

THE MERCIAN REGIMENTAL CHARITY

England & Wales · Charity number 1177059

Details

Status Registered

Legal form CIO

Registered 2018-02-08

Register [View on the Charity Commission register](#)

Contact

Address Regimental Headquarters
The Mercian Regiment
Whittington Barracks
Lichfield
WS14 9TJ

Phone 01543434353

Email pamela.mear703@mod.gov.uk

Activities

Objects: 1) TO PROMOTE THE EFFICIENCY OF THE REGIMENT IN SUCH CHARITABLE WAYS AS THE TRUSTEES MAY DECIDE;2) THE PRESERVATION OF THE MEMORIALS AND CHAPELS OF THE REGIMENT AND THE FORMER REGIMENTS, INCLUDING THE PRESERVATION IN PERPETUITY OF THE CRICH MEMORIAL AND ITS GROUNDS;3) TO SUPPORT OTHER CHARITABLE PURPOSE OR PURPOSES OF OR CONNECTED WITH THE REGIMENT OR THE FORMER REGIMENTS AS THE TRUSTEES MAY FROM TIME TO TIME DECIDE

Activities: THE AIMS OF THE CHARITY IS TO PROMOTE THE EFFICIENCY OF THE REGIMENT, THE PRESERVATION AND MAINTENANCE OF THE MEMORIALS AND CHAPELS OF THE REGIMENT AND FORMER REGIMENTS.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Buildings/facilities/open Space
- **What:** Environment/conservation/heritage, Armed Forces/emergency Service Efficiency
- **Who:** Other Defined Groups

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£273,546	£201,364	-	-
2024-03-31	£274,679	£304,275	-	-
2023-03-31	£152,591	£151,410	-	-
2022-03-31	£140,563	£264,116	-	-
2021-03-31	£157,398	£162,721	-	-

Trustees

Name	Role	Appointed
LT GEN SIR IAN CAVE KCB	Chair	2013-06-07
BRIG PHILIP KIMBER OBE		2017-06-23
Brig Charles Ginn CBE		2022-01-19
Brig Simon Banton OBE		2017-06-23
COL ADRIAN WALTON MBE		
LT COL ANDREW LAWSON		2025-09-01
LT COL Mark Jackson OBE		
LT COL NEIL MACKINTOSH		2020-06-23
LT COL NEIL PARKINSON OBE		2025-09-30
MAJ MARK BANKS		2024-10-30
MARK ELLIOTT		2013-11-26

THE MERCIAN REGIMENTAL CHARITY

England & Wales - Charity number 1177059

Accounts

The Mercian Regimental Charity

Trustees' Report and Financial Statements

For the Year Ended 31 March 2025



The Mercian Regimental Charity

Contents

	Page
Reference and administrative details of the CIO, its Trustees and advisers	1 - 2
Trustees' report	3 - 7
Independent examiner's report	8 - 9
Statement of financial activities	10
Balance sheet	11
Notes to the financial statements	12 - 28

The Mercian Regimental Charity

Reference and Administrative Details of the CIO, its Trustees and Advisers For the Year Ended 31 March 2025

Trustees

Lt Gen Sir Ian Cave KCB, Chairman and Colonel of the Regiment
Brig (Retd) S Banton OBE, Deputy Colonel Heritage
Brig (Retd) C Ginn CBE, Deputy Colonel CME
Brig (Retd) P Kimber OBE, Deputy Colonel Finance
Col (Retd) A Walton MBE
Lt Col G Brown, CO1 Mercian (resigned 30 September 2025)
Lt Col C Whitting, CO4 Mercian (resigned 1 September 2025)
Lt Col (Retd) M Jackson OBE
Lt Col (Retd) N Mackintosh
Maj (Retd) M Banks
Mr M Elliott
Lt Col N Parkinson OBE, CO1 Mercian (appointed 30 September 2025)
Lt Col A Lawson, CO4 Mercian (appointed 1 September 2025)

Charity registered number 1177059

Principal office

Regimental Headquarters
The Mercian Regiment
Whittington Barracks
Lichfield
Staffordshire
WS14 9TJ

Financial secretary Mrs P Mear

Accountants

Dains Audit Limited
2 Chamberlain Square
Birmingham
B3 3AX

Bankers

Lloyds Bank plc
22 Conduit Street
Lichfield
WS13 6JS

CAF Bank
25 Kings Hill Avenue
West Malling
ME19 4JQ

Royal Bank of Scotland
200 Fowler Avenue
Farnborough
GU14 7JP

The Mercian Regimental Charity

**Reference and Administrative Details of the CIO, its Trustees and Advisers (continued)
For the Year Ended 31 March 2025**

Investment Managers	Rathbones Group Plc 30 Gresham Street London EC2V 7QN
----------------------------	--

The Mercian Regimental Charity

Trustees' Report For the Year Ended 31 March 2025

The Trustees present their annual report together with the financial statements of the CIO for the year 1 April 2024 to 31 March 2025.

Objectives and activities

a. Policies and objectives

The principal objectives of the The Mercian Regimental Charity are:

- Promote the efficiency of the Regiment.
- Preserve memorials and chapels of the Regiment and the former Regiments, including preservation in perpetuity of Crich Memorial and grounds.
- Make grants to any other charity or organisation for the benefit of the Regiment or former Regiments.
- Provide for the upkeep and maintenance of any museum of or related to the Regiment or former Regiments and their contents and in acquiring new exhibits.
- Provide for the preservation, repair, maintenance, replacement, safe custody, and exhibition of chattels, trophies and memorials of the Regiment and the former Regiments.
- Provide for the compilation and reproduction by printing, photographing, or otherwise of records, histories and documents of the Regiment and former Regiments, including the expenses of a Regimental Journal (known as the Mercian Eagle), newsletter, and website.
- Maintaining and preserving the traditions and spirit of the Regiment and the former Regiments and maintaining communication between past and present members of the Regiment and former Regiments.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Main activities undertaken to further the CIO's purposes for the public benefit

The main activities of the charity to further its charitable purposes for the public benefit have been undertaken in the following areas by:

- Providing grants for the efficiency of the Regiment, and to any other charity of the Regiment, for the benefit of the Regiment or the former Regiments.
- Funding the maintenance and upkeep of the memorials and chapels of the Regiment, and its former Regiments, including The Crich Memorial.
- Funding the maintenance and preservation of the chattels of the Regiment and the former Regiments.
- Serving members of the Mercian Regiment are entitled to apply for grants towards adventure training and sport.
- Day's Pay scheme presentations are given throughout the year to all serving members of the Mercian Regiment to keep them informed of the benefits of donating to their Regimental Charities.
- Funding support is also given to key Regimental events, including Remembrance and freedom parades.

The Mercian Regimental Charity

Trustees' Report (continued) For the Year Ended 31 March 2025

Achievements and performance

a. Main achievements of the CIO

The largest portion of income for The Mercian Regimental Charity is monthly contributions made by serving members of The Mercian Regiment under a salary sacrifice scheme called the Day's Pay Scheme. Reservists joined the scheme in April 2018. The income is paid to the Regimental Charity and 51% is transferred to The Mercian Benevolent Charity. The Regimental Charity's share this financial year was £56K, this being a slight increase from the previous financial years (2019: £45K; 2020: £46K; 2021: £48K; 2022: £49K, 2023: £50K, 2024: £49K).

Plans continue for the Laying up of the 2nd Battalion's Colours, which will include a freedom parade for The Mercian Regiment, where the Colours will be on parade for the final time, prior to them be presented to the Dean of Lichfield Cathedral, where they shall remain.

Crich

The memorial garden at Crich was formally opened in June 2023. Incorporated with the opening was the launch of Crich Remembrance plaques to raise some additional funds.

July 2023 was a poignant year as it was the Centenary of Crich; it was marked by hosting a dinner the night before the Pilgrimage and a slightly more elaborate pilgrimage was hosted commemorate the occasion.

The site requires a sit on mower, which is now ten years old, investigations have started to replace the John Deere.

b. Investment policy and performance

An investment strategy for the Charity was approved by the Trustees, recognising the long-term nature of the Charity and its obligations. The objective is to grow the income and reserves of the Charity while having sufficient liquidity to meet foreseeable needs in the short term.

Investec Wealth and Investment was appointed Investment Manager in August 2012. The intention is that investments will be in a multi asset income portfolio spread across a number of collective investment vehicles and asset classes.

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

In October 2018 the process was completed for transferring the Mercian Regimental Charity 1117653 assets to the CIO registered as The Mercian Regimental Charity 1177059.

The Mercian Regimental Charity

Trustees' Report (continued) For the Year Ended 31 March 2025

b. Reserves policy

The free reserves of the CIO totalled £148,701 at the balance sheet date (2024 - £126,939).

The capital assets (minus the Bond Fund) of Mercian Regimental Charity assets represented within the assets shall not fall below £1.75m.

If that level is breached at any time, expenditure shall be reduced so that no further cash is drawn down to make up any deficit of expenditure over income. Instead, all income generated by the remaining capital shall be re-invested until the reserve level of £1.75m has been restored.

Crich Restricted Fund within Mercian Regimental Charity

The capital value of the Crich Fund shall not fall below £300,000. If that level is breached at any time, the trustees will review and reduce expenditure and/or cause a fund-raising campaign to be launched and/or transfer capital from Mercian Regimental Charity.

c. Principal funding

The principle sources of funding for the Mercian Regimental Charity has been from the salary sacrifice scheme, referred to as the 'Days Pay Scheme' from serving members of the Mercian Regiment. The Charity also receives dividend income from the investment portfolio.

The restricted fund Crich Memorial Fund has benefitted from fundraising income where the organiser of the annual Mercian golf event split the proceeds between The Mercian Regiment Benevolent Charity and Crich. The Memorial Fund also receives some donations from the public, directly into the charity bank account.

Structure, governance and management

a. Constitution

Declarations of Trust in relation to The Mercian Regimental Charity and The Mercian Regiment Benevolent Charity ("the Charities") were made on 7th December 2006 and these were sealed by the Charity Commission on 23rd January 2007. The charities were registered as linked charities with the Charity Registration No. 1117653. The Trustees elected to separately register The Mercian Regiment Benevolent Charity with effect from 1st April 2008, the Charity Commission agreed to this request.

The charities were created in anticipation of the formation of the Mercian Regiment on 21st August 2007 by the merger of the 22nd (Cheshire) Regiment, The Worcester and Sherwood Foresters Regiment and The Staffordshire Regiment (The Prince of Wales's) together with elements of the West Midlands Regiment, a Territorial Army unit. All three regular army regiments worked together to create The Mercian Regimental Charity and agreed that on the formation of the new Regiment they would transfer their charitable assets and responsibilities to the Charity.

The Trustees agreed to transfer The Mercian Regimental Charity 1117653 trust to a charitable incorporated organisation (CIO). The Mercian Regimental Charity 1177059 CIO was registered with the Charity Commission on 8th February 2018.

The Mercian Regimental Charity

Trustees' Report (continued) For the Year Ended 31 March 2025

Structure, governance and management (continued)

b. Methods of appointment or election of Trustees

The constitution of the CIO, dated 8th February 2018, started with 15 trustees and states the composition of the Council being: The Colonel of the Regiment, Deputy Colonels of the Regiment - (Heritage, previously referred to as RRCM now CME, Finance & Benevolence), Commanding Officers, non-executive member, plus non-voting members a secretary and a treasurer. The trustees are recorded in the register of members.

c. Policies adopted for the induction and training of Trustees

The constitution states that each new charity trustee will be provided a copy of the current constitution and a copy of the CIO's latest trustees report and statement of accounts.

Selected trustees and staff attend seminars organised by the charity's fund managers that include governance and investment.

d. Organisational structure

The trustees, all of whom are members of the Council of the Mercian Regiment, meet biannually. There are subcommittees comprising of members where at least two of them are members of the Council. The subcommittees have clearly defined written terms of reference dealing with such matters as Heritage, CME, Finance and Associations; committee reports are provided to the Council.

Detailed annual budgets are prepared and submitted to the Council for approval, and variances scrutinised. The subcommittees meet at least twice a year, overseeing all aspects of the management of the finances.

e. Financial risk management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. Financial accounting by the Finance Officer is supervised by the Chairman of the Finance Committee. The Charity employs a communications officer who works at the Lichfield RHQ. The Charity also employs a warden to caretake the Crich site and it provided with tied accommodation.

Plans for future periods

The Trustees are planning several events, one being laying up of 2nd Battalion's Colours, as well as a Mercian Regimental Association event, some hosting, along with the normal cyclical events such as the production of the annual journal, Remembrance and annual pilgrimage, to name but a few.

The Trustees and solicitors completed the transition of the Charity registered number 1117653 to a Charitable Incorporated Organisation registered number 1177059, the Charity Commission incorporated the CIO on 26th October 2018.

Presentations about the Mercian charities and salary sacrifice scheme are planned in the new financial year, for serving personnel to inform them of what is available to them and how they can donate to their charity.

The Mercian Regimental Charity

Trustees' Report (continued) For the Year Ended 31 March 2025

Chattels

These are comprised of Regimental trophies, pictures and silverware, much of which were presentation and cost is not ascertainable. Each month a section of chattels is checked and annually a full inspection is carried out.

A new improved system is being investigated for presentation to the Trustees for their consideration.

With the news that the 2nd Battalion was to disband, a considerable amount of planning went into the retrieving, packing and dispersing prior to the actual pack. The retrieval took place but unpacking, cataloguing, restoration where necessary and reallocating is ongoing.

Statement of Trustees' responsibilities

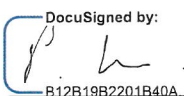
The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the CIO and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 CIO will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the CIO's transactions and disclose with reasonable accuracy at any time the financial position of the CIO and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the CIO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees on 27 November 2025 and signed on their behalf by:

DocuSigned by:

B12B19B2201B40A

Brig (Retd) P Kimber OBE
Deputy Colonel Finance

The Mercian Regimental Charity

Independent Examiner's Report For the Year Ended 31 March 2025

Independent Examiner's Report to the Trustees of The Mercian Regimental Charity ('the CIO')

I report to the charity Trustees on my examination of the accounts of the CIO for the year ended 31 March 2025.

Responsibilities and Basis of Report

As the Trustees of the CIO you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

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

Independent Examiner's Statement

Since the CIO's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the ICAEW, which is one of the listed bodies.

Your attention is drawn to the fact that the CIO has prepared the accounts in accordance with Accounting and Reporting by Charities: 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no 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 CIO as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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.

This report is made solely to the CIO's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the CIO's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the CIO and the CIO's Trustees as a body, for my work or for this report.

The Mercian Regimental Charity

**Independent Examiner's Report (continued)
For the Year Ended 31 March 2025**

Signed:



Dated: 27 November 2025

Andrew Morris FCA

Dains Audit Limited
Birmingham

The Mercian Regimental Charity

Statement of financial activities
For the Year Ended 31 March 2025

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:					
Donations and legacies	3	60,208	107,149	167,357	151,765
Fundraising	4	15,613	10,417	26,030	40,202
Investments	5	68,501	11,658	80,159	82,712
Total income		144,322	129,224	273,546	274,679
Expenditure on:					
Raising funds	6	71,234	6,794	78,028	89,884
Charitable activities		93,516	29,820	123,336	214,391
Total expenditure		164,750	36,614	201,364	304,275
Net income/(expenditure) before investments		(20,428)	92,610	72,182	(29,596)
Net (losses)/gains on investments		(4,115)	845	(3,270)	164,931
Net movement in funds		(24,543)	93,455	68,912	135,335
Reconciliation of funds:					
Total funds brought forward		2,635,869	454,098	3,089,967	2,954,632
Net movement in funds		(24,543)	93,455	68,912	135,335
Total funds carried forward		2,611,326	547,553	3,158,879	3,089,967

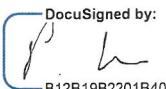
The notes on pages 12 to 28 form part of these financial statements.

