

**The Royal Welsh Regimental Welfare and Benevolence  
Foundation Charitable Incorporated Organisation**

**Financial Statements**

**31 March 2023**

**WALTER HUNTER & CO LIMITED**

Chartered accountants & statutory auditor  
24 Bridge Street  
Newport  
South Wales  
NP20 4SF

# **The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation**

## **Financial Statements**

**Year ended 31 March 2023**

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# The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation

## Trustees' Annual Report

Year ended 31 March 2023

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The trustees present their report and the financial statements of the charity for the year ended 31 March 2023.

### Reference and administrative details

**Registered charity name** The Royal Welsh Regimental Welfare and Benevolence Foundation  
Charitable Incorporated Organisation

**Charity registration number** 1166089

**Principal office** Maindy Barracks  
Cardiff  
CF14 3YE

### The trustees

Major (Retd) MFH Adler TD  
Captain (Retd) JEE Barham  
Major General CBK Barry CBE - Chairman (Ex Officio)  
Lt Col DL Evans (Appointed 9 September 2022)  
Captain (Retd) DJ Hitchcock OBE  
Colonel NJ Lock OBE  
Captain (Retd) RJE Minter-Kemp  
Lt Col MS Powell (Resigned 9 September 2022)  
Lt Col RC Streatfeild (Resigned 1 August 2022)  
Lt Col EMG Willcox (Appointed 1 August 2022)

**Auditor** Walter Hunter & Co Limited  
Chartered accountants & statutory auditor  
24 Bridge Street  
Newport  
South Wales  
NP20 4SF

**Bankers** The Royal Bank of Scotland  
Holt's Farnborough Branch  
Lawrie House  
Victoria Road  
Farnborough  
GU14 7NR

**Investment manager** Evelyn Partners  
45 Gresham Street  
London  
EC2V 7BG

# **The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation**

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

**Year ended 31 March 2023**

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

#### **Governing document**

The Royal Welsh Regimental Welfare and Benevolence Foundation was first registered on 16 March 2016 but did not commence operation until 18th July 2017. The net assets and charitable activities of the following charities were transferred on this date:

- The Royal Regiment of Wales Common Investment Fund (charity numbers 1085032 and 266388);
- Regimental Association The Royal Welsh (charity number 1153759);
- The Regiment of Wales Benevolent Fund (charity number 264120).

#### **Organisational structure**

The Board of trustees meet at least twice a year to receive the annual accounts, discuss major policy issues and campaigns, and agree priorities for action. The charity does not have any employees. All decisions are made by the trustees, however, the day-to-day management of the charity is undertaken by the Regimental Secretary.

#### **Trustee recruitment and induction**

Trustees are recruited from serving, and former, members of the regiment.

The Trustees have been offered trustee training from the Investment Manager, Evelyn Partners. Annual training will be offered at the next full meeting of the Board in June 2023.

# **The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation**

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

**Year ended 31 March 2023**

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### **Objectives and activities**

#### **Objects and aims of the charity**

1. To promote the efficiency of the Armed Forces of the Crown in general and in particular, the efficiency of the Royal Welsh or any component or predecessor regiment or unit by any charitable means the charity trustees may decide, including without limitation:
  - a) fostering esprit de corps and comradeship and supporting cadet units affiliated to the Royal Welsh;
  - b) assisting members of the Royal Welsh, or any component or predecessor regiment or unit, or any personnel attached to those regiments, with their transition to civilian life, in particular without limitation by providing education to aid with re-settlement and assisting them to find employment;
  - c) fostering and preserving the history, heritage, traditions, and military accomplishments of the Royal Welsh and any component or predecessor regiment or unit, including without limitation by supporting a museum or museums, archives and collections; and
  - d) commemorating and remembering the members of the Royal Welsh, or any component or predecessor regiment or unit, who have died while on active service and to encourage public recognition of the sacrifice made by such persons; and in particular without limitation to provide memorials to commemorate the fallen or victories, and maintain regimental chapels or churches;
2. To advance the education of members of the Royal Welsh, or any component or predecessor regiment or unit;
3. To relieve hardship, distress or need among members and former members of the Royal Welsh, or any component or predecessor regiment or unit, members of families and other dependents, including without limitation by providing financial support to families or other dependents on those who have lost their lives on active service;
4. To promote and protect the health of those that have been wounded or injured, whether on active service or otherwise, whilst serving in the Royal Welsh, or any component or predecessor regiment or unit, at the charity trustees' discretion; and
5. Such other exclusively charitable purposes relating to the Royal Welsh or any component or predecessor regiment or unit, as the charity trustees in their absolute discretion think fit.

