</u>	<u>80,558</u>	<u>1,300,522</u>

	At 1 Apr 2022 £	Income £	Expenditure £	Transfer of net assets (Note 11) £	Gains and losses £	At 31 Mar 2023 £
Welsh Reserves & Cadets Fund	1,210,244	33,307	(34,393)	–	(80,507)	1,128,651
Dyfed ACF	–	–	–	–	–	–
Friends of Gwent & Powys ACF	–	–	–	–	–	–
	<u>1,210,244</u>	<u>33,307</u>	<u>(34,393)</u>	<u>–</u>	<u>(80,507)</u>	<u>1,128,651</u>

16. Analysis of net assets between funds

	Restricted Funds £	Total Funds 2024 £
Investments	1,285,147	1,285,147
Current assets	18,595	18,595
Creditors less than 1 year	(3,220)	(3,220)
Net assets	<u>1,300,522</u>	<u>1,300,522</u>

	Restricted Funds £	Total Funds 2023 £
Investments	1,097,913	1,097,913
Current assets	34,598	34,598
Creditors less than 1 year	(3,860)	(3,860)
Net assets	<u>1,128,651</u>	<u>1,128,651</u>

17. Related parties

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