The Mercian Regimental Charity
Registered number:

Balance sheet
As at 31 March 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	11	6,891	3,655
Investments	12	3,003,287	2,927,172
		<u>3,010,178</u>	<u>2,930,827</u>
Current assets			
Debtors	13	35,970	45,110
Cash at bank and in hand		124,179	193,920
		<u>160,149</u>	<u>239,030</u>
Current liabilities			
Creditors: amounts falling due within one year	14	(11,448)	(79,890)
		<u>148,701</u>	<u>159,140</u>
Total net assets		<u><u>3,158,879</u></u>	<u><u>3,089,967</u></u>
Charity funds			
Restricted funds	15	547,553	454,098
Unrestricted funds	15	2,611,326	2,635,869
Total funds		<u><u>3,158,879</u></u>	<u><u>3,089,967</u></u>

The financial statements were approved and authorised for issue by the Trustees on 27 November 2025 and signed on their behalf by:

DocuSigned by:

 B12B19B2201B40A

Brig (Retd) P Kimber OBE
 Deputy Colonel Finance

The notes on pages 12 to 28 form part of these financial statements.

The Mercian Regimental Charity

Notes to the Financial Statements For the Year Ended 31 March 2025

1. General information

The Mercian Regimental Charity is a private Charitable Incorporated Organisation (CIO) registered with the Charity Commission in England & Wales. Its registered number and registered office address are given on page 1. The CIO's objects and principal activities are set out in the Trustees' Report

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Mercian Regimental Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the CIO has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

2.3 Income

All income is recognised once the CIO has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the CIO has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the CIO, can be reliably measured.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

The Mercian Regimental Charity

Notes to the Financial Statements For the Year Ended 31 March 2025

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the CIO to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the CIO's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the CIO; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the CIO assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Mercian Regimental Charity

Notes to the Financial Statements For the Year Ended 31 March 2025

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Plant and machinery	- 10%-20% straight-line
Equipment	- 10%-20% straight-line
Crockery and cutlery	- 10% straight-line

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the CIO anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.11 Financial instruments

The CIO only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

The Mercian Regimental Charity

Notes to the Financial Statements
For the Year Ended 31 March 2025

2. Accounting policies (continued)

2.12 Pensions

The CIO operates a defined contribution pension scheme and the pension charge represents the amounts payable by the CIO to the fund in respect of the year.

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the CIO and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the CIO for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Donations	655	107,149	107,804
Subscriptions and legacies	7,726	-	7,726
Other voluntary income	2,000	-	2,000
Day's Pay Scheme	49,827	-	49,827
Total 2025	60,208	107,149	167,357

The Mercian Regimental Charity

Notes to the Financial Statements
For the Year Ended 31 March 2025

3. Income from donations and legacies (continued)

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Donations	82,941	7,783	90,724
Subscriptions and legacies	8,482	-	8,482
Other voluntary income	1,762	-	1,762
Day's Pay Scheme	50,797	-	50,797
	<u>143,982</u>	<u>7,783</u>	<u>151,765</u>

4. Income from fundraising

Income from fundraising events

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Car park	-	4,098	4,098
Field and stable rental	-	2,164	2,164
Tower admission	-	1,855	1,855
Café income	-	780	780
Shop income	9,613	-	9,613
Other income	6,000	1,520	7,520
	<u>15,613</u>	<u>10,417</u>	<u>26,030</u>

The Mercian Regimental Charity

Notes to the Financial Statements
For the Year Ended 31 March 2025

4. Income from fundraising (continued)

Income from fundraising events (continued)

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Car park	-	2,949	2,949
Field and stable rental	-	2,164	2,164
Tower admission	-	2,128	2,128
Café income	-	325	325
Shop income	8,690	-	8,690
Other income	10,342	13,604	23,946
	<u>19,032</u>	<u>21,170</u>	<u>40,202</u>

5. Investment income

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Investment income	66,153	11,091	77,244
Deposit account interest	2,348	567	2,915
	<u>68,501</u>	<u>11,658</u>	<u>80,159</u>

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Investment income	68,181	11,966	80,147
Deposit account interest	2,565	-	2,565
	<u>70,746</u>	<u>11,966</u>	<u>82,712</u>

The Mercian Regimental Charity

Notes to the Financial Statements
For the Year Ended 31 March 2025

6. Expenditure on raising funds

Investment management

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Investment management fees	15,951	2,974	18,925

The Mercian Regimental Charity

Notes to the Financial Statements
For the Year Ended 31 March 2025

6. Expenditure on raising funds (continued)

Investment management (continued)

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Investment management fees	15,387	2,536	17,923

Fundraising trading expenses

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Goods for resale	14,898	-	14,898
Crich site	-	3,820	3,820
Regimental dinner costs	4,940	-	4,940
Events	8,500	-	8,500
Wages and salaries	24,303	-	24,303
Social security	2,100	-	2,100
Pension costs	542	-	542
	<u>55,283</u>	<u>3,820</u>	<u>59,103</u>

The Mercian Regimental Charity

Notes to the Financial Statements
For the Year Ended 31 March 2025

6. Expenditure on raising funds (continued)

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Goods for resale	9,970	-	9,970
Crich site	-	12,938	12,938
Events	15,084	-	15,084
Events	6,700	-	6,700
Wages and salaries	24,582	-	24,582
Social security costs	2,137	-	2,137
Pension costs	550	-	550
	<u>59,023</u>	<u>12,938</u>	<u>71,961</u>

7. Analysis of expenditure on charitable activities

	Activities undertaken directly 2025 £	Support costs 2025 £	Total funds 2025 £
Furtherance of the charity's objects	<u>110,926</u>	<u>12,410</u>	<u>123,336</u>

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £
Furtherance of the charity's objects	<u>208,833</u>	<u>5,558</u>	<u>214,391</u>

The Mercian Regimental Charity

Notes to the Financial Statements
For the Year Ended 31 March 2025

7. Analysis of expenditure on charitable activities (continued)

Analysis of direct costs

	Activities 2025 £	Total funds 2025 £	Total funds 2024 £
Staff costs	24,614	24,614	22,368
Depreciation	1,065	1,065	3,506
Marketing	27,850	27,850	23,956
Heritage costs	18,784	18,784	18,892
RMAS officer	1,620	1,620	1,680
GIA for Worcester Museum	-	-	100,000
Eagle journal costs	6,445	6,445	8,203
RHQ costs	236	236	1,830
Other direct costs	30,312	30,312	28,398
	<u>110,926</u>	<u>110,926</u>	<u>208,833</u>

Analysis of support costs

	Activities 2025 £	Total funds 2025 £	Total funds 2024 £
Insurance	1,496	1,496	1,520
RHQ administration	344	344	112
Other support costs	7,306	7,306	956
Governance	3,264	3,264	2,970
	<u>12,410</u>	<u>12,410</u>	<u>5,558</u>

The Mercian Regimental Charity

Notes to the Financial Statements
For the Year Ended 31 March 2025

8. Staff costs

	2025	2024
	£	£
Wages and salaries	46,613	45,179
Social security costs	3,922	3,724
Pension costs	1,024	734
	<u>51,559</u>	<u>49,637</u>

The average number of persons employed by the CIO during the year was as follows:

	2025	2024
	No.	No.
Staff	<u>2</u>	<u>2</u>

No employee received remuneration amounting to more than £60,000 in either year.

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2024 - £NIL).

During the year ended 31 March 2025, no Trustee expenses have been incurred (2024 - £NIL).

10. Net income/(expenditure)

	2025	2024
	£	£
Depreciation of tangible fixed assets	1,065	3,506
Pension contributions	1,024	734
Independent examiner's fee	<u>3,200</u>	<u>2,970</u>

The Mercian Regimental Charity

Notes to the Financial Statements
For the Year Ended 31 March 2025

11. Tangible fixed assets

	Plant and machinery £	Equipment £	Crockery and cutlery £	Total £
Cost or valuation				
At 1 April 2024	-	6,879	27,000	33,879
Additions	4,301	-	-	4,301
At 31 March 2025	<u>4,301</u>	<u>6,879</u>	<u>27,000</u>	<u>38,180</u>
Depreciation				
At 1 April 2024	-	3,224	27,000	30,224
Charge for the year	260	805	-	1,065
At 31 March 2025	<u>260</u>	<u>4,029</u>	<u>27,000</u>	<u>31,289</u>
Net book value				
At 31 March 2025	<u>4,041</u>	<u>2,850</u>	<u>-</u>	<u>6,891</u>
At 31 March 2024	<u>-</u>	<u>3,655</u>	<u>-</u>	<u>3,655</u>

The Mercian Regimental Charity

Notes to the Financial Statements
For the Year Ended 31 March 2025

12. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2024	2,927,172
Additions	1,360,189
Disposals	(1,209,510)
Revaluations	(9,270)
Cash trading movements	(65,294)
	<u>3,003,287</u>
At 31 March 2025	<u><u>3,003,287</u></u>
Net book value	
At 31 March 2025	3,003,287
	<u>2,927,172</u>
At 31 March 2024	<u><u>2,927,172</u></u>

13. Debtors

	2025 £	2024 £
Trade debtors	26,899	27,525
Other debtors	-	269
Prepayments and accrued income	9,071	17,316
	<u>35,970</u>	<u>45,110</u>
	<u><u>35,970</u></u>	<u><u>45,110</u></u>

The Mercian Regimental Charity

Notes to the Financial Statements
For the Year Ended 31 March 2025

14. Creditors: Amounts falling due within one year

	2025	2024
	£	£
Trade creditors	-	3
Accruals and deferred income	11,448	79,887
	<u>11,448</u>	<u>79,890</u>
	<u><u>11,448</u></u>	<u><u>79,890</u></u>

Included in creditors is deferred income of £1,313 (2024 - £1,313) in respect of field rental income and fundraising events planned for the next financial year.

The Mercian Regimental Charity

Notes to the Financial Statements
For the Year Ended 31 March 2025

15. Statement of funds

Statement of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2025 £
Unrestricted funds					
General Funds	2,635,869	144,322	(164,750)	(4,115)	2,611,326
Restricted funds					
Crich	454,098	129,224	(36,614)	845	547,553
Total of funds	3,089,967	273,546	(201,364)	(3,270)	3,158,879

The specific purposes for which funds are to be applied are as follows:

Restricted Fund - Crich

The Mercian Regimental War Memorial is situated in Crich, Derbyshire. Annually a pilgrimage is held at the site. There is a bungalow on site, which is occupied by the Warden who is employed by the Mercian Regimental Charity. The Restricted fund pay for all associated costs for Crich, which include wages for the warden, utility bills for the tower and any necessary repairs and grounds maintenance expenditure.

Income comes in Crich through visitors parking their cars on site and entry fees being paid to go up in the tower. The warden runs a coffee shop of which a rent is paid to the charity each month. Rent is also received for the letting out of fields.

The Mercian Regimental Charity

Notes to the Financial Statements
For the Year Ended 31 March 2025

15. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Unrestricted funds						
General Funds - all funds	2,529,259	233,760	(252,044)	(13,826)	138,720	2,635,869
Restricted funds						
Crich	425,373	40,919	(52,231)	13,826	26,211	454,098
Total of funds	2,954,632	274,679	(304,275)	-	164,931	3,089,967

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	5,850	1,041	6,891
Fixed asset investments	2,483,912	519,375	3,003,287
Current assets	131,559	28,590	160,149
Creditors due within one year	(9,995)	(1,453)	(11,448)
Total	2,611,326	547,553	3,158,879

The Mercian Regimental Charity

Notes to the Financial Statements For the Year Ended 31 March 2025

16. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	3,655	-	3,655
Fixed asset investments	2,505,275	421,897	2,927,172
Current assets	205,196	33,834	239,030
Creditors due within one year	(78,257)	(1,633)	(79,890)
Total	2,635,869	454,098	3,089,967

17. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £1,024 (2024 - £734). No amounts were outstanding at either balance sheet date.

The pension expense is allocated to restricted funds on the basis that one member of staff is employed to work at the Crich site and therefore that employee's pension cost is treated as restricted.

18. Related party transactions

The Mercian Regiment Benevolent Charity (registered charity number 1125179) is a related party by virtue of being governed by the same board of trustees. At the balance sheet date, an amount of £Nil (2024 - £Nil) was owed from The Mercian Regiment Benevolent Charity.

THE MERCIAN REGIMENTAL CHARITY

England & Wales - Charity number 1177059

Accounts

The Mercian Regimental Charity

Trustees' Report and Financial Statements

For the year ended 31 March 2024



The Mercian Regimental Charity

Contents

	Page
Reference and administrative details of the CIO, its Trustees and advisers	1 - 2
Trustees' report	3 - 7
Independent examiner's report	8 - 9
Statement of financial activities	10
Balance sheet	11
Notes to the financial statements	12 - 27

The Mercian Regimental Charity

Reference and Administrative Details of the CIO, its Trustees and Advisers For the year ended 31 March 2024

Trustees

Lt Gen Sir Ian Cave KCB, Chairman and Colonel of the Regiment
Brig (Retd) S Banton OBE, Deputy Colonel Heritage
Brig C Ginn CBE, Deputy Colonel RRCM
Brig (Retd) P Kimber OBE, Deputy Colonel Finance
Col (Retd) A Walton MBE
Lt Col G Brown, CO1 Mercian
Lt Col C Whitting, CO4 Mercian (appointed 27 April 2023)
Lt Col (Retd) M Jackson OBE
Lt Col (Retd) N Mackintosh
Maj (Retd) M Banks (appointed 30 October 2024)
Mr M Elliott
Lt Col R Spalton, CO4 Mercian (resigned 27 April 2023)

Charity registered number 1177059

Principal office

Regimental Headquarters
The Mercian Regiment
Whittington Barracks
Lichfield
Staffordshire
WS14 9TJ

Financial secretary Mrs P Mear

Accountants

Dains Audit Limited
2 Chamberlain Square
Birmingham
B3 3AX

Bankers

Lloyds Bank plc
22 Conduit Street
Lichfield
WS13 6JS

CAF Bank
25 Kings Hill Avenue
West Malling
ME19 4JQ

Royal Bank of Scotland
200 Fowler Avenue
Farnborough
GU14 7JP

The Mercian Regimental Charity

**Reference and Administrative Details of the CIO, its Trustees and Advisers (continued)
For the year ended 31 March 2024**

Investment Managers	Investec Wealth and Investment 30 Gresham Street London EC2V 7QN
----------------------------	---

The Mercian Regimental Charity

Trustees' report

For the year ended 31 March 2024

The Trustees present their annual report together with the financial statements of the CIO for the 1 April 2023 to 31 March 2024.