The main activities undertaken in relation to the above are noted throughout this report.

The charity measures its success by reviewing if it has fulfilled all the benevolence cases that were identified to the Regimental Head Quarters during the year.

# The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation

## Trustees' Annual Report *(continued)*

Year ended 31 March 2023

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### Objectives and activities *(continued)*

#### Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The fund achieves its objects by the provision of charitable grants to individuals and families of the Regimental Family for the purpose of promoting the efficiency of the Armed Forces of the Crown, particularly by supporting the Regiment's veterans in their time of need. The charity provides this benevolence independently and in conjunction with such Service Charities as The Royal British Legion and The ABF The Soldiers' Charity to meet requirements that are not met by public services. The trustees recognise the benefits that this brings to The Regiment and the Army in helping to fulfil their covenant to the veterans, through providing support to the grave.

The trustees consider, therefore, that the charity more than meets the requirement to provide public benefit under the charitable "head" of "the promotion of the efficiency of the Armed Forces of the Crown".

#### Policies adopted

The trustees have adopted additional policies which do not permit the making of loans to potential beneficiaries of the charity (see objects of the charity above).

#### Grant making policy

Any grants awarded by the charity are at the discretion of the trustees. Depending on the value of the grant requested, grants will be referred to the board of trustees for their approval.

### Achievements and performance

During the past financial year the Foundation has seen a steady increase in grants being made post pandemic. It has made the following grants:

- 1st Battalion £75,839
- 3rd Battalion £13,525
- ACF in Wales £2,142
- Adventure training and sports etc. £753
- Fund benevolence and hardship cases totalling £19,416.41 for 95 cases.
- Benevolence grants were made to
  - SP Energy Retail Ltd in respect of the VC Gallery of Haverfordwest
  - Valda Energy Ltd in respect of VC Gallery of Pembroke Dock
  - The Corps of Drums
  - Merthyr Tydfil Comrades
  - Soldier's flights to Jamaica to attend a funeral
  - The Big Ordeal – Ex RRW Officer
  - The ABF The Soldiers Charity
  - Friends of Llandaff Cathedral
  - Friends of Brecon Cathedral
  - The SWB War Memorial Chapel Fund
  - Gorazde Memorial Ride – 2 x Royal Welsh Officers
- Fund buglers to play the Last Post at veterans' funerals

# The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation

## Trustees' Annual Report *(continued)*

Year ended 31 March 2023

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### Achievements and performance *(continued)*

#### Investment performance

The trustees were satisfied with the management of the fund's investments which generated income of £80,260 (2022: £81,776, 3.5% yield), a yield of just over 3.2% on the book cost of the listed investments.

The charity has an Investment Sub-Committee which is responsible for addressing all investment issues relating to the trustees of The Royal Welsh Regimental Welfare and Benevolence Foundation. The objectives of the Sub-Committee are as follows:

- To implement effectively the investment strategy agreed by the charity trustees; and
- With the participation of the duly appointed Investment Advisor to review the investment strategy from time to time, and recommend changes to the Board.

The Committee reports to the Board on its activities and the performance of the Scheme on a six-monthly basis. This will usually coincide with the six month interim and final reports from the Investment Advisor. This committee will prepare plans for the six month period ahead and back brief the full Board meeting accordingly.

#### Financial review

The charity achieved the following results during the year:

	Benevolence restricted £	Welfare unrestricted £	Welfare restricted £	Total £
Surplus/(Deficit) before investment losses	5,909	(60,420)	(1,066)	(55,577)
Investment losses	(106,869)	(106,869)	—	(213,738)
Total deficit for year	<u>(100,960)</u>	<u>(167,289)</u>	<u>(1,066)</u>	<u>(269,315)</u>

#### Reserves policy

Reserves will be held at a level for contingencies, opportunities and commitments to be met, to mitigate all risks associated with the charity's operations and to allow the charity to respond quickly to emergencies where immediate relief is needed. The trustees have examined the requirement for free reserves which are those unrestricted funds not invested in fixed asset investments, designated for specific purposes or otherwise committed.

