

The Mercian Regimental Charity

Trustees' report and financial statements

For the year ended 31 March 2023



The Mercian Regimental Charity

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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.

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.

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.

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)
Net current assets		<u>137,307</u>	<u>114,594</u>
Total net assets		<u><u>2,954,632</u></u>	<u><u>3,146,366</u></u>
Charity funds			
Restricted funds	16	425,373	442,452
Unrestricted funds	16	2,529,259	2,703,914
Total funds		<u><u>2,954,632</u></u>	<u><u>3,146,366</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: 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

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	7,252	7,711	14,963

	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

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	61,775	10,163	71,938

	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	50,575	6,964	57,539

6. Expenditure on raising funds

Investment management

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

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

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>

	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>

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

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	-	-

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

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

**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
	44,174	42,102

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

	2023	2022
Staff	2	2

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).

**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	6,879	27,000	33,879
Depreciation			
At 1 April 2022	1,612	21,600	23,212
Charge for the year	806	2,700	3,506
At 31 March 2023	2,418	24,300	26,718
Net book value			
At 31 March 2023	4,461	2,700	7,161
At 31 March 2022	5,267	5,400	10,667

**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	2,810,164
Net book value	
At 31 March 2023	2,810,164
At 31 March 2022	3,021,105

Investments at market value comprise:

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

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

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.

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	<u>3,123,965</u>	<u>140,563</u>	<u>(264,116)</u>	<u>-</u>	<u>145,954</u>	<u>3,146,366</u>

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	<u>2,529,259</u>	<u>425,373</u>	<u>2,954,632</u>

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	2,703,914	442,452	3,146,366

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.