Objectives and activities

a. Objectives and aims

The principal objectives of the The Mercian Regimental Charity are:

- Promote the efficiency of the Regiment.
- Preserve memorials and chapels of the Regiment and the former Regiments, including preservation in perpetuity of Crich Memorial and grounds.
- Make grants to any other charity or organisation for the benefit of the Regiment or former Regiments.
- Provide for the upkeep and maintenance of any museum of or related to the Regiment or former Regiments and their contents and in acquiring new exhibits.
- Provide for the preservation, repair, maintenance, replacement, safe custody, and exhibition of chattels, trophies and memorials of the Regiment and the former Regiments.
- Provide for the compilation and reproduction by printing, photographing, or otherwise of records, histories and documents of the Regiment and former Regiments, including the expenses of a Regimental Journal (known as the Mercian Eagle), newsletter, and website.
- Maintaining and preserving the traditions and spirit of the Regiment and the former Regiments and maintaining communication between past and present members of the Regiment and former Regiments

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Main activities undertaken to further the CIO's purposes for the public benefit

The main activities of the charity to further its charitable purposes for the public benefit have been undertaken in the following areas by:

- Providing grants for the efficiency of the Regiment, and to any other charity of the Regiment, for the benefit of the Regiment or the former Regiments.
- Funding the maintenance and upkeep of the memorials and chapels of the Regiment, and its former Regiments, including The Crich Memorial.
- Funding the maintenance and preservation of the chattels of the Regiment and the former Regiments.
- Serving members of the Mercian Regiment are entitled to apply for grants towards adventure training and sport.
- Day's Pay scheme presentations are given throughout the year to all serving members of the Mercian Regiment to keep them informed of the benefits of donating to their Regimental Charities.
- Funding support is also given to key Regimental events, including Remembrance and freedom parades.

The Mercian Regimental Charity

Trustees' report (continued) For the year ended 31 March 2024

Achievements and performance

a. Review of activities of the CIO

The largest portion of income for The Mercian Regimental Charity is monthly contributions made by serving members of The Mercian Regiment under a salary sacrifice scheme called the Day's Pay Scheme. Reservists joined the scheme in April 2018. The income is paid to the Regimental Charity and 51% is transferred to The Mercian Benevolent Charity. The Regimental Charity's share this financial year was £50K, this being a slight increase from the previous financial years (2019: £45K; 2020: £46K; 2021: £48K; 2022: £49K, 2023: £50K).

Due to the pandemic some events for hosting and fundraising are still to be rescheduled. It is hoped that events will be arranged next financial year and work has been initiated to Lay the 2nd Battalion's Colours in Lichfield Cathedral.

Crich

The memorial garden at Crich was formally opened in June 2023. Incorporated with the opening was the launch of Crich Remembrance plaques to raise some additional funds.

July 2023 was a poignant year as it was the Centenary of Crich; it was marked by hosting a dinner the night before the Pilgrimage and a slightly more elaborate pilgrimage was hosted commemorate the occasion.

b. Investment policy and performance

An investment strategy for the Charity was approved by the Trustees, recognising the long-term nature of the Charity and its obligations. The objective is to grow the income and reserves of the Charity while having sufficient liquidity to meet foreseeable needs in the short term.

Investec Wealth and Investment was appointed Investment Manager in August 2012. The intention is that investments will be in a multi asset income portfolio spread across a number of collective investment vehicles and asset classes.

Financial review

a. Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

In October 2018 the process was completed for transferring the Mercian Regimental Charity 1117653 assets to the CIO registered as The Mercian Regimental Charity 1177059.

b. Reserves policy

The free reserves of the CIO totalled £126,939 at the balance sheet date (2023 - £110,074).

The capital assets (minus the Bond Fund) of Mercian Regimental Charity assets represented within the assets shall not fall below £1.75m.

The Mercian Regimental Charity

Trustees' report (continued) For the year ended 31 March 2024

If that level is breached at any time, expenditure shall be reduced so that no further cash is drawn down to make up any deficit of expenditure over income. Instead, all income generated by the remaining capital shall be re-invested until the reserve level of £1.75m has been restored.

Crich Restricted Fund within Mercian Regimental Charity

The capital value of the Crich Fund shall not fall below £300,000. If that level is breached at any time, the trustees will review and reduce expenditure and/or cause a fund-raising campaign to be launched and/or transfer capital from Mercian Regimental Charity.

c. Principal funding

The principle sources of funding for the Mercian Regimental Charity has been from the salary sacrifice scheme, referred to as the 'Days Pay Scheme' from serving members of the Mercian Regiment. The Charity also receives dividend income from the investment portfolio.

The restricted fund Crich Memorial Fund has benefitted from fundraising income where the organiser of the annual Mercian golf event split the proceeds between The Mercian Regiment Benevolent Charity and Crich. The Memorial Fund also receives some donations from the public, directly into the charity bank account.

Structure, governance and management

a. Constitution

Declarations of Trust in relation to The Mercian Regimental Charity and The Mercian Regiment Benevolent Charity ("the Charities") were made on 7th December 2006 and these were sealed by the Charity Commission on 23rd January 2007. The charities were registered as linked charities with the Charity Registration No. 1117653. The Trustees elected to separately register The Mercian Regiment Benevolent Charity with effect from 1st April 2008, the Charity Commission agreed to this request.

The charities were created in anticipation of the formation of the Mercian Regiment on 21st August 2007 by the merger of the 22nd (Cheshire) Regiment, The Worcester and Sherwood Foresters Regiment and The Staffordshire Regiment (The Prince of Wales's) together with elements of the West Midlands Regiment, a Territorial Army unit. All three regular army regiments worked together to create The Mercian Regimental Charity and agreed that on the formation of the new Regiment they would transfer their charitable assets and responsibilities to the Charity.

The Trustees agreed to transfer The Mercian Regimental Charity 1117653 trust to a charitable incorporated organisation (CIO). The Mercian Regimental Charity 1177059 CIO was registered with the Charity Commission on 8th February 2018.

b. Methods of appointment or election of Trustees

The constitution of the CIO, dated 8th February 2018, started with 15 trustees and states the composition of the Council being: The Colonel of the Regiment, Deputy Colonels of the Regiment - (Heritage, previously referred to as RRCM now CME, Finance & Benevolence), Commanding Officers, non-executive member, plus non-voting members a secretary and a treasurer. The trustees are recorded in the register of members.

The Mercian Regimental Charity

Trustees' report (continued) For the year ended 31 March 2024

Structure, governance and management (continued)

c. Policies adopted for the induction and training of Trustees

The constitution states that each new charity trustee will be provided a copy of the current constitution and a copy of the CIO's latest trustees report and statement of accounts.

Selected trustees and staff attend seminars organised by the charity's fund managers that include governance and investment.

d. Organisational structure

The trustees, all of whom are members of the Council of the Mercian Regiment, meet biannually. There are subcommittees comprising of members where at least two of them are members of the Council. The subcommittees have clearly defined written terms of reference dealing with such matters as Heritage, CME, Finance and Associations; committee reports are provided to the Council.

Detailed annual budgets are prepared and submitted to the Council for approval, and variances scrutinised. The subcommittees meet at least twice a year, overseeing all aspects of the management of the finances.

e. Financial risk management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. Financial accounting by the Finance Officer is supervised by the Chairman of the Finance Committee. The Charity employs a communications officer who works at the Lichfield RHQ. The Charity also employs a warden to caretake the Crich site and it provided with tied accommodation.

Plans for future periods

The Trustees having been dealing with the implications of the loss of the 2nd Battalion, which entailed packing, moving and relocating chattels and Regimental property. Furthermore, laying up of the colours continue to be planned.

The Trustees and solicitors completed the transition of the Charity registered number 1117653 to a Charitable Incorporated Organisation registered number 1177059, the Charity Commission incorporated the CIO on 26th October 2018.

Presentations about the Mercian charities and salary sacrifice scheme are planned in the new financial year, for serving personnel to inform them of what is available to them and how they can donate to their charity.

Chattels

These are comprised of Regimental trophies, pictures and silverware, much of which were presentation and cost is not ascertainable. Each month a section of chattels is checked and annually a full inspection is carried out.

A new improved system is being investigated for presentation to the Trustees for their consideration.

The Mercian Regimental Charity

Trustees' report (continued) For the year ended 31 March 2024

With the news that the 2nd Battalion was to disband, a considerable amount of planning went into the retrieving, packing and dispersing prior to the actual pack. The retrieval took place but unpacking, cataloguing, restoration where necessary and reallocating is ongoing.

Statement of Trustees' responsibilities

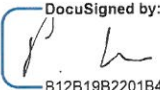
The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the CIO and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 CIO will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the CIO's transactions and disclose with reasonable accuracy at any time the financial position of the CIO and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the CIO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:

DocuSigned by:

B12B19B2201B40A...

Brig (Retd) P Kimber OBE
Deputy Colonel Finance

Date: 4 December 2024

The Mercian Regimental Charity

Independent Examiner's Report For the year ended 31 March 2024

Independent Examiner's Report to the Trustees of The Mercian Regimental Charity ('the CIO')

I report to the charity Trustees on my examination of the accounts of the CIO for the year ended 31 March 2024.

Responsibilities and Basis of Report

As the Trustees of the CIO you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

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

Independent Examiner's Statement

Since the CIO's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the ICAEW, which is one of the listed bodies.

Your attention is drawn to the fact that the CIO has prepared the accounts in accordance with Accounting and Reporting by Charities: 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

I have completed my examination. I confirm that no 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 CIO as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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.

The Mercian Regimental Charity

**Independent Examiner's Report (continued)
For the year ended 31 March 2024**

This report is made solely to the CIO's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the CIO's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the CIO and the CIO's Trustees as a body, for my work or for this report.

Signed:



Dated: 4 December 2024

Andrew Morris FCA

Dains Audit Limited
Birmingham

The Mercian Regimental Charity

Statement of financial activities
For the year ended 31 March 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Donations and legacies	3	143,982	7,783	151,765	65,690
Other trading activities:	4				
Fundraising		19,032	21,170	40,202	14,963
Investments	5	70,746	11,966	82,712	71,938
Total income		233,760	40,919	274,679	152,591
Expenditure on:					
Raising funds	6	74,410	15,474	89,884	60,170
Charitable activities		177,634	36,757	214,391	91,240
Total expenditure		252,044	52,231	304,275	151,410
Net income/(expenditure) before investments		(18,284)	(11,312)	(29,596)	1,181
Net gains/(losses) on investments		138,720	26,211	164,931	(192,915)
Net income/(expenditure)		120,436	14,899	135,335	(191,734)
Transfers between funds	15	(13,826)	13,826	-	-
Net movement in funds		106,610	28,725	135,335	(191,734)
Reconciliation of funds:					
Total funds brought forward		2,529,259	425,373	2,954,632	3,146,366
Net movement in funds		106,610	28,725	135,335	(191,734)
Total funds carried forward		2,635,869	454,098	3,089,967	2,954,632

The notes on pages 12 to 27 form part of these financial statements.

The Mercian Regimental Charity

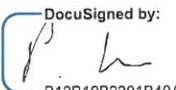
Registered number:

Balance sheet

As at 31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	11	3,655	7,161
Investments	12	2,927,172	2,810,164
		<u>2,930,827</u>	<u>2,817,325</u>
Current assets			
Debtors	13	45,110	20,825
Cash at bank and in hand		193,920	145,939
		<u>239,030</u>	<u>166,764</u>
Creditors: amounts falling due within one year	14	(79,890)	(29,457)
		<u>159,140</u>	<u>137,307</u>
Net current assets		<u>159,140</u>	<u>137,307</u>
Total net assets		<u><u>3,089,967</u></u>	<u><u>2,954,632</u></u>
Charity funds			
Restricted funds	15	454,098	425,373
Unrestricted funds	15	2,635,869	2,529,259
		<u>3,089,967</u>	<u>2,954,632</u>
Total funds		<u><u>3,089,967</u></u>	<u><u>2,954,632</u></u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

DocuSigned by:

 B12B19B2201B40A

Brig (Retd) P Kimber OBE
 Deputy Colonel Finance

Date: 4 December 2024

The notes on pages 12 to 27 form part of these financial statements.

The Mercian Regimental Charity

Notes to the financial statements

For the year ended 31 March 2024

1. General information

The Mercian Regimental Charity is a private Charitable Incorporated Organisation (CIO) registered with the Charity Commission in England & Wales. Its registered number and registered office address are given on page 1. The CIO's objects and principal activities are set out in the Trustees' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Mercian Regimental Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the CIO has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

2.3 Income

All income is recognised once the CIO has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the CIO has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the CIO, can be reliably measured.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

The Mercian Regimental Charity

Notes to the financial statements For the year ended 31 March 2024

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the CIO to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the CIO's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the CIO; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the CIO assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Mercian Regimental Charity

Notes to the financial statements For the year ended 31 March 2024

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Equipment	- 10%-20% straight-line
Crockery and cutlery	- 10% straight-line

No depreciation is charged in the year of purchase or disposal.

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

Liabilities are recognised at the amount that the CIO anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.11 Financial instruments

The CIO only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Pensions

The CIO operates a defined contribution pension scheme and the pension charge represents the amounts payable by the CIO to the fund in respect of the year.

The Mercian Regimental Charity

Notes to the financial statements For the year ended 31 March 2024

2. Accounting policies (continued)

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the CIO and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the CIO for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Donations	82,941	7,783	90,724
Subscriptions and legacies	8,482	-	8,482
Other voluntary income	1,762	-	1,762
Day's Pay Scheme	50,797	-	50,797
Total 2024	143,982	7,783	151,765

The Mercian Regimental Charity

Notes to the financial statements For the year ended 31 March 2024

3. Income from donations and legacies (continued)

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Donations	2,117	4,548	6,665
Subscriptions and legacies	8,483	-	8,483
Other voluntary income	158	-	158
Day's Pay Scheme	50,384	-	50,384
Total 2023	61,142	4,548	65,690

4. Income from fundraising

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Car park	-	2,949	2,949
Field and stable rental	-	2,164	2,164
Tower admission	-	2,128	2,128
Café income	-	325	325
Shop income	8,690	-	8,690
Other income	10,342	13,604	23,946
Total 2024	19,032	21,170	40,202

The Mercian Regimental Charity

Notes to the financial statements
For the year ended 31 March 2024

4. Income from fundraising (continued)

(continued)

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Car park	-	2,494	2,494
Field and stable rental	-	2,164	2,164
Tower admission	-	1,797	1,797
Café income	-	520	520
Shop income	7,154	-	7,154
Other income	98	736	834
	<hr/>	<hr/>	<hr/>
Total 2023	7,252	7,711	14,963
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

5. Investment income

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Investment income	68,181	11,966	80,147
Deposit account interest	2,565	-	2,565
	<hr/>	<hr/>	<hr/>
Total 2024	70,746	11,966	82,712
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Investment income	61,290	10,163	71,453
Deposit account interest	485	-	485
	<hr/>	<hr/>	<hr/>
Total 2023	61,775	10,163	71,938
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The Mercian Regimental Charity

**Notes to the financial statements
For the year ended 31 March 2024**

6. Expenditure on raising funds

Investment management

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Investment management fees	15,387	2,536	17,923

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Investment management fees	15,515	2,511	18,026

Fundraising trading expenses

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Wages and salaries	24,582	-	24,582
Social security	2,137	-	2,137
Events	6,700	-	6,700
Pension costs	550	-	550
Goods for resale	9,970	-	9,970
Regimental dinner costs	15,084	-	15,084
Crich site	-	12,938	12,938
	59,023	12,938	71,961

The Mercian Regimental Charity

Notes to the financial statements
For the year ended 31 March 2024

6. Expenditure on raising funds (continued)

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Wages and salaries	21,982	-	21,982
Social security costs	1,872	-	1,872
Events	1,320	-	1,320
Pension costs	472	-	472
Goods for resale	12,227	-	12,227
Crich site	-	4,271	4,271
	<u>37,873</u>	<u>4,271</u>	<u>42,144</u>

7. Analysis of expenditure on charitable activities

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £
Furtherance of the charity's objects	<u>208,833</u>	<u>5,558</u>	<u>214,391</u>

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Furtherance of the charity's objects	<u>85,624</u>	<u>5,616</u>	<u>91,240</u>

The Mercian Regimental Charity

Notes to the financial statements
For the year ended 31 March 2024

7. Analysis of expenditure on charitable activities (continued)

Analysis of direct costs

	Total funds 2024 £	Total funds 2023 £
Staff costs	22,368	19,848
Depreciation	3,506	3,506
Marketing	23,956	25,815
Heritage costs	18,892	3,557
RMAS officer	1,680	2,042
GIA for Worcester Museum	100,000	-
Eagle journal costs	8,203	8,762
RHQ costs	1,830	2,282
Other direct costs	28,398	19,812
	<u>208,833</u>	<u>85,624</u>

Analysis of support costs

	Total funds 2024 £	Total funds 2023 £
Insurance	1,520	1,532
RHQ administration	112	648
Other support costs	956	736
Governance	2,970	2,700
	<u>5,558</u>	<u>5,616</u>

The Mercian Regimental Charity

Notes to the financial statements For the year ended 31 March 2024

8. Net income/(expenditure)

This is stated after charging:

	2024	2023
	£	£
Depreciation of tangible fixed assets	3,506	3,506
Pension contributions	734	830
Independent examiner's fee	2,970	2,700
	<u> </u>	<u> </u>

9. Staff

	2024	2023
	£	£
Wages and salaries	45,179	40,145
Social security costs	3,724	3,199
Pension costs	734	830
	<u> </u>	<u> </u>
	<u>49,637</u>	<u>44,174</u>

The average number of persons employed by the CIO during the year was as follows:

	2024	2023
Staff	<u>2</u>	<u>2</u>

No employee received remuneration amounting to more than £60,000 in either year.