The free reserves of the charity at the year end totalled £26,833 (2022: £119,043).

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure.

# The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation

## Trustees' Annual Report *(continued)*

Year ended 31 March 2023

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### Financial review *(continued)*

#### Investment policy

The overall investment policy of the charity can be stated as maximising the total return on investments for an acceptable level of risk that is commensurate with achieving a specified level of income. The investments objective is to achieve a balance between capital growth and a steady and growing level of income from a multi asset portfolio predominantly investing in bonds and equities. The risk profile of the portfolio is deemed as medium. This will be reviewed by the Investment Sub-Committee from time to time and any recommendation to change must be ratified by both the Investment Manager and the Board.

#### Benchmarking

- The portfolio will be measured against the MSCI PIMFA Balanced Index as the primary benchmark.
- The primary benchmark (being 17.5% UK government bonds, 33.8% UK Equities, 36.7% overseas Equities, 10% Alternatives and 5% Cash) will be used for additional relative analysis, subject to agreement with the Investment Manager of the percentage allocations by country and sector.
- Further analysis of the portfolio will also be undertaken against the ARC Balanced Asset Charity and ARC Sterling GBP Steady Growth Charity Indices for performance and risk analysis against other charities with similar objectives.

#### Risks

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The principal risks and uncertainties facing the charity as identified by the trustees are as follows:

- Substantial fall in investment income - the charity meets with its Investment Managers twice yearly to ensure that they are satisfied with the risk and return on the portfolio.
- Significant incident occurring on an operation which may require the charity to provide significant financial aid - the charity reviews its funds and finances regularly to ensure that should such an event occur the charity has sufficient reserves and funds to fulfil its commitments.
- Significant fall in investment value due to circumstances outside the control of the charity.

#### Plans for future periods

The charity's future plans consist of maximising its investment return to enable it to carry out its charitable aims and objectives which will enable the charity to provide increased support and assistance to its beneficiaries.

#### Trustees' responsibilities statement

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).



# **The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation**

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

### **Year ended 31 March 2023**

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The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity 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 applicable 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 charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' annual report was approved on 6 June 2023 and signed on behalf of the board of trustees by:

Major General CBK Barry CBE - Chairman (Ex Officio)  
Trustee

# **The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation**

## **Independent Auditor's Report to the Members of The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation**

**Year ended 31 March 2023**

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### **Opinion**

We have audited the financial statements of The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **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 charity 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 trustees' 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 charity'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.

# **The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation**

## **Independent Auditor's Report to the Members of The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation** (continued)

**Year ended 31 March 2023**

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### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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, the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

# **The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation**

## **Independent Auditor's Report to the Members of The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation** *(continued)*

**Year ended 31 March 2023**

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### **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

" By enquiring with senior management and those charged with governance all areas of risk identified were considered and any potential litigation or claim, if any, were noted

- Ensuring by enquiry that there were no issues of non-compliance with laws and regulations relating to tax and compliance

- By obtaining an understanding of the company's policies and procedures on compliance with laws and regulations, and with best accounting practice

- Noting issues discussed with the Board and the Senior Management Team as this relates to risks faced by the company

- Reviewing disclosures in the financial statements and testing to supporting documentation to assess compliance with applicable laws and regulations

- Auditing the risk of management override of controls including testing journal entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business

- Considering the effect on risk to the company of the Covid-19 pandemic and the UK's departure from the EU. In particular to note whether any such issues would affect the company's ability to continue to operate.

Through these procedures, we did not become aware of actual or suspected non-compliance.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

# **The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation**

## **Independent Auditor's Report to the Members of The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation**

*(continued)*

**Year ended 31 March 2023**

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Use of our report**

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Jonathan Rhodes BSc BFP FCA (Senior Statutory Auditor)

For and on behalf of  
Walter Hunter & Co Limited  
Chartered accountants & statutory auditor  
24 Bridge Street  
Newport  
South Wales  
NP20 4SF