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 March 2024, no Trustee expenses have been incurred (2023 - £NIL).

The Mercian Regimental Charity

Notes to the financial statements For the year ended 31 March 2024

11. Tangible fixed assets

	Equipment £	Crockery and cutlery £	Total £
Cost			
At 1 April 2023	6,879	27,000	33,879
At 31 March 2024	<u>6,879</u>	<u>27,000</u>	<u>33,879</u>
Depreciation			
At 1 April 2023	2,418	24,300	26,718
Charge for the year	806	2,700	3,506
At 31 March 2024	<u>3,224</u>	<u>27,000</u>	<u>30,224</u>
Net book value			
At 31 March 2024	<u><u>3,655</u></u>	<u><u>-</u></u>	<u><u>3,655</u></u>
At 31 March 2023	<u><u>4,461</u></u>	<u><u>2,700</u></u>	<u><u>7,161</u></u>

The Mercian Regimental Charity

Notes to the financial statements
For the year ended 31 March 2024

12. Fixed asset investments

	Listed investments £	
Cost or valuation		
At 1 April 2023	2,810,164	
Additions	1,052,750	
Disposals	(1,190,371)	
Revaluations	164,206	
Cash trading movements	90,423	
	<u>2,927,172</u>	
At 31 March 2024	<u>2,927,172</u>	
Net book value		
At 31 March 2024	2,927,172	
	<u>2,810,164</u>	
At 31 March 2023	<u>2,810,164</u>	
Investments at market value comprise:		
	2024	2023
	£	£
Listed investments	2,803,836	2,655,582
Cash and cash equivalents	123,336	154,582
	<u>2,927,172</u>	<u>2,810,164</u>

Had the investments been included at historical cost, they would have been held at £1,981,097 at 31 March 2024.

The Mercian Regimental Charity

Notes to the financial statements
For the year ended 31 March 2024**13. Debtors**

	2024	2023
	£	£
Trade debtors	27,525	19,608
Other debtors	269	139
Prepayments and accrued income	17,316	1,078
	<u>45,110</u>	<u>20,825</u>

14. Creditors: Amounts falling due within one year

	2024	2023
	£	£
Trade creditors	3	275
Accruals and deferred income	79,887	29,182
	<u>79,890</u>	<u>29,457</u>

Included in creditors is deferred income of £1,313 (2023 - £8,621) in respect of field rental income and fundraising events planned for the next financial year.

The Mercian Regimental Charity

Notes to the financial statements
For the year ended 31 March 2024

15. Statement of funds

Statement of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 March 2024 £
Unrestricted funds						
General Funds - all funds	2,529,259	233,760	(252,044)	(13,826)	138,720	2,635,869
Restricted funds						
Crich	425,373	40,919	(52,231)	13,826	26,211	454,098
Total of funds	2,954,632	274,679	(304,275)	-	164,931	3,089,967

The specific purposes for which the funds are to be applied are as follows:

Restricted Fund - Crich

The Mercian Regimental War Memorial is situated in Crich, Derbyshire. Annually a pilgrimage is held at the site. There is a bungalow on site, which is occupied by the Warden who is employed by the Mercian Regimental Charity. The Restricted fund pays for all associated costs for Crich, which include wages for the warden, utility bills for the tower and any necessary repairs and grounds maintenance expenditure.

Income comes in for Crich through visitors parking their cars on site and entry fees being paid to go up in the tower. The warden runs a coffee shop of which a rent is paid to the charity each month. Rent is also received for the letting out of fields.

The Mercian Regimental Charity

Notes to the financial statements
For the year ended 31 March 2024

15. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Unrestricted funds						
General Funds	2,703,914	130,169	(123,546)	(6,679)	(174,599)	2,529,259
Restricted funds						
Crich	442,452	22,422	(27,864)	6,679	(18,316)	425,373
Total of funds	3,146,366	152,591	(151,410)	-	(192,915)	2,954,632

16. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	3,655	-	3,655
Fixed asset investments	2,505,275	421,897	2,927,172
Current assets	205,196	33,834	239,030
Creditors due within one year	(78,257)	(1,633)	(79,890)
Total	2,635,869	454,098	3,089,967

The Mercian Regimental Charity

Notes to the financial statements For the year ended 31 March 2024

16. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	7,161	-	7,161
Fixed asset investments	2,412,024	398,140	2,810,164
Current assets	132,629	34,135	166,764
Creditors due within one year	(22,555)	(6,902)	(29,457)
Total	<u>2,529,259</u>	<u>425,373</u>	<u>2,954,632</u>

17. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £734 (2023 - £830). No amounts were outstanding at either balance sheet date.

The pension expense is allocated to restricted funds on the basis that one member of staff is employed to work at the Crich site and therefore that employee's pension cost is treated as restricted.

18. Related party transactions

The Mercian Regiment Benevolent Charity (registered charity number 1125179) is a related party by virtue of being governed by the same board of trustees. At the balance sheet date, an amount of £NIL (2023 - £35) was owed from The Mercian Regiment Benevolent Charity.

THE MERCIAN REGIMENTAL CHARITY

England & Wales - Charity number 1177059

Accounts

The Mercian Regimental Charity

Trustees' report and financial statements

For the year ended 31 March 2023



The Mercian Regimental Charity

Contents

	Page
Reference and administrative details of the CIO, its Trustees and advisers	1
Trustees' report	2 - 6
Independent examiner's report	7
Statement of financial activities	8
Balance sheet	9
Notes to the financial statements	10 - 25

The Mercian Regimental Charity

Reference and administrative details of the CIO, its Trustees and advisers For the year ended 31 March 2023

Trustees	Lt Gen I Cave CB, Chairman and Colonel of the Regiment Brig S Banton OBE, Deputy Colonel Heritage Brig C Ginn CBE, Deputy Colonel RRCM Brig P Kimber OBE, Deputy Colonel Finance Col A Walton MBE Lt Col (Retd) M Jackson OBE Lt Col (Retd) N Mackintosh Lt Col D Canham OBE, CO1 Mercian (resigned 21 March 2023) Lt Col R Grover MBE, CO2 Mercian (resigned 3 February 2023) Lt Col R Spalton, CO4 Mercian (resigned 27 April 2023) Mr M Elliott Lt Col G Brown, CO1 Mercian (appointed 21 March 2023) Lt Col C Whitting, CO4 Mercian (appointed 27 April 2023)
Charity registered number	1177059
Principal office	Regimental Headquarters The Mercian Regiment Whittington Barracks Lichfield Staffordshire WS14 9TJ
Financial secretary	Mrs P Mear
Accountants	Dains Audit Limited 15 Colmore Row Birmingham B3 2BH
Bankers	Lloyds Bank plc 22 Conduit Street Lichfield WS13 6JS CAF Bank 25 Kings Hill Avenue West Malling ME19 4JQ Royal Bank of Scotland 200 Fowler Avenue Farnborough GU14 7JP
Investment Managers	Investec Wealth and Investment 30 Gresham Street London EC2V 7QN

The Mercian Regimental Charity

Trustees' report For the year ended 31 March 2023

The Trustees present their annual report together with the financial statements of the CIO for the 1 April 2022 to 31 March 2023.

Objectives and activities

a. Objectives and aims

The principal objectives of the The Mercian Regimental Charity are:

- Promote the efficiency of the Regiment
- Preserve memorials and chapels of the Regiment and the former Regiments, including preservation in perpetuity of the Crich Memorial and its grounds.
- Make grants to any other charity or organisation for the benefit of the Regiment or former Regiments.
- Provide for the upkeep and maintenance of any museum of or related to the Regiment or former Regiments and their contents and in acquiring new exhibits.
- Provide for the preservation, repair, maintenance, replacement, safe custody and exhibition of chattels, trophies and memorials of the Regiment and the former Regiments.
- Provide for the compilation and reproduction by printing, photographing, or otherwise of records, histories and documents of the Regiment and former Regiments, including the expenses of a Regimental Journal, newsletter and website.
- Maintaining and preserving the traditions and spirit of the Regiment and the former Regiments and maintaining communication between past and present members of the Regiment and former Regiments.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Main activities undertaken to further the CIO's purposes for the public benefit

The main activities of the charity to further its charitable purposes for the public benefit have been undertaken in the following areas by:

- Providing grants for the efficiency of the Regiment, and to any other Regimental Charity of the Regiment, for the benefit of the Regiment or the former Regiments.
- Funding the maintenance and upkeep of the memorials and chapels of the Regiment, and its former Regiments, including The Crich Memorial.
- Funding the maintenance and preservation of the chattels of the Regiment and the former Regiments.
- Serving members of the Mercian Regiment are entitled to apply for grants towards adventure training, sport and equipment.
- Day's Pay scheme presentations are given throughout the year to all serving members of the Mercian Regiment to keep them informed of the benefits of donating to their Regimental Charities.
- Funding support is also given to key Regimental events, including Remembrance and freedom parades.

The Mercian Regimental Charity

Trustees' report (continued) For the year ended 31 March 2023

Achievements and performance

a. Review of activities of the CIO

The largest portion of income for The Mercian Regimental Charity is monthly contributions made by serving members of The Mercian Regiment under a salary sacrifice scheme called the Day's Pay Scheme. Reservists joined the scheme in April 2018. The income is paid to the Regimental Charity and 51% is transferred to The Mercian Benevolent Charity. The Regimental Charity's share this financial year was £50K, this being a slight increase from the previous financial years (2019: £45K; 2020: £46K; 2021: £48K; 2022: £49K)

Due to the pandemic some events for hosting and fundraising are still to be rescheduled. It is hoped that events will be arranged next financial year and work has been initiated to Lay the 2nd Battalion's Colours in Lichfield Cathedral.

Crich

The memorial garden at Crich will formally open in June 2023. Incorporated with the opening is a scheme to raise funds for the Memorial Site by selling Remembrance plaques to be mounted on the sleepers in the garden.

July 2023 will be the 100th year since the opening of the Crich Memorial Tower and plans are being developed for a dinner and special pilgrimage to commemorate the occasion.

b. Investment policy and performance

An investment strategy for the Charity was approved by the Trustees, recognising the long-term nature of the Charity and its obligations. The objective is to grow the income and reserves of the Charity while having sufficient liquidity to meet foreseeable needs in the short term.

Investec Wealth and Investment was appointed Investment Manager in August 2012. The intention is that investments will be in a multi asset income portfolio spread across a number of collective investment vehicles and asset classes.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the CIO has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

b. Reserves policy

The free reserves of the CIO totalled £110,074 at the balance sheet date (2022 - £88,598).

The capital assets (minus the Bond Fund) of Mercian Regimental Charity assets represented within the assets shall not fall below £1.75m.

If that level is breached at any time, expenditure shall be reduced so that no further cash is drawn down to make up any deficit of expenditure over income. Instead all income generated by the remaining capital shall be re-invested until the reserve level of £1.75m has been restored.

The Mercian Regimental Charity

Trustees' report (continued) For the year ended 31 March 2023

Crich Restricted Fund within Mercian Regimental Charity

The capital value of the Crich Fund shall not fall below £300,000. If that level is breached at any time, the trustees will review and reduce expenditure and/or cause a fund-raising campaign to be launched and/or transfer capital from Mercian Regimental Charity.

c. Principal funding

The principle sources of funding for the Mercian Regimental Charity has been from the salary sacrifice scheme, referred to as the 'Days Pay Scheme' from serving members of the Mercian Regiment. The Charity also receives dividend income from the investment portfolio.

The restricted fund Crich Memorial Fund has benefitted from fundraising income where the organiser split the proceeds between the Mercian Benevolent Charity and Crich. The Memorial Fund also receives some donations from the general public, directly into the charity bank account.

Structure, governance and management

a. Constitution

Declarations of Trust in relation to The Mercian Regimental Charity and The Mercian Regiment Benevolent Charity ("the Charities") were made on 7th December 2006 and these were sealed by the Charity Commission on 23rd January 2007. The charities were registered as linked charities with the Charity Registration No. 1117653. The Trustees elected to separately register The Mercian Regiment Benevolent Charity with effect from 1st April 2008, the Charity Commission agreed to this request.

The charities were created in anticipation of the formation of the Mercian Regiment on 21st August 2007 by the merger of the 22nd (Cheshire) Regiment, The Worcester and Sherwood Foresters Regiment and The Staffordshire Regiment (The Prince of Wales's) together with elements of the West Midlands Regiment, a Territorial Army unit. All three regular army regiments worked together to create the Mercian Regiment charities and agreed that on the formation of the new Regiment they would transfer their charitable assets and responsibilities to the Charities.

The Trustees agreed to transfer The Mercian Regimental Charity (charity number 1117653) trust to a charitable incorporated organisation (CIO). The Mercian Regimental Charity (charity number 1177059) CIO was registered with the Charity Commission on 8th February 2018.

b. Methods of appointment or election of Trustees

The constitution of the CIO, dated 8th February 2018, started with 15 trustees and states the composition of the Council being: The Colonel of the Regiment, Deputy Colonels of the Regiment – (Heritage, RRCM, Finance & Benevolence), Commanding Officers, non-executive member, plus non-voting members a secretary and a treasurer. The trustees are recorded in the register of members.

c. Policies adopted for the induction and training of Trustees

The constitution states that each new charity trustees will be provided a copy of the current constitution and a copy of the CIO's latest trustees report and statement of accounts.

Selected trustees and staff attend seminars organised by the charity's fund managers that include governance and investment.

The Mercian Regimental Charity

Trustees' report (continued) For the year ended 31 March 2023

Structure, governance and management (continued)

d. Organisational structure

The trustees, all of whom are members of the Council of the Mercian Regiment, meet biannually. There are appropriate subcommittees comprising of members where at least two of them are members of the Council. The subcommittees have clearly defined written terms of reference dealing with such matters as Heritage, RRCM, Finance and Associations; committee reports are provided to the Council.

Detailed annual budgets are prepared and submitted to the Council for approval, actual income and expenditure is compared with budget forecasts. The subcommittees meet at least twice a year, overseeing all aspects of the management of the finances.

e. Financial risk management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. Financial accounting by the Finance Officer is supervised by the Chairman of the Finance Committee. The Charity employs a communications officer in its Lichfield HQ. The Charity also employs a warden at the Crich memorial who is provided accommodation.

Plans for future periods

The Trustees having been dealing with the implications of the loss of the 2nd Battalion, which entails packing, moving and relocating chattels and Regimental property. Furthermore, laying up of the colours.

Presentations about the Mercian charities and salary sacrifice scheme are planned in the new financial year, for serving personnel to inform them of what is available to them and how they can donate to their charity.

Chattels

These are comprised of Regimental trophies, pictures and silverware, much of which were presentation and cost is not ascertainable. Each month a section of chattels is checked and annually a full inspection is carried out.

A new improved system is being investigated for presentation to the Trustees for their consideration.

With the news that the 2nd Battalion was to disband, a considerable amount of planning went into the retrieving, packing and dispersing prior to the actual pack. The retrieval will optimistically be finalised in October 2023.

The Mercian Regimental Charity

Trustees' report (continued) For the year ended 31 March 2023

Statement of Trustees' responsibilities

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 law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial which give a true and fair view of the state of affairs of the CIO and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 CIO will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the CIO's transactions and disclose with reasonable accuracy at any time the financial position of the CIO and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the CIO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Brig P Kimber OBE
Deputy Colonel Finance

Date: 15/11/23

The Mercian Regimental Charity

Independent examiner's report For the year ended 31 March 2023

Independent examiner's report to the Trustees of The Mercian Regimental Charity ('the CIO')

I report to the charity Trustees on my examination of the accounts of the CIO for the year ended 31 March 2023.

Responsibilities and basis of report

As the Trustees of the CIO you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

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

Independent examiner's statement

Your attention is drawn to the fact that the CIO has prepared the accounts in accordance with Accounting and Reporting by Charities: 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

I have completed my examination. I confirm that no 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 CIO as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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.

This report is made solely to the CIO's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the CIO's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the CIO and the CIO's Trustees as a body, for my work or for this report.

Signed:



Dated: 15/11/23

Andrew Morris FCA

Dains Audit Limited
Birmingham

The Mercian Regimental Charity

Statement of financial activities For the year ended 31 March 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	3	61,142	4,548	65,690	66,003
Other trading activities:	4				
Fundraising		7,252	7,711	14,963	17,021
Investments	5	61,775	10,163	71,938	57,539
Total income		130,169	22,422	152,591	140,563
Expenditure on:					
Raising funds	6	53,388	6,782	60,170	59,727
Charitable activities	7	70,158	21,082	91,240	204,389
Total expenditure		123,546	27,864	151,410	264,116
Net income/(expenditure) before investments					
		6,623	(5,442)	1,181	(123,553)
Net (losses)/gains on investments		(174,599)	(18,316)	(192,915)	145,954
Net (expenditure)/income		(167,976)	(23,758)	(191,734)	22,401
Transfers between funds	16	(6,679)	6,679	-	-
Net movement in funds		(174,655)	(17,079)	(191,734)	22,401
Reconciliation of funds:					
Total funds brought forward	16	2,703,914	442,452	3,146,366	3,123,965
Net movement in funds		(174,655)	(17,079)	(191,734)	22,401
Total funds carried forward	16	2,529,259	425,373	2,954,632	3,146,366

The notes on pages 10 to 25 form part of these financial statements.

The Mercian Regimental Charity
Registered number:

Balance sheet
As at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	7,161	10,667
Investments	13	2,810,164	3,021,105
		<u>2,817,325</u>	<u>3,031,772</u>
Current assets			
Debtors	14	20,825	21,493
Cash at bank and in hand		145,939	210,604
		<u>166,764</u>	<u>232,097</u>
Creditors: amounts falling due within one year	15	(29,457)	(117,503)
		<u>137,307</u>	<u>114,594</u>
Total net assets		<u>2,954,632</u>	<u>3,146,366</u>
Charity funds			
Restricted funds	16	425,373	442,452
Unrestricted funds	16	2,529,259	2,703,914
Total funds		<u>2,954,632</u>	<u>3,146,366</u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Brig P Kimber OBE
Deputy Colonel Finance

Date: 15/11/23

The notes on pages 10 to 25 form part of these financial statements.

1. General information

The Mercian Regimental Charity is a private Charitable Incorporated Organisation (CIO) registered with the Charity Commission in England & Wales. Its registered number and registered office address are given on page 1. The CIO's objects and principal activities are set out in the Trustees' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Mercian Regimental Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the CIO has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

2.3 Income

All income is recognised once the CIO has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the CIO has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the CIO, can be reliably measured.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the CIO to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the CIO's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the CIO; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the CIO assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Equipment	- 10%-20% straight-line
Crockery and cutlery	- 10% straight-line

No depreciation is charged in the year of purchase or disposal.

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

Liabilities are recognised at the amount that the CIO anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.11 Financial instruments

The CIO only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Pensions

The CIO operates a defined contribution pension scheme and the pension charge represents the amounts payable by the CIO to the fund in respect of the year.

**Notes to the financial statements
For the year ended 31 March 2023**

2. Accounting policies (continued)

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the CIO and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the CIO for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Donations	2,117	4,548	6,665
Subscriptions and legacies	8,483	-	8,483
Other voluntary income	158	-	158
Day's Pay Scheme	50,384	-	50,384
Total 2023	61,142	4,548	65,690

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Donations	353	5,304	5,657
Subscriptions and legacies	10,570	-	10,570
Other voluntary income	659	-	659
Day's Pay Scheme	49,117	-	49,117
Total 2022	60,699	5,304	66,003

The Mercian Regimental Charity

Notes to the financial statements
For the year ended 31 March 2023

4. Income from fundraising

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Car park	-	2,494	2,494
Field and stable rental	-	2,164	2,164
Tower admission	-	1,797	1,797
Café income	-	520	520
Shop income	7,154	-	7,154
Other income	98	736	834
Total 2023	<u>7,252</u>	<u>7,711</u>	<u>14,963</u>
	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Car park	-	3,009	3,009
Field and stable rental	-	2,164	2,164
Tower admission	-	1,790	1,790
Café income	-	780	780
Shop income	7,638	-	7,638
Other income	1,640	-	1,640
Total 2022	<u>9,278</u>	<u>7,743</u>	<u>17,021</u>

Notes to the financial statements
For the year ended 31 March 2023

5. Investment income

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Investment income	61,290	10,163	71,453
Deposit account interest	485	-	485
Total 2023	<u>61,775</u>	<u>10,163</u>	<u>71,938</u>

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Investment income	50,566	6,963	57,529
Deposit account interest	9	1	10
Total 2022	<u>50,575</u>	<u>6,964</u>	<u>57,539</u>

6. Expenditure on raising funds

Investment management

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Investment management fees	<u>15,515</u>	<u>2,511</u>	<u>18,026</u>

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Investment management fees	<u>17,019</u>	<u>2,607</u>	<u>19,626</u>

Notes to the financial statements
For the year ended 31 March 2023

6. Expenditure on raising funds (continued)

Fundraising trading expenses

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Wages and salaries	21,982	-	21,982
Social security	1,872	-	1,872
Events	1,320	-	1,320
Pension costs	472	-	472
Goods for resale	12,227	-	12,227
Crich site	-	4,271	4,271
	<u>37,873</u>	<u>4,271</u>	<u>42,144</u>
	<u><u>37,873</u></u>	<u><u>4,271</u></u>	<u><u>42,144</u></u>
	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Wages and salaries	21,764	-	21,764
Social security costs	1,783	-	1,783
Pension costs	465	-	465
Goods for resale	11,788	-	11,788
Crich site	-	4,301	4,301
	<u>35,800</u>	<u>4,301</u>	<u>40,101</u>
	<u><u>35,800</u></u>	<u><u>4,301</u></u>	<u><u>40,101</u></u>

The Mercian Regimental Charity

Notes to the financial statements For the year ended 31 March 2023

7. Analysis of expenditure on charitable activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Furtherance of the charity's objects	85,624	5,616	91,240

	Activities undertaken directly 2022 £	Grant funding of activities 2022 £	Support costs 2022 £	Total funds 2022 £
Furtherance of the charity's objects	99,236	100,000	5,153	204,389

Analysis of direct costs

	Total funds 2023 £	Total funds 2022 £
Staff costs	19,848	18,090
Depreciation	3,506	3,506
Marketing	25,815	23,341
Heritage costs	3,557	1,940
RMAS officer	2,042	3,099
GIA for Worcester Museum	-	20,000
Eagle journal costs	8,762	7,792
RHQ costs	2,282	2,022
Other direct costs	19,812	19,446
	85,624	99,236

The Mercian Regimental Charity

**Notes to the financial statements
For the year ended 31 March 2023**

7. Analysis of expenditure on charitable activities (continued)

Analysis of support costs

	Total funds 2023 £	Total funds 2022 £
Insurance	1,532	1,533
RHQ administration	648	281
Other support costs	736	879
Governance	2,700	2,460
	<u>5,616</u>	<u>5,153</u>

8. Analysis of grants

	Grants to Institutions 2023 £	Total funds 2023 £
Worcester Museum	-	-
	<u>-</u>	<u>-</u>

	Grants to Institutions 2022 £	Total funds 2022 £
Worcester Museum	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

9. Net income/(expenditure)

This is stated after charging:

	2023 £	2022 £
Depreciation of tangible fixed assets	3,506	3,506
Pension contributions	830	779
Independent examiner's fee	2,700	2,460
	<u>3,506</u>	<u>3,506</u>

The Mercian Regimental Charity

Notes to the financial statements For the year ended 31 March 2023

10. Staff

	2023	2022
	£	£
Wages and salaries	40,145	38,457
Social security costs	3,199	2,866
Pension costs	830	779
	<u>44,174</u>	<u>42,102</u>

The average number of persons employed by the CIO during the year was as follows:

	2023	2022
Staff	<u>2</u>	<u>2</u>

No employee received remuneration amounting to more than £60,000 in either year.

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 March 2023, no Trustee expenses have been incurred (2022 - £NIL).

The Mercian Regimental Charity

Notes to the financial statements For the year ended 31 March 2023

12. Tangible fixed assets

	Equipment £	Crockery and cutlery £	Total £
Cost			
At 1 April 2022	6,879	27,000	33,879
At 31 March 2023	<u>6,879</u>	<u>27,000</u>	<u>33,879</u>
Depreciation			
At 1 April 2022	1,612	21,600	23,212
Charge for the year	806	2,700	3,506
At 31 March 2023	<u>2,418</u>	<u>24,300</u>	<u>26,718</u>
Net book value			
At 31 March 2023	<u>4,461</u>	<u>2,700</u>	<u>7,161</u>
At 31 March 2022	<u>5,267</u>	<u>5,400</u>	<u>10,667</u>

Notes to the financial statements
For the year ended 31 March 2023

13. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2022	3,021,105
Additions	734,875
Disposals	(610,284)
Revaluations	(243,212)
Cash trading movements	(92,320)
At 31 March 2023	<u>2,810,164</u>
Net book value	
At 31 March 2023	<u>2,810,164</u>
At 31 March 2022	<u>3,021,105</u>

Investments at market value comprise:

	2023 £	2022 £
Listed investments	2,655,582	2,854,838
Cash and cash equivalents	154,582	166,267
	<u>2,810,164</u>	<u>3,021,105</u>

Had the investments been included at historical cost, they would have been held at £2,028,295 at 31 March 2023.

The Mercian Regimental Charity

Notes to the financial statements For the year ended 31 March 2023

14. Debtors

	2023 £	2022 £
Trade debtors	19,608	17,949
Other debtors	139	42
Prepayments and accrued income	1,078	3,502
	<u>20,825</u>	<u>21,493</u>

15. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	275	-
Accruals and deferred income	29,182	117,503
	<u>29,457</u>	<u>117,503</u>

Included in creditors is deferred income of £8,621 (2022 - £1,425) in respect of field rental income and fundraising events planned for the next financial year.

Notes to the financial statements
For the year ended 31 March 2023

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 March 2023 £
Unrestricted funds						
General Funds	2,703,914	130,169	(123,546)	(6,679)	(174,599)	2,529,259
Restricted funds						
Crich	442,452	22,422	(27,864)	6,679	(18,316)	425,373
Total of funds	3,146,366	152,591	(151,410)	-	(192,915)	2,954,632

The specific purposes for which the funds are to be applied are as follows:

Restricted Fund - Crich

The Mercian Regimental War Memorial is situated in Crich, Derbyshire. Annually a pilgrimage is held at the site. There is a bungalow on site, which is occupied by the Warden who is employed by the Mercian Regimental Charity. The Restricted fund pays for all associated costs for Crich, which include wages for the warden, utility bills for the tower and any necessary repairs and grounds maintenance expenditure.

Income comes in for Crich through visitors parking their cars on site and entry fees being paid to go up in the tower. The warden runs a coffee shop of which a rent is paid to the charity each month. Rent is also received for the letting out of fields.

The Mercian Regimental Charity

Notes to the financial statements
For the year ended 31 March 2023

16. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds						
General Funds	2,700,566	120,552	(240,697)	(3,500)	126,993	2,703,914
Restricted funds						
Crich	423,399	20,011	(23,419)	3,500	18,961	442,452
Total of funds	3,123,965	140,563	(264,116)	-	145,954	3,146,366

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	7,161	-	7,161
Fixed asset investments	2,412,024	398,140	2,810,164
Current assets	132,629	34,135	166,764
Creditors due within one year	(22,555)	(6,902)	(29,457)
Total	2,529,259	425,373	2,954,632

The Mercian Regimental Charity

Notes to the financial statements For the year ended 31 March 2023

17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	10,667	-	10,667
Fixed asset investments	2,604,649	416,456	3,021,105
Current assets	204,789	27,308	232,097
Creditors due within one year	(116,191)	(1,312)	(117,503)
Total	<u>2,703,914</u>	<u>442,452</u>	<u>3,146,366</u>

18. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £830 (2022 - £779). No amounts were outstanding at either balance sheet date.

The pension expense is allocated to restricted funds on the basis that one member of staff is employed to work at the Crich site and therefore that employee's pension cost is treated as restricted.

19. Related party transactions

The Mercian Regiment Benevolent Charity (registered charity number 1125179) is a related party by virtue of being governed by the same board of trustees. At the balance sheet date, an amount of £35 (2022 - £42) was owed from the The Mercian Regiment Benevolent Charity.