6 June 2023

# The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation

## Statement of Financial Activities

Year ended 31 March 2023

			2023		2022
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
<b>Income and endowments</b>					
Donations and legacies	4	6,118	7,829	13,947	15,057
Charitable activities	5	32,496	33,822	66,318	70,021
Other trading activities	6	9,693	8,016	17,709	21,824
Investment income	7	40,418	40,418	80,836	81,787
<b>Total income</b>		<u>88,725</u>	<u>90,085</u>	<u>178,810</u>	<u>188,689</u>
<b>Expenditure</b>					
Expenditure on raising funds:					
Investment management costs	8	12,142	12,142	24,284	26,865
Expenditure on charitable activities	9,10	128,764	81,339	210,103	138,449
<b>Total expenditure</b>		<u>140,906</u>	<u>93,481</u>	<u>234,387</u>	<u>165,314</u>
Net (losses)/gains on investments	14	(106,869)	(106,869)	(213,738)	131,202
<b>Net (expenditure)/income</b>		<u>(159,050)</u>	<u>(110,265)</u>	<u>(269,315)</u>	<u>154,577</u>
Transfers between funds		(8,239)	8,239	–	–
<b>Net movement in funds</b>		<u>(167,289)</u>	<u>(102,026)</u>	<u>(269,315)</u>	<u>154,577</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		1,148,447	2,237,444	3,385,891	3,231,314
<b>Total funds carried forward</b>		<u>981,158</u>	<u>2,135,418</u>	<u>3,116,576</u>	<u>3,385,891</u>

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

The notes on pages 15 to 29 form part of these financial statements.

# The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation

## Statement of Financial Position

31 March 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Investments	18	3,016,198	3,253,490
<b>Current assets</b>			
Debtors	19	8,400	7,863
Cash at bank and in hand		108,513	137,702
		116,913	145,565
<b>Creditors: amounts falling due within one year</b>	20	16,535	13,164
<b>Net current assets</b>		100,378	132,401
<b>Total assets less current liabilities</b>		3,116,576	3,385,891
<b>Net assets</b>		3,116,576	3,385,891
<b>Funds of the charity</b>			
Restricted funds		2,135,418	2,237,444
Unrestricted funds		981,158	1,148,447
<b>Total charity funds</b>	21	3,116,576	3,385,891

These financial statements were approved by the board of trustees and authorised for issue on 6 June 2023, and are signed on behalf of the board by:

Major General CBK Barry CBE - Chairman (Ex Officio)  
Trustee

The notes on pages 15 to 29 form part of these financial statements.

# The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation

## Statement of Cash Flows

Year ended 31 March 2023

	2023 £	2022 £
<b>Cash flows from operating activities</b>		
Net (expenditure)/income	(269,315)	154,577
<i>Adjustments for:</i>		
Net (losses)/gains on investments	213,738	(131,202)
Dividends, interest and rents from investments	(80,260)	(81,776)
Other interest receivable and similar income	(576)	(11)
Accrued expenses/(income)	3,371	(278)
<i>Changes in:</i>		
Trade and other debtors	(537)	(799)
Cash generated from operations	(133,579)	(59,489)
Interest received	576	11
Net cash used in operating activities	<u>(133,003)</u>	<u>(59,478)</u>
<b>Cash flows from investing activities</b>		
Dividends, interest and rents from investments	80,260	81,776
Purchases of other investments	(440,633)	(558,606)
Proceeds from sale of other investments	464,187	589,594
Net cash from investing activities	<u>103,814</u>	<u>112,764</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(29,189)	53,286
<b>Cash and cash equivalents at beginning of year</b>	137,702	84,416
<b>Cash and cash equivalents at end of year</b>	<u>108,513</u>	<u>137,702</u>

The notes on pages 15 to 29 form part of these financial statements.



# **The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation**

## **Notes to the Financial Statements**

**Year ended 31 March 2023**

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### **1. General information**

The Royal Welsh Regimental Welfare and Benevolence Foundation is a charitable incorporated organisation and a public benefit entity. 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. Monetary amounts in these financial statements are rounded to the nearest £.

#### **Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

#### **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**

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

# The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation

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

Year ended 31 March 2023

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

#### 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:

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or Deeds of Covenant is recognised at the time of the donation.

Income from the Days Pay Scheme is included in the period to which the income relates.

Investment income is recognised at the time the investment income is receivable. Interest on funds held on deposit included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

#### Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on raising funds relates to the management charges from the charity's investment brokers to administer the portfolio. These are charged quarterly in arrears.

Expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable activities and their associated support costs.

Support costs have been allocated between governance cost and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs include the central functions and have been allocated to activity costs categories on a basis consistent with the use of resources.

Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised once the recipient of the grant has provided the specified service or output. Where there are no conditions attaching to the grant that enables the donor charity to realistically avoid the commitment, a liability for the full obligation must be recognised.

#### Investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

# **The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation**

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

**Year ended 31 March 2023**

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

#### **Cash and cash equivalents**

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

# The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation

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

### Year ended 31 March 2023

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

##### Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which included debtors and cash and bank balances, are initially measured at transaction price including transactions costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classed as receivable within one year are not amortised.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of the ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

# The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation

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

Year ended 31 March 2023

### 4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
<b>Donations</b>			
Royal Welsh Club	–	5,939	5,939
The Regimental Journal - Y Cymry Brenhinol	–	1,890	1,890
General donations	6,118	–	6,118
	<u>6,118</u>	<u>7,829</u>	<u>13,947</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
<b>Donations</b>			
Royal Welsh Club	–	570	570
The Regimental Journal - Y Cymry Brenhinol	–	2,455	2,455
General donations	10,044	1,988	12,032
	<u>10,044</u>	<u>5,013</u>	<u>15,057</u>

### 5. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Days Pay Scheme	<u>32,496</u>	<u>33,822</u>	<u>66,318</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Days Pay Scheme	<u>34,310</u>	<u>35,711</u>	<u>70,021</u>

### 6. Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Rugby	2,510	–	2,510
PRI income	7,183	–	7,183
Grant income	–	–	–
Memorial income	–	216	216
Officers society	–	7,800	7,800
	<u>9,693</u>	<u>8,016</u>	<u>17,709</u>

# The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation

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

Year ended 31 March 2023

### 6. Other trading activities *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Rugby	2,840	–	2,840
PRF income	5,951	–	5,951
Grant income	–	2,400	2,400
Memorial income	1,875	–	1,875
Officers society	–	8,758	8,758
	<u>10,666</u>	<u>11,158</u>	<u>21,824</u>

### 7. Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Income from listed investments	40,130	40,130	80,260
Bank interest receivable	288	288	576
	<u>40,418</u>	<u>40,418</u>	<u>80,836</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Income from listed investments	40,888	40,888	81,776
Bank interest receivable	6	5	11
	<u>40,894</u>	<u>40,893</u>	<u>81,787</u>

### 8. Investment management costs

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Portfolio management	<u>12,142</u>	<u>12,142</u>	<u>24,284</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Portfolio management	<u>13,432</u>	<u>13,433</u>	<u>26,865</u>

# The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation

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

Year ended 31 March 2023

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

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Charitable activities	124,450	76,065	200,515
Support costs	4,314	5,274	9,588
	<u>128,764</u>	<u>81,339</u>	<u>210,103</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Charitable activities	63,878	66,341	130,219
Support costs	4,115	4,115	8,230
	<u>67,993</u>	<u>70,456</u>	<u>138,449</u>

# The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation

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

Year ended 31 March 2023

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

	Activities undertaken directly	Grant funding of activities	Support costs	Total funds 2023	Total fund 2022
	£	£	£	£	£
Charitable activities	82,759	117,756	62	200,577	130,267
Governance costs	—	—	9,526	9,526	8,182
	<u>82,759</u>	<u>117,756</u>	<u>9,588</u>	<u>210,103</u>	<u>138,449</u>

Activities directly undertaken can be further analysed as:

	2023 £	2022 £
Benevolence	20,093	20,058
Colonel of the Regiment	50	52
Community Engagements	—	1,077
Comrades	701	255
General expenses	3,416	5,841
Memorials	1,777	2,317
Officers' Society	8,866	10,134
PRI expenditure	11,811	6,669
RMAS	2,572	2,497
Recruiting	11,412	11,000
Refreshments & hosting	269	96
RHQ expenses	4,263	4,847
Royal Welsh Club	3,167	557
Rugby expenses	2,512	2,842
Wreaths	1,721	1,251
Y Cymry Brenhinol expenses	10,129	9,540
	<u>82,759</u>	<u>79,033</u>
Grants (note 12)	117,756	51,186
Share of support costs (note 11)	62	48
Share of governance costs (note 11)	9,526	8,182
	<u>210,103</u>	<u>138,449</u>
Analysis by fund		
Unrestricted funds	128,764	67,993
Restricted funds	81,339	70,456
	<u>210,103</u>	<u>138,449</u>