THE MERCIAN REGIMENTAL CHARITY

England & Wales - Charity number 1177059

Accounts

Charity number: 1177059

The Mercian Regimental Charity

Trustees' report and financial statements

For the year ended 31 March 2022



The Mercian Regimental Charity

Contents

	Page
Reference and administrative details of the CIO, its Trustees and advisers	1
Trustees' report	2 - 6
Independent examiner's report	7
Statement of financial activities	8
Balance sheet	9
Notes to the financial statements	10 - 25

The Mercian Regimental Charity

Reference and administrative details of the CIO, its Trustees and advisers For the year ended 31 March 2022

Trustees	Lt Gen I Cave CB, Chairman and Colonel of the Regiment Brig S Banton OBE, Deputy Colonel Heritage Brig S Bell QVRM, Deputy Colonel RRCM (resigned 19 January 2022) Brig C Ginn CBE, Deputy Colonel RRCM (appointed 19 January 2022) Brig P Kimber OBE, Deputy Colonel Finance Col A Walton MBE Lt Col (Retd) M Jackson OBE Lt Col (Retd) N Mackintosh Lt Col D Canham OBE, CO1 Mercian Lt Col R Grover MBE, CO2 Mercian Lt Col R Spalton, CO4 Mercian Mr M Elliott
Charity registered number	1177059
Principal office	Regimental Headquarters The Mercian Regiment Whittington Barracks Lichfield Staffordshire WS14 9TJ
Financial secretary	Mrs P Mear
Accountants	Dains Audit Limited 15 Colmore Row Birmingham B3 2BH
Bankers	Lloyds Bank plc 22 Conduit Street Lichfield WS13 6JS CAF Bank 25 Kings Hill Avenue West Malling ME19 4JQ Royal Bank of Scotland 200 Fowler Avenue Farnborough GU14 7JP
Investment Managers	Investec Wealth and Investment 30 Gresham Street London EC2V 7QN

The Mercian Regimental Charity

Trustees' report For the year ended 31 March 2022

The Trustees present their annual report together with the financial statements of the CIO for the year 1 April 2021 to 31 March 2022.

Objectives and activities

a. Objectives and aims

The principal objectives of the The Mercian Regimental Charity are:

- Promote the efficiency of the Regiment
- Preserve memorials and chapels of the Regiment and the former Regiments, including preservation in perpetuity of the Crich Memorial and its grounds.
- Make grants to any other charity or organisation for the benefit of the Regiment or former Regiments.
- Provide for the upkeep and maintenance of any museum of or related to the Regiment or former Regiments and their contents and in acquiring new exhibits.
- Provide for the preservation, repair, maintenance, replacement, safe custody and exhibition of chattels, trophies and memorials of the Regiment and the former Regiments.
- Provide for the compilation and reproduction by printing, photographing, or otherwise of records, histories and documents of the Regiment and former Regiments, including the expenses of a Regimental Journal, newsletter and website.
- Maintaining and preserving the traditions and spirit of the Regiment and the former Regiments and maintaining communication between past and present members of the Regiment and former Regiments.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Main activities undertaken to further the CIO's purposes for the public benefit

The main activities of the charity to further its charitable purposes for the public benefit have been undertaken in the following areas by:

- Providing grants for the efficiency of the Regiment, and to any other Regimental Charity of the Regiment, for the benefit of the Regiment or the former Regiments.
- Funding the maintenance and upkeep of the memorials and chapels of the Regiment, and its former Regiments, including The Crich Memorial.
- Funding the maintenance and preservation of the chattels of the Regiment and the former Regiments.
- Serving members of the Mercian Regiment are entitled to apply for grants towards adventure training, sport and equipment.
- Day's Pay scheme presentations are given throughout the year to all serving members of the Mercian Regiment to keep them informed of the benefits of donating to their Regimental Charities.
- Funding support is also given to key Regimental events, including Remembrance and freedom parades.

The Mercian Regimental Charity

Trustees' report (continued) For the year ended 31 March 2022

Achievements and performance

a. Review of activities of the CIO

The largest portion of income for The Mercian Regimental Charity is monthly contributions made by serving members of The Mercian Regiment under a salary sacrifice scheme called the Day's Pay Scheme. Reservists joined the scheme in April 2018. The income is paid to the Regimental Charity and 51% is transferred to The Mercian Benevolent Charity. The Regimental Charity's share this financial year was £49,117, being a slight increase from the previous financial year (2019: £45,330; 2020: £45,756; 2021: £47,734).

Due to the pandemic many events for hosting and fundraising continue to be postponed. It is hoped that events will be arranged next financial year.

Crich

The memorial garden at Crich has still to be formally opened, along with planning that there are plans being made to raise funds for the Memorial by selling Remembrance plaques next financial year. Furthermore, whilst it was not possible to have the Crich Pilgrimage in July 2021, it is hoped to resume in July 2022, with plans being considered for its Centenary Year in 2023.

b. Investment policy and performance

An investment strategy for the Charity was approved by the Trustees, recognising the long-term nature of the Charity and its obligations. The objective is to grow the income and reserves of the Charity while having sufficient liquidity to meet foreseeable needs in the short term.

Investec Wealth and Investment was appointed Investment Manager in August 2012. The intention is that investments will be in a multi asset income portfolio spread across a number of collective investment vehicles and asset classes.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the CIO has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

b. Reserves policy

The free reserves of the CIO totalled £88,598 at the balance sheet date (2021 - £91,535).

The capital assets (minus the Bond Fund) of Mercian Regimental Charity assets represented within the assets shall not fall below £1.75m.

If that level is breached at any time, expenditure shall be reduced so that no further cash is drawn down to make up any deficit of expenditure over income. Instead all income generated by the remaining capital shall be re-invested until the reserve level of £1.75m has been restored.

Crich Restricted Fund within Mercian Regimental Charity

The capital value of the Crich Fund shall not fall below £300,000. If that level is breached at any time, the trustees will review and reduce expenditure and/or cause a fund-raising campaign to be launched and/or transfer capital from Mercian Regimental Charity.

The Mercian Regimental Charity

Trustees' report (continued) For the year ended 31 March 2022

c. Principal funding

The principal sources of funding for the Mercian Regimental Charity has been from the salary sacrifice scheme, referred to as the 'Days Pay Scheme' from serving members of the Mercian Regiment. The Charity also receives income from the investment portfolio quarterly.

However, in December 2021 the Trustees decided to reinvest the Regimental portfolio income, to prevent their being too much money in the bank, which had come about since events were not occurring as planned due to the pandemic.

The Charity would normally receive income from serving members of the Mercian Regiment who fundraise by embarking on various sporting events during the financial year to achieve income but the pandemic continued to hamper them.

The restricted fund Crich Memorial Fund has benefitted from fundraising income where the organiser split the proceeds between the Mercian Benevolent Charity and Crich. The Memorial Fund also receives some donations from the general public, directly into the charity bank account.

Structure, governance and management

a. Constitution

Declarations of Trust in relation to The Mercian Regimental Charity and The Mercian Regiment Benevolent Charity ("the Charities") were made on 7th December 2006 and these were sealed by the Charity Commission on 23rd January 2007. The charities were registered as linked charities with the Charity Registration No. 1117653. The Trustees elected to separately register The Mercian Regiment Benevolent Charity with effect from 1st April 2008, the Charity Commission agreed to this request.

The charities were created in anticipation of the formation of the Mercian Regiment on 21st August 2007 by the merger of the 22nd (Cheshire) Regiment, The Worcester and Sherwood Foresters Regiment and The Staffordshire Regiment (The Prince of Wales's) together with elements of the West Midlands Regiment, a Territorial Army unit. All three regular army regiments worked together to create the Mercian Regiment charities and agreed that on the formation of the new Regiment they would transfer their charitable assets and responsibilities to the Charities.

The Trustees agreed to transfer The Mercian Regimental Charity (charity number 1117653) trust to a charitable incorporated organisation (CIO). The Mercian Regimental Charity (charity number 1177059) CIO was registered with the Charity Commission on 8th February 2018.

b. Methods of appointment or election of Trustees

The constitution of the CIO, dated 8th February 2018, started with 15 trustees and states the composition of the Council being: The Colonel of the Regiment, Deputy Colonels of the Regiment – (Heritage, RRCM, Finance & Benevolence), Commanding Officers, non-executive member, plus non-voting members a secretary and a treasurer. The trustees are recorded in the register of members.

c. Policies adopted for the induction and training of Trustees

The constitution states that each new charity trustees will be provided a copy of the current constitution and a copy of the CIO's latest trustees report and statement of accounts.

Selected trustees and staff attend seminars organised by the charity's fund managers that include governance and investment.

The Mercian Regimental Charity

Trustees' report (continued) For the year ended 31 March 2022

Structure, governance and management (continued)

d. Organisational structure

The trustees, all of whom are members of the Council of the Mercian Regiment, meet biannually. There are appropriate subcommittees comprising of members where at least two of them are members of the Council. The subcommittees have clearly defined written terms of reference dealing with such matters as Heritage, RRCM, Finance and Associations; committee reports are provided to the Council.

Detailed annual budgets are prepared and submitted to the Council for approval, actual income and expenditure is compared with budget forecasts. The subcommittees meet at least twice a year, overseeing all aspects of the management of the finances.

e. Financial risk management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. Financial accounting by the Finance Officer is supervised by the Chairman of the Finance Committee. The Charity employs a communications officer in its Lichfield HQ. The Charity also employs a warden at the Crich memorial who is provided accommodation.

Plans for future periods

The Trustees having been informed that the Mercian Regiment will reduce to one Regular Army Battalion by September 2022, this will create a reduction in income from the Day's Pay Scheme. The Trustees continue to assess their budget.

Presentations about the Mercian charities and salary sacrifice scheme are planned in the new financial year, for serving personnel to inform them of what is available to them and how they can donate to their charity.

Chattels

These are comprised of Regimental trophies, pictures and silverware, much of which were gifts and whose cost is not ascertainable. Each month a section of chattels are checked and annually a full inspection is carried out. A new improved system is being investigated for presentation to the Trustees for their consideration.

The Mercian Regimental Charity

Trustees' report (continued)
For the year ended 31 March 2022

Statement of Trustees' responsibilities

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 law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the CIO and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 CIO will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the CIO's transactions and disclose with reasonable accuracy at any time the financial position of the CIO and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the CIO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Brig P Kimber OBE
Deputy Colonel Finance

Date: 09/11/22

The Mercian Regimental Charity

Independent examiner's report For the year ended 31 March 2022

Independent examiner's report to the Trustees of The Mercian Regimental Charity ('the CIO')

I report to the charity Trustees on my examination of the accounts of the CIO for the year ended 31 March 2022.

Responsibilities and basis of report

As the Trustees of the CIO you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

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

Independent examiner's statement

Your attention is drawn to the fact that the CIO has prepared the accounts in accordance with Accounting and Reporting by Charities: 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

I have completed my examination. I confirm that no 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 CIO as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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.

This report is made solely to the CIO's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the CIO's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the CIO and the CIO's Trustees as a body, for my work or for this report.

Signed:



Dated:

9/11/22

Andrew Morris FCA

Dains Audit Limited
Birmingham

The Mercian Regimental Charity

Statement of financial activities
For the year ended 31 March 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	3	60,699	5,304	66,003	75,506
Other trading activities:	4				
Fundraising		9,278	7,743	17,021	13,250
Investments	5	50,575	6,964	57,539	68,642
Total income		120,552	20,011	140,563	157,398
Expenditure on:					
Raising funds:	6				
Investment management		17,019	2,607	19,626	17,884
Fundraising trading expenses		35,800	4,301	40,101	46,066
Charitable activities	7	187,878	16,511	204,389	98,771
Total expenditure		240,697	23,419	264,116	162,721
Net expenditure before net gains on investments		(120,145)	(3,408)	(123,553)	(5,323)
Net gains on investments		126,993	18,961	145,954	498,584
Net income		6,848	15,553	22,401	493,261
Transfers between funds	16	(3,500)	3,500	-	-
Net movement in funds		3,348	19,053	22,401	493,261
Reconciliation of funds:					
Total funds brought forward	16	2,700,566	423,399	3,123,965	2,630,704
Net movement in funds		3,348	19,053	22,401	493,261
Total funds carried forward	16	2,703,914	442,452	3,146,366	3,123,965

The notes on pages 10 to 25 form part of these financial statements.

The Mercian Regimental Charity
Registered number:

Balance sheet
As at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	10,667	14,173
Investments	13	3,021,105	2,994,777
		<u>3,031,772</u>	<u>3,008,950</u>
Current assets			
Debtors	14	21,493	32,287
Cash at bank and in hand		210,604	105,657
		<u>232,097</u>	<u>137,944</u>
Creditors: amounts falling due within one year	15	(117,503)	(22,929)
		<u>114,594</u>	<u>115,015</u>
Net current assets		<u>114,594</u>	<u>115,015</u>
Total net assets		<u><u>3,146,366</u></u>	<u><u>3,123,965</u></u>
Charity funds			
Restricted funds	16	442,452	423,399
Unrestricted funds	16	2,703,914	2,700,566
Total funds		<u><u>3,146,366</u></u>	<u><u>3,123,965</u></u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Brig P Kimber OBE
Deputy Colonel Finance

Date: 9/11/22

The notes on pages 10 to 25 form part of these financial statements.

1. General information

The Mercian Regimental Charity is a private Charitable Incorporated Organisation (CIO) registered with the Charity Commission in England & Wales. Its registered number and registered office address are given on page 1. The CIO's objects and principal activities are set out in the Trustees' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Mercian Regimental Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the CIO has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

2.3 Income

All income is recognised once the CIO has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the CIO has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the CIO, can be reliably measured.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the CIO to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the CIO's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the CIO; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the CIO assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Equipment	- 10%-20% straight-line
Crockery and cutlery	- 10% straight-line

No depreciation is charged in the year of purchase or disposal.

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

2.11 Financial instruments

The CIO only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Pensions

The CIO operates a defined contribution pension scheme and the pension charge represents the amounts payable by the CIO to the fund in respect of the year.

Notes to the financial statements
For the year ended 31 March 2022

2. Accounting policies (continued)

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the CIO and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the CIO for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Donations	353	5,304	5,657
Subscriptions and legacies	10,570	-	10,570
Other voluntary income	659	-	659
Day's Pay Scheme	49,117	-	49,117
Total 2022	60,699	5,304	66,003

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Donations	4,507	11,009	15,516
Subscriptions and legacies	10,206	-	10,206
Other voluntary income	2,050	-	2,050
Day's Pay Scheme	47,734	-	47,734
Total 2021	64,497	11,009	75,506

The Mercian Regimental Charity

Notes to the financial statements
For the year ended 31 March 2022

4. Income from fundraising

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Car park	-	3,009	3,009
Field and stable rental	-	2,164	2,164
Tower admission	-	1,790	1,790
Café income	-	780	780
Shop income	7,638	-	7,638
Other income	1,640	-	1,640
Total 2022	9,278	7,743	17,021

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Car park	-	2,150	2,150
Field and stable rental	-	2,164	2,164
Tower admission	-	1,145	1,145
Café income	-	423	423
Shop income	6,613	-	6,613
Other income	755	-	755
Total 2021	7,368	5,882	13,250

The Mercian Regimental Charity

Notes to the financial statements
For the year ended 31 March 2022

5. Investment income

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Investment income	50,566	6,963	57,529
Deposit account interest	9	1	10
Total 2022	<u>50,575</u>	<u>6,964</u>	<u>57,539</u>

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Investment income	58,496	10,117	68,613
Deposit account interest	24	5	29
Total 2021	<u>58,520</u>	<u>10,122</u>	<u>68,642</u>

6. Expenditure on raising funds

Investment management

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Investment management fees	17,019	2,607	19,626
	<u>17,019</u>	<u>2,607</u>	<u>19,626</u>

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Investment management fees	15,536	2,348	17,884
	<u>15,536</u>	<u>2,348</u>	<u>17,884</u>

The Mercian Regimental Charity

Notes to the financial statements
For the year ended 31 March 2022

6. Expenditure on raising funds (continued)

Fundraising trading expenses

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Wages and salaries	21,764	-	21,764
Social security	1,783	-	1,783
Pension costs	465	-	465
Goods for resale	11,788	-	11,788
Crich site	-	4,301	4,301
	<u>35,800</u>	<u>4,301</u>	<u>40,101</u>

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Wages and salaries	21,999	-	21,999
Social security costs	1,824	-	1,824
Pension costs	473	-	473
Events	586	-	586
Goods for resale	9,955	-	9,955
Crich site	-	9,386	9,386
Equipment and chattels	1,843	-	1,843
	<u>36,680</u>	<u>9,386</u>	<u>46,066</u>

The Mercian Regimental Charity

Notes to the financial statements
For the year ended 31 March 2022

7. Analysis of expenditure on charitable activities

	Activities undertaken directly 2022 £	Grant funding of activities 2022 £	Support costs 2022 £	Total funds 2022 £
Furtherance of the charity's objects	99,236	100,000	5,153	204,389

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Furtherance of the charity's objects	93,438	5,333	98,771

Analysis of direct costs

	Total funds 2022 £	Total funds 2021 £
Staff costs	18,090	17,228
Depreciation	3,506	3,505
Marketing	23,341	26,208
Heritage costs	1,940	-
RMAS officer	3,099	653
GIA for Worcester Museum	20,000	20,000
Eagle journal costs	7,792	8,173
RHQ costs	2,022	506
Other direct costs	19,446	17,165
	99,236	93,438

The Mercian Regimental Charity

Notes to the financial statements
For the year ended 31 March 2022

7. Analysis of expenditure on charitable activities (continued)

Analysis of support costs

	Total funds 2022 £	Total funds 2021 £
Insurance	1,533	2,022
RHQ administration	281	481
Other support costs	879	530
Governance	2,460	2,300
	<u>5,153</u>	<u>5,333</u>

8. Analysis of grants

	Grants to Institutions 2022 £	Total funds 2022 £	Total funds 2021 £
Worcester Museum	100,000	100,000	-

A grant to Worcester Museum was approved in the final quarter of the year following a paper on 'Sustaining the Mercian Museums' highlighting the need for financial support.

9. Net income/(expenditure)

This is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	3,506	3,506
Pension contributions	779	765
Independent examiner's fee	2,460	2,300

The Mercian Regimental Charity

Notes to the financial statements
For the year ended 31 March 2022

10. Staff

	2022 £	2021 £
Wages and salaries	38,457	37,941
Social security costs	2,866	2,818
Pension costs	779	765
	<u>42,102</u>	<u>41,524</u>

The average number of persons employed by the CIO during the year was as follows:

	2022	2021
Staff	<u>2</u>	<u>2</u>

No employee received remuneration amounting to more than £60,000 in either year.

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, no Trustee expenses have been incurred (2021 - £NIL).

The Mercian Regimental Charity

Notes to the financial statements
For the year ended 31 March 2022

12. Tangible fixed assets

	Equipment £	Crockery and cutlery £	Total £
Cost			
At 1 April 2021	6,879	27,000	33,879
At 31 March 2022	<u>6,879</u>	<u>27,000</u>	<u>33,879</u>
Depreciation			
At 1 April 2021	806	18,900	19,706
Charge for the year	806	2,700	3,506
At 31 March 2022	<u>1,612</u>	<u>21,600</u>	<u>23,212</u>
Net book value			
At 31 March 2022	<u>5,267</u>	<u>5,400</u>	<u>10,667</u>
At 31 March 2021	<u>6,073</u>	<u>8,100</u>	<u>14,173</u>

The Mercian Regimental Charity

Notes to the financial statements
For the year ended 31 March 2022

13. Fixed asset investments

	Listed investments £
Market value	
At 1 April 2021	2,994,777
Additions	442,319
Disposals	(591,136)
Revaluations	101,127
Cash trading movements	74,018
At 31 March 2022	<u>3,021,105</u>
Net book value	
At 31 March 2022	<u>3,021,105</u>
At 31 March 2021	<u>2,994,777</u>

Investments at market value comprise:

	2022 £	2021 £
Listed investments	2,854,838	2,917,303
Cash and cash equivalents	166,267	77,474
	<u>3,021,105</u>	<u>2,994,777</u>

The Mercian Regimental Charity

Notes to the financial statements
For the year ended 31 March 2022

14. Debtors

	2022 £	2021 £
Trade debtors	17,949	22,737
Other debtors	42	444
Prepayments and accrued income	3,502	9,106
	<u>21,493</u>	<u>32,287</u>

15. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	-	4
Accruals and deferred income	117,503	22,925
	<u>117,503</u>	<u>22,929</u>

Included in creditors is deferred income of £1,425 (2021 - £1,423) in respect of field rental income and fundraising events planned for the next financial year.

The Mercian Regimental Charity

Notes to the financial statements
For the year ended 31 March 2022

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds						
General Funds	<u>2,700,566</u>	<u>120,552</u>	<u>(240,697)</u>	<u>(3,500)</u>	<u>126,993</u>	<u>2,703,914</u>
Restricted funds						
Restricted Funds - Crich	<u>423,399</u>	<u>20,011</u>	<u>(23,419)</u>	<u>3,500</u>	<u>18,961</u>	<u>442,452</u>
Total of funds	<u><u>3,123,965</u></u>	<u><u>140,563</u></u>	<u><u>(264,116)</u></u>	<u><u>-</u></u>	<u><u>145,954</u></u>	<u><u>3,146,366</u></u>

The specific purposes for which the funds are to be applied are as follows:

Restricted Fund - Crich

The Mercian Regimental War Memorial is situated in Crich, Derbyshire. Annually a pilgrimage is held at the site. There is a bungalow on site, which is occupied by the Warden who is employed by the Mercian Regimental Charity. The Restricted fund pays for all associated costs for Crich, which include wages for the warden, utility bills for the tower and any necessary repairs and grounds maintenance expenditure.

Income comes in for Crich through visitors parking their cars on site and entry fees being paid to go up in the tower. The warden runs a coffee shop of which a rent is paid to the charity each month. Rent is also received for the letting out of fields.

The Mercian Regimental Charity

Notes to the financial statements
For the year ended 31 March 2022

16. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds					
General Funds	2,275,992	130,385	(129,709)	423,898	2,700,566
Restricted funds					
Restricted Funds - Crich	354,712	27,013	(33,012)	74,686	423,399
Total of funds	2,630,704	157,398	(162,721)	498,584	3,123,965

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	10,667	-	10,667
Fixed asset investments	2,604,649	416,456	3,021,105
Current assets	204,789	27,308	232,097
Creditors due within one year	(116,191)	(1,312)	(117,503)
Total	2,703,914	442,452	3,146,366

17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	14,173	-	14,173
Fixed asset investments	2,594,858	399,919	2,994,777
Current assets	112,563	25,381	137,944
Creditors due within one year	(21,028)	(1,901)	(22,929)
Total	2,700,566	423,399	3,123,965

18. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £779 (2021 - £765). No amounts were outstanding at either balance sheet date.

The pension expense is allocated to restricted funds on the basis that one member of staff is employed to work at the Crich site and therefore that employee's pension cost is treated as restricted.

19. Related party transactions

The Mercian Regiment Benevolent Charity (registered charity number 1125179) is a related party by virtue of being governed by the same board of trustees. At the balance sheet date, an amount of £42 (2021 - £Nil) was owed from the The Mercian Regiment Benevolent Charity.

THE MERCIAN REGIMENTAL CHARITY

England & Wales - Charity number 1177059

Accounts

Charity number: 1177059

The Mercian Regimental Charity

Trustees' report and financial statements

For the year ended 31 March 2021

 **DAINS**
ACCOUNTANTS

The Mercian Regimental Charity

Contents

	Page
Reference and administrative details of the CIO, its Trustees and advisers	1
Trustees' report	2 - 6
Independent examiner's report	7
Statement of financial activities	8
Balance sheet	9
Notes to the financial statements	10 - 24

The Mercian Regimental Charity

Reference and administrative details of the CIO, its Trustees and advisers For the year ended 31 March 2021

Trustees	Lt Gen I Cave CB, Chairman and Colonel of the Regiment Brig S Banton OBE, Deputy Colonel Heritage Brig S Bell QVRM, Deputy Colonel RRCM Brig P Kimber OBE, Deputy Colonel Finance Col A Walton MBE Lt Col N Kelly OBE, CO1 Mercian (resigned 8 September 2020) Lt Col M Davis, CO2 Mercian (resigned 8 August 2020) Lt Col F Cuttle MBE, CO4 Mercian (resigned 9 November 2020) Lt Col (Retd) M Jackson OBE Lt Col (Retd) N Mackintosh Lt Col R Spalton, CO4 Mercian (appointed 9 November 2020) Lt Col D Canham OBE, CO1 Mercian (appointed 8 September 2020) Lt Col R Grover MBE, CO2 Mercian (appointed 8 August 2020) Mr M Elliott
Charity registered number	1177059
Principal office	Regimental Headquarters The Mercian Regiment Whittington Barracks Lichfield Staffordshire WS14 9TJ
Financial secretary	Mrs P Mear
Accountants	Dains LLP 15 Colmore Row Birmingham B3 2BH
Bankers	Lloyds Bank plc 22 Conduit Street Lichfield WS13 6JS CAF Bank 25 Kings Hill Avenue West Malling ME19 4JQ Royal Bank of Scotland 200 Fowler Avenue Farnborough GU14 7JP
Investment Managers	Investec Wealth and Investment 30 Gresham Street London EC2V 7QN

The Mercian Regimental Charity

Trustees' report For the year ended 31 March 2021

The Trustees present their annual report together with the financial statements of the CIO for the year 1 April 2020 to 31 March 2021.

Objectives and activities

a. Objectives and aims

The principal objectives of the The Mercian Regimental Charity are:

- Promote the efficiency of the Regiment.
- Preserve memorials and chapels of the Regiment and the former Regiments, including preservation in perpetuity of the Crich Memorial and its grounds.
- Make grants to any other charity or organisation for the benefit of the Regiment or former Regiments.
- Provide for the upkeep and maintenance of any museum of or related to the Regiment or former Regiments and their contents and in acquiring new exhibits.
- Provide for the preservation, repair, maintenance, replacement, safe custody and exhibition of chattels, trophies and memorials of the Regiment and the former Regiments.
- Provide for the compilation and reproduction by printing, photographing, or otherwise of records, histories and documents of the Regiment and former Regiments, including the expenses of a Regimental Journal, newsletter and website.
- Maintaining and preserving the traditions and spirit of the Regiment and the former Regiments and maintaining communication between past and present members of the Regiment and former Regiments.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Main activities undertaken to further the CIO's purposes for the public benefit

The main activities of the charity to further its charitable purposes for the public benefit have been undertaken in the following areas by:

- Providing grants for the efficiency of the Regiment, and to any other Regimental Charity of the Regiment, for the benefit of the Regiment or the former Regiments.
- Funding the maintenance and upkeep of the memorials and chapels of the Regiment, and its former regiments, including the The Crich Memorial.
- Funding the maintenance and preservation of the chattels of the Regiment and the former regiments.
- Serving Members of the Mercian Regiment are entitled to apply for grants towards Adventure training, sport and equipment.
- Day's Pay scheme presentations are given throughout the year to all serving members of the Mercian Regiment to keep them informed of the benefits of donating to their Regimental Charities.
- Funding support is also given to key Regimental Events, including Remembrance and Freedom Parades.

The Mercian Regimental Charity

Trustees' report (continued) For the year ended 31 March 2021

Achievements and performance

a. Review of activities of the CIO

The largest portion of income for The Mercian Regimental Charity is monthly contributions made by serving members of The Mercian Regiment under a salary sacrifice scheme called the Day's Pay Scheme. Reservists joined the scheme in April 2018. The income is paid to the Regimental Charity and 51% is transferred to The Mercian Benevolent Charity. The Regimental Charity's share this financial year was £47,734 being a slight increase from the previous financial year (2019: £45,330; 2020: £45,756).

The Trustees approved and paid for the Commonwealth War Graves to renovate an antecedent Memorial, known as Gheluvelt last financial year. Further fundraising was carried out by the Mercian Regiment Museum to enhance the Gheluvelt Memorial which was completed and unveiled in time for Remembrance Day.

Due to the pandemic many events for hosting and fundraising had to be postponed. It was necessary for the Trustees to re-evaluate the budget to plan for a unique financial year. The Regimental Charity shop closed for a short period, when restrictions eased the shop reopened enabling parcels to be sent out.

Crich

The memorial garden at Crich was completed last financial year. Because of the pandemic plans for the garden have been delayed, as has the official opening. It was also necessary to cancel the annual pilgrimage for the second year.

b. Investment policy and performance

An investment strategy for the Charity was approved by the Trustees, recognising the long-term nature of the Charity and its obligations. The objective is to grow the income and reserves of the Charity while having sufficient liquidity to meet foreseeable needs in the short term.

Investec Wealth and Investment was appointed Investment Manager in August 2012. The intention is that investments will be in a multi asset income portfolio spread across a number of collective investment vehicles and asset classes.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the CIO has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The Mercian Regimental Charity

Trustees' report (continued) For the year ended 31 March 2021

Financial review (continued)

b. Reserves policy

The free reserves of the CIO totalled £91,535 at the balance sheet date (2020 - £73,414).

The capital assets (minus the Bond Fund) of Mercian Regimental Charity assets represented within the assets shall not fall below £1.75m.

If that level is breached at any time, expenditure shall be reduced so that no further cash is drawn down to make up any deficit of expenditure over income. Instead all income generated by the remaining capital shall be re-invested until the reserve level of £1.75m has been restored.

Crich Restricted Fund within Mercian Regimental Charity

The capital value of the Crich Fund shall not fall below £300,000. If that level is breached at any time, the trustees will review and reduce expenditure and/or cause a fund-raising campaign to be launched and/or transfer capital from Mercian Regimental Charity.

c. Principal funding

The principal sources of funding for the Mercian Regimental Charity has been through the receipt of income through the salary sacrifice scheme from serving members of the Mercian Regiment. The Charity receives income from the investment portfolio quarterly.

The Charity would normally receive income from serving members of the Mercian Regiment who fundraise by embarking on various sporting events during the financial year to achieve income but the pandemic hampered not only unit moves, but fundraising.

The Charity enrolled in the amazon smile charity giving and hopes to receive a small dividend annually.

The restricted fund Crich Memorial Fund has benefitted from fundraising income where the organiser split the proceeds between the Mercian Benevolent Charity and Crich. The Memorial Fund also receives some donations from the general public, directly into the charity bank account.