# The Royal Welsh Regimental Welfare and Benevolence Foundation

## Charitable Incorporated Organisation

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

Year ended 31 March 2023

#### 11. Analysis of support costs

	Charitable activities	Governance costs	Total 2023	Total 2022
	£	£	£	£
Bank charges	62	–	62	48
Audit fees	–	6,000	6,000	5,450
Accountancy fees	–	2,566	2,566	2,732
Legal fees	960	–	960	–
	<u>1,022</u>	<u>8,566</u>	<u>9,588</u>	<u>8,230</u>

#### 12. Analysis of grants

##### Benevolence Grants:

	2023	2022
	£	£
ABF The Soldiers Charity	10,716	10,404
The Royal Welsh Club	4,000	–
Corp of Drums	75	75
SP Energy Retail Limited	2,400	2,400
Valda Energy Limited	2,000	–
1R Welsh	7,092	6,388
The Friends of Brecon Cathedral	20	20
The Friends of Llandaff Cathedral	100	25
Other benevolence grants	1,815	700
	<u>28,218</u>	<u>20,012</u>

##### Welfare Grants:

	2023	2022
	£	£
1R Welsh	68,747	23,090
3R Welsh	13,525	3,027
Clwyd & Gwynedd ACF	–	2,080
Dyfed & Glamorgan ACF	2,142	–
Zulu King's Coronation	1,521	–
RRW Pontypridd Comrades Branch	–	1,000
Officers' Society	–	1,000
Offa Community Council	3,000	–
Other welfare grants	603	977
	<u>89,538</u>	<u>31,174</u>
<b>Total Grants</b>	<u>117,756</u>	<u>51,186</u>

The charity awarded grants to 15 institutions (2022: 15) and 12 individuals (2022: 1) during the year.

# The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation

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

Year ended 31 March 2023

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### 13. Taxation

As a charity, the Foundation 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.

### 14. Net (losses)/gains on investments

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Gains/(losses) on listed investments	(106,869)	(106,869)	(213,738)

  

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Gains/(losses) on listed investments	65,601	65,601	131,202

### 15. Employees

The charity had no employees during the financial year (2022: none).

### 16. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees (2022: £nil).

No trustees were reimbursed for expenses during the year (2022: £nil).

### 17. Transfers between funds

A transfer of £8,239 (2022: £7,085) has been made from unrestricted reserves to the Y Cymry Brenhinol restricted reserve. This represents the charity's contribution to the production of Y Cymry Brenhinol, the annual Regimental journal.

# The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation

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

Year ended 31 March 2023

### 18. Investments

	Cash or cash equivalents £	Listed investments £	Total £
<b>Cost or valuation</b>			
At 1 April 2022	76,378	3,177,112	3,253,490
Additions	80,243	360,390	440,633
Disposals	(106,903)	(357,284)	(464,187)
Fair value movements	–	(213,738)	(213,738)
<b>At 31 March 2023</b>	<u>49,718</u>	<u>2,966,480</u>	<u>3,016,198</u>
<b>Impairment</b>			
At 1 April 2022 and 31 March 2023			–
<b>Carrying amount</b>			
<b>At 31 March 2023</b>	<u>49,718</u>	<u>2,966,480</u>	<u>3,016,198</u>
At 31 March 2022	<u>76,378</u>	<u>3,177,112</u>	<u>3,253,490</u>

All investments shown above are held at valuation.

#### Financial assets held at fair value

The investment portfolio is managed by Evelyn Partners and is valued at closing market value on 31 March 2023.

### 19. Debtors

	<b>2023</b>	2022
	£	£
Trade debtors	5,734	6,823
Prepayments and accrued income	2,666	1,040
	<u>8,400</u>	<u>7,863</u>

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

	<b>2023</b>	2022
	£	£
Accruals and deferred income	<u>16,535</u>	<u>13,164</u>

# The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation

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

Year ended 31 March 2023

### 21. Analysis of charitable funds

#### Unrestricted funds

	At 1 Apr 2022 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2023 £
General funds	1,140,609	81,542	(129,095)	(8,239)	(106,869)	977,948
PRI fund	7,838	7,183	(11,811)	—	—	3,210
	<u>1,148,447</u>	<u>88,725</u>	<u>(140,906)</u>	<u>(8,239)</u>	<u>(106,869)</u>	<u>981,158</u>