The Mercian Regimental Charity

Trustees' report (continued) For the year ended 31 March 2021

Structure, governance and management

a. Constitution

Declarations of Trust in relation to The Mercian Regimental Charity and The Mercian Regiment Benevolent Charity ("the Charities") were made on 7th December 2006 and these were sealed by the Charity Commission on 23rd January 2007. The charities were registered as linked charities with the Charity Registration No. 1117653. The Trustees elected to separately register The Mercian Regiment Benevolent Charity with effect from 1st April 2008, the Charity Commission agreed to this request.

The charities were created in anticipation of the formation of the Mercian Regiment on 21st August 2007 by the merger of the 22nd (Cheshire) Regiment, The Worcester and Sherwood Foresters Regiment and The Staffordshire Regiment (The Prince of Wales's) together with elements of the West Midlands Regiment, a Territorial Army unit. All three regular army regiments worked together to create the Mercian Regiment charities and agreed that on the formation of the new Regiment they would transfer their charitable assets and responsibilities to the Charities.

The Trustees agreed to transfer The Mercian Regimental Charity (charity number 1117653) trust to a charitable incorporated organisation (CIO). The Mercian Regimental Charity (charity number 1177059) CIO was registered with the Charity Commission on 8th February 2018.

b. Methods of appointment or election of Trustees

The constitution of the CIO, dated 8th February 2018, started with 15 trustees and states the composition of the Council being: The Colonel of the Regiment, Deputy Colonels of the Regiment – (Heritage, RRCM, Finance & Benevolence), Commanding Officers, non-executive member, plus non-voting members a secretary and a treasurer. The trustees are recorded in the register of members.

c. Policies adopted for the induction and training of Trustees

The constitution states that each new charity trustees will be provided a copy of the current constitution and a copy of the CIO's latest trustees report and statement of accounts.

Selected trustees and staff attend seminars organised by the charity's fund managers that include governance and investment.

d. Organisational structure

The trustees, all of whom are members of the Council of the Mercian Regiment, meet biannually. There are appropriate subcommittees comprising of members where at least two of them are members of the Council. The subcommittees have clearly defined written terms of reference dealing with such matters as Heritage, RRCM, Finance and Associations; committee reports are provided to the Council.

Detailed annual budgets are prepared and submitted to the Council for approval, actual income and expenditure is compared with budget forecasts. The subcommittees meet at least twice a year, overseeing all aspects of the management of the finances.

e. Financial risk management

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. Financial accounting by the Finance Officer is supervised by the Chairman of the Finance Committee. The Charity employs a communications officer in its Lichfield HQ. The Charity also employs a warden at the Crich memorial who is provided accommodation.

The Mercian Regimental Charity

Trustees' report (continued)
For the year ended 31 March 2021

Plans for future periods

Presentations about the Mercian charities and salary sacrifice scheme are planned in the new financial year, for serving personnel to inform them of what is available to them and how they can donate to their charity.

Chattels

These are comprised of Regimental trophies, pictures and silverware, much of which were gifts and whose cost is not ascertainable. Each month a section of chattels are checked and annually a full inspection is carried out. A new improved system is being investigated for presentation to the Trustees for their consideration.

Statement of Trustees' responsibilities

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 law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the CIO and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 CIO will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the CIO's transactions and disclose with reasonable accuracy at any time the financial position of the CIO and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the CIO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Brig P Kimber OBE
Deputy Colonel Finance

Date: 21/10/21

The Mercian Regimental Charity

**Independent examiner's report
For the year ended 31 March 2021**

Independent examiner's report to the Trustees of The Mercian Regimental Charity ('the CIO')

I report to the charity Trustees on my examination of the accounts of the CIO for the year ended 31 March 2021.

Responsibilities and basis of report

As the Trustees of the CIO you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

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

Independent examiner's statement

Your attention is drawn to the fact that the CIO has prepared the accounts in accordance with Accounting and Reporting by Charities: 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

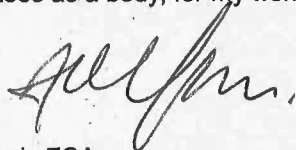
I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the CIO as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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.

This report is made solely to the CIO's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the CIO's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the CIO and the CIO's Trustees as a body, for my work or for this report.

Signed:



Dated:

21/10/21

Andrew Morris FCA

Dains LLP
Birmingham

The Mercian Regimental Charity

Statement of financial activities
For the year ended 31 March 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	3	64,497	11,009	75,506	63,648
Other trading activities:	4				
Fundraising		7,368	5,882	13,250	16,761
Investments	5	58,520	10,122	68,642	93,498
Total income		130,385	27,013	157,398	173,907
Expenditure on:					
Raising funds:	6				
Investment management		15,536	2,348	17,884	18,760
Fundraising trading expenses		36,680	9,386	46,066	59,883
Charitable activities	7	77,493	21,278	98,771	138,184
Total expenditure		129,709	33,012	162,721	216,827
Net gains/(losses) on investments	12	423,898	74,686	498,584	(268,181)
Net movement in funds		424,574	68,687	493,261	(311,101)
Reconciliation of funds:					
Total funds brought forward	15	2,275,992	354,712	2,630,704	2,941,805
Net movement in funds		424,574	68,687	493,261	(311,101)
Total funds carried forward	15	2,700,566	423,399	3,123,965	2,630,704

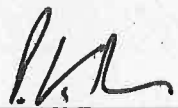
The notes on pages 10 to 24 form part of these financial statements.

The Mercian Regimental Charity

**Balance sheet
As at 31 March 2021**

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	14,173	17,679
Investments	12	2,994,777	2,514,077
		<u>3,008,950</u>	<u>2,531,756</u>
Current assets			
Debtors	13	32,287	37,807
Cash at bank and in hand		105,657	76,576
		<u>137,944</u>	<u>114,383</u>
Creditors: amounts falling due within one year	14	(22,929)	(15,435)
Net current assets		<u>115,015</u>	<u>98,948</u>
Total net assets		<u><u>3,123,965</u></u>	<u><u>2,630,704</u></u>
Charity funds			
Restricted funds	15	423,399	354,712
Unrestricted funds	15	2,700,566	2,275,992
Total funds		<u><u>3,123,965</u></u>	<u><u>2,630,704</u></u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


Brig P Kimber OBE
 Deputy Colonel Finance

Date: 21/10/21

The notes on pages 10 to 24 form part of these financial statements.

The Mercian Regimental Charity

Notes to the financial statements For the year ended 31 March 2021

1. General information

The Mercian Regimental Charity is a private Charitable Incorporated Organisation (CIO) registered with the Charity Commission in England & Wales. Its registered number and registered office address are given on page 1. The CIO's objects and principal activities are set out in the Trustees' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Mercian Regimental Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the CIO has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

2.3 Income

All income is recognised once the CIO has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the CIO has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the CIO, can be reliably measured.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the CIO to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the CIO's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the CIO; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the CIO assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Equipment	- 10%-20% straight-line
Crockery and cutlery	- 10% straight-line

No depreciation is charged in the year of purchase or disposal.

2. Accounting policies (continued)

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

2.11 Financial instruments

The CIO only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Pensions

The CIO operates a defined contribution pension scheme and the pension charge represents the amounts payable by the CIO to the fund in respect of the year.

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the CIO and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the CIO for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

The Mercian Regimental Charity

Notes to the financial statements
For the year ended 31 March 2021

3. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Donations	4,507	11,009	15,516
Subscriptions and legacies	10,206	-	10,206
Other voluntary income	2,050	-	2,050
Day's Pay Scheme	47,734	-	47,734
Total 2021	64,497	11,009	75,506

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Donations	1,216	4,366	5,582
Subscriptions and legacies	11,636	-	11,636
Other voluntary income	674	-	674
Day's Pay Scheme	45,756	-	45,756
Total 2020	59,282	4,366	63,648

The Mercian Regimental Charity

Notes to the financial statements For the year ended 31 March 2021

4. Income from fundraising

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Car park	-	2,150	2,150
Field and stable rental	-	2,164	2,164
Tower admission	-	1,145	1,145
Café income	-	423	423
Shop income	6,613	-	6,613
Other income	755	-	755
Total 2021	7,368	5,882	13,250

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Car park	-	3,052	3,052
Field and stable rental	-	2,158	2,158
Tower admission	-	1,310	1,310
Café income	-	715	715
Shop income	4,321	-	4,321
Other income	4,477	728	5,205
Total 2020	8,798	7,963	16,761

The Mercian Regimental Charity

Notes to the financial statements
For the year ended 31 March 2021

5. Investment income

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Investment income	58,496	10,117	68,613
Deposit account interest	24	5	29
Total 2021	58,520	10,122	68,642

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Investment income	81,313	12,056	93,369
Deposit account interest	103	26	129
Total 2020	81,416	12,082	93,498

6. Expenditure on raising funds

Investment management

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Investment management fees	15,536	2,348	17,884

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Investment management fees	16,309	2,451	18,760

The Mercian Regimental Charity

**Notes to the financial statements
For the year ended 31 March 2021**

6. Expenditure on raising funds (continued)

Fundraising trading expenses

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Wages and salaries	21,999	-	21,999
Social security costs	1,824	-	1,824
Pension costs	473	-	473
Events	586	-	586
Goods for resale	9,955	-	9,955
Crich site	-	9,386	9,386
Equipment and chattels	1,843	-	1,843
	<u>36,680</u>	<u>9,386</u>	<u>46,066</u>

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Wages and salaries	25,741	-	25,741
Social security costs	1,441	-	1,441
Pension costs	388	-	388
Goods for resale	8,506	-	8,506
Crich site	-	4,196	4,196
Equipment and chattels	19,611	-	19,611
	<u>55,687</u>	<u>4,196</u>	<u>59,883</u>

The Mercian Regimental Charity

**Notes to the financial statements
For the year ended 31 March 2021**

7. Analysis of expenditure on charitable activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Furtherance of the charity's objects	93,438	5,333	98,771

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Furtherance of the charity's objects	131,493	6,691	138,184

Analysis of direct costs

	Total funds 2021 £	Total funds 2020 £
Staff costs	17,228	16,873
Depreciation	3,505	2,700
Marketing	26,208	37,769
Heritage costs	-	8,821
RMAS officer	653	5,452
GIA for Worcester Museum	20,000	20,000
Eagle journal costs	8,173	9,151
RHQ costs	506	4,642
Other direct costs	17,165	26,085
	93,438	131,493

The Mercian Regimental Charity

**Notes to the financial statements
For the year ended 31 March 2021**

7. Analysis of expenditure on charitable activities (continued)

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
Insurance	2,022	2,290
RHQ administration	481	663
Other support costs	530	687
Legal and professional	-	131
Governance	2,300	2,920
	<u>5,333</u>	<u>6,691</u>

8. Net income/(expenditure)

This is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	3,506	2,700
Pension contributions	765	671
Independent examiner's fee	2,300	2,280
	<u>6,571</u>	<u>5,651</u>

The Mercian Regimental Charity

**Notes to the financial statements
For the year ended 31 March 2021**

9. Staff

	2021	2020
	£	£
Wages and salaries	37,941	41,371
Social security costs	2,818	2,401
Pension costs	765	671
	41,524	44,443

The average number of persons employed by the CIO during the year was as follows:

	2021	2020
Staff	2	2

No employee received remuneration amounting to more than £60,000 in either year.

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year, no Trustee expenses have been incurred (2020 - £NIL).

The Mercian Regimental Charity

**Notes to the financial statements
For the year ended 31 March 2021**

11. Tangible fixed assets

	Equipment £	Crockery and cutlery £	Total £
Cost			
At 1 April 2020	6,879	27,000	33,879
At 31 March 2021	<u>6,879</u>	<u>27,000</u>	<u>33,879</u>
Depreciation			
At 1 April 2020	-	16,200	16,200
Charge for the year	806	2,700	3,506
At 31 March 2021	<u>806</u>	<u>18,900</u>	<u>19,706</u>
Net book value			
At 31 March 2021	<u>6,073</u>	<u>8,100</u>	<u>14,173</u>
At 31 March 2020	<u>6,879</u>	<u>10,800</u>	<u>17,679</u>

The Mercian Regimental Charity

Notes to the financial statements
For the year ended 31 March 2021

12. Fixed asset investments

	Listed investments £
Market value	
At 1 April 2020	2,514,077
Additions	485,797
Disposals	(452,791)
Cash trading movements	(65,014)
Revaluations	512,708
At 31 March 2021	<u><u>2,994,777</u></u>
Net book value	
At 31 March 2021	<u><u>2,994,777</u></u>
<i>At 31 March 2020</i>	<u><u>2,514,077</u></u>

Investments at market value comprise:

	2021 £	2020 £
Listed investments	2,917,303	2,386,756
Cash and cash equivalents	77,474	127,321
	<u><u>2,994,777</u></u>	<u><u>2,514,077</u></u>

The Mercian Regimental Charity

**Notes to the financial statements
For the year ended 31 March 2021**

13. Debtors

	2021	2020
	£	£
Trade debtors	22,737	22,236
Other debtors	444	458
Prepayments and accrued income	9,106	15,113
	32,287	37,807

14. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	4	-
Accruals and deferred income	22,925	15,435
	22,929	15,435

Included in creditors is deferred income of £1,423 (2020 - £1,588) in respect of field rental income and fundraising events planned for the next financial year.

The Mercian Regimental Charity

Notes to the financial statements
For the year ended 31 March 2021

15. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds					
General Funds	2,275,992	130,385	(129,709)	423,898	2,700,566
Restricted funds					
Restricted Funds - Crich	354,712	27,013	(33,012)	74,686	423,399
Total of funds	2,630,704	157,398	(162,721)	498,584	3,123,965

The specific purposes for which the funds are to be applied are as follows:

Restricted Fund - Crich

The Mercian Regimental War Memorial is situated in Crich, Derbyshire. Annually a pilgrimage is held at the site. There is a bungalow on site, which is occupied by the Warden who is employed by the Mercian Regimental Charity. The Restricted fund pays for all associated costs for Crich, which include wages for the warden, utility bills for the tower and any necessary repairs and grounds maintenance expenditure.

Income comes in for Crich through visitors parking their cars on site and entry fees being paid to go up in the tower. The warden runs a coffee shop of which a rent is paid to the charity each month. Rent is also received for the letting out of fields which amounts to £2,164 per financial year.

Statement of funds - prior year

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2020 £
Unrestricted funds					
General Funds	2,547,726	149,496	(192,355)	(228,875)	2,275,992
Restricted funds					
Restricted Funds - Crich	394,079	24,411	(24,472)	(39,306)	354,712
Total of funds	2,941,805	173,907	(216,827)	(268,181)	2,630,704

The Mercian Regimental Charity

Notes to the financial statements For the year ended 31 March 2021

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	14,173	-	14,173
Fixed asset investments	2,594,858	399,919	2,994,777
Current assets	112,563	25,381	137,944
Creditors due within one year	(21,028)	(1,901)	(22,929)
Total	2,700,566	423,399	3,123,965

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	17,679	-	17,679
Fixed asset investments	2,184,899	329,178	2,514,077
Current assets	87,492	26,891	114,383
Creditors due within one year	(14,078)	(1,357)	(15,435)
Total	2,275,992	354,712	2,630,704

17. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £765 (2020 - £671). No amounts were outstanding at either balance sheet date.

The pension expense is allocated to restricted funds on the basis that one member of staff is employed to work at the Crich site and therefore that employee's pension cost is treated as restricted.

18. Related party transactions

There were no related party transactions requiring disclosure in the reporting period.