	At 1 Apr 2021 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2022 £
General funds	1,066,886	89,963	(74,756)	(7,085)	65,601	1,140,609
PRI fund	8,556	5,951	(6,669)	—	—	7,838
	<u>1,075,442</u>	<u>95,914</u>	<u>(81,425)</u>	<u>(7,085)</u>	<u>65,601</u>	<u>1,148,447</u>

# The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation

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

Year ended 31 March 2023

### 21. Analysis of charitable funds *(continued)*

#### Restricted funds

	At 1 Apr 2022 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2023 £
Benevolence fund	2,229,255	74,456	(71,319)	–	(106,869)	2,125,523
The Regimental Journal - Y Cymry Brenhinol	–	1,890	(10,129)	8,239	–	–
The Officers' Society Fund	8,176	7,800	(8,866)	–	–	7,110
Royal Welsh Club	13	5,939	(3,167)	–	–	2,785
	<u>2,237,444</u>	<u>90,085</u>	<u>(93,481)</u>	<u>8,239</u>	<u>(106,869)</u>	<u>2,135,418</u>

  

	At 1 Apr 2021 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Mar 2022 £
Benevolence fund	2,146,320	80,992	(63,658)	–	65,601	2,229,255
The Regimental Journal - Y Cymry Brenhinol	–	2,455	(9,540)	7,085	–	–
The Officers' Society Fund	9,552	8,758	(10,134)	–	–	8,176
Royal Welsh Club	–	570	(557)	–	–	13
	<u>2,155,872</u>	<u>92,775</u>	<u>(83,889)</u>	<u>7,085</u>	<u>65,601</u>	<u>2,237,444</u>

# The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation

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

### Year ended 31 March 2023

#### 21. Analysis of charitable funds *(continued)*

##### **Welfare fund**

The fund represents income which can only be spent on specific items which fall under the welfare restricted fund category.

##### **Benevolence fund**

The fund represents income which can only be spent on specific items which fall under the benevolence restricted fund category. Examples of qualifying expenditure include repairs and adaptations to ex-service men and women's homes, assistance with mobility and assistance with priority debt such as rent arrears or light and heating costs.

##### **The Regimental Journal - Y Cymry Brenhinol**

This is the Regimental Journal of the Royal Welsh. It is produced annually and is a full colour, 100+ page magazine. The journal is distributed to regular and reserve officers and soldiers, comrades, regimental bereaved widows and their families and other key people in Wales. It usually has a circulation of 1,500 copies.

##### **The Officers' Society**

The Officers' Society organises lunches and dinners with the main event being the Annual Dinner, usually taking place in November in Cardiff. It also uses funds to subsidise sporting events for all members of the Regimental Family.

##### **Royal Welsh Club**

The Royal Welsh Club is a restricted fund which represents income and expenditure in respect of mental health and wellbeing. The club aims to provide support to veterans and organise get togethers and events such as coffee mornings for veterans to meet and discuss any issues they may be experiencing.

#### 22. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Investments	954,325	2,061,873	3,016,198
Current assets	37,351	79,562	116,913
Creditors less than 1 year	(10,518)	(6,017)	(16,535)
<b>Net assets</b>	<b>981,158</b>	<b>2,135,418</b>	<b>3,116,576</b>

  

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Investments	1,029,404	2,224,086	3,253,490
Current assets	125,597	19,968	145,565
Creditors less than 1 year	(6,554)	(6,610)	(13,164)
<b>Net assets</b>	<b>1,148,447</b>	<b>2,237,444</b>	<b>3,385,891</b>

# The Royal Welsh Regimental Welfare and Benevolence Foundation Charitable Incorporated Organisation

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

Year ended 31 March 2023

### 23. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2023 £	2022 £
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Financial assets that are debt instruments measured at amortised cost	<u>166,631</u>	<u>221,943</u>
<b>Financial assets that are equity instruments measured at cost less impairment</b>		
Financial assets that are equity instruments measured at cost less impairment	<u>2,966,480</u>	<u>3,177,112</u>
<b>Financial liabilities measured at amortised cost</b>		
Financial liabilities measured at amortised cost	<u>16,535</u>	<u>13,164</u>

### 24. Analysis of changes in net debt

	At 1 Apr 2022 £	Cash flows £	At 31 Mar 2023 £
Cash at bank and in hand	<u>137,702</u>	<u>(29,189)</u>	<u>108,513</u>