

THE LIGHT DRAGOONS HERITAGE TRUST

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2023

THE LIGHT DRAGOONS HERITAGE TRUST

CONTENTS

	Page
Reference and administrative details of the Charity, its Trustees and advisers	1
Trustees' report	2 - 5
Independent examiner's report	6
Statement of financial activities	7
Balance sheet	8
Notes to the financial statements	9 - 19

THE LIGHT DRAGOONS HERITAGE TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 5 APRIL 2023

Trustees C F S May, Chair
Major (Retd) M Tazey MBE (resigned 29 July 2022)
Captain (Retd) C N Bird
Captain E G Legard
Captain C R Renwick
Captain M Reed MBE (appointed 17 November 2022)

**Charity registered
number** 273386

Principal office Home Headquarters
Fenham Barracks
Barrack Road
Newcastle upon Tyne
NE2 4NP

Accountants Ryecroft Glenton
32 Portland Terrace
Newcastle upon Tyne
NE2 1QP

Solicitors Gibson & Co.
77-87 West Road
Newcastle upon Tyne
NE15 6PR

Investment manager Brewin Dolphin
Time Central
Gallowgate
Newcastle upon Tyne
NE1 4SR

THE LIGHT DRAGOONS HERITAGE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2023

The Trustees present their annual report together with the financial statements of the Charity for the 6 April 2022 to 5 April 2023. The financial statements have been prepared in accordance with the accounting policies to the accounts and comply with the charity's trust deed, the Charities Act 2011 and 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).

Objectives and activities

• Policies and objectives

The objectives of the charity are :-

- (i) To uphold the history and traditions of the Light Dragoons and the antecedent Regiments;
- (ii) The maintenance and preservation of the Regimental Collection;
- (iii) The furtherance of the public's education and awareness of the Light Dragoons and the antecedent Regiments through the museum display of the Regimental Collection.

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)'.

• Strategies for achieving objectives

The trust aims to maintain the long-term purchasing power of the unrestricted fund against inflation, whilst producing a reasonable and growing income. The Trustees recognise the importance of maintaining the capital value and of ensuring that the income adequately covers annual expenditure.

• Main activities undertaken to further the Charity's purposes for the public benefit

This fund provides public benefit by maintaining and upkeep of regimental property, including the Gallery which is available to the public to visit for free at Discovery Museum Newcastle. In setting the objectives and activities of the charity, the Trustees have had due regard to guidance published by the Charities Commission on public benefit.

• Review of activities

Total incoming resources for the year amounted to £32,142 (2022: £8,764), which after total resources expended of £20,001 (2022: £23,288) and realised/unrealised losses on investments of £56,940 (2022: gains of £11,437), produced a deficit of £44,799 for the year (2022 : £3,087).

THE LIGHT DRAGOONS HERITAGE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2023

(continued)

● Investment policy and performance

In accordance with the Statement of Recommended Practice, quoted investments have been accounted for on a market value basis.

It is the Trustees' responsibility to ensure that the Trust's investments are at all times kept under review by one or more experts. The Trustees may delegate to an investment manager so appointed, power at his discretion to buy and sell investments for the Trust on behalf of the Trustees.

Investment returns amount to 1.9% for the year.

Financial review

● Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity 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. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

● Reserves policy

The Trustees have instructed The Light Dragoons Heritage Trust, to maintain a cash reserve of £1,000. The Trust can also drawn down funds from the investment portfolio if required.

At the year end, reserves totalled £643,536 (2022: £688,335) being all unrestricted.

● Financial risk management objectives and policies

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Structure, governance and management

● Constitution

The Light Dragoons Heritage Trust is a registered charity, number 273386, and is constituted under a Trust deed. The Trust formed on 9 December 1976 and governed by a scheme of the Charity Commission of the same date.

The charity is run by a body of not less than 4 and no more than 8 competent fit and proper persons being 3 ex-officio Trustees and not less than 4 Trustees.

THE LIGHT DRAGOONS HERITAGE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2023

Structure, governance and management (continued)

- **Methods of appointment or election of Trustees**

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

- **Organisational structure and decision-making policies**

The Trust is administered by the body of Administrative Trustees, which consists of not less than four and not more than eight competent persons being:-

Two Ex-officio Administrative Trustees; and
Not less than two and not more than six Co-opted Administrative Trustees.

The Ex-officio Administrative Trustees are:-

The Officer in Charge, Home Headquarters of the Regiment and his assistant.

- **Financial risk management**

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

THE LIGHT DRAGOONS HERITAGE TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 5 APRIL 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 year which give a true and fair view of the state of affairs of the Charity 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 Charity will continue in business.

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

Approved by order of the members of the board of Trustees on 13 September 2023 and signed on their behalf by:

Captain C R Renwick

C F S May

THE LIGHT DRAGOONS HERITAGE TRUST

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 5 APRIL 2023

Independent examiner's report to the Trustees of The Light Dragoons Heritage Trust ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 5 April 2023.

Responsibilities and basis of report

As the Trustees of the Charity 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 Charity'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 Charity 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 Charity 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 Charity'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 Charity'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 Charity and the Charity's Trustees as a body, for my work or for this report.

Signed:

Dated: 13 September 2023

J Routledge FCA

Ryecroft Glenton
32 Portland Terrace
Newcastle upon Tyne
NE2 1QP

THE LIGHT DRAGOONS HERITAGE TRUST

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2023

	Note	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	3	1,931	18,520	20,451	176
Investments	4	-	11,691	11,691	7,804
Other income	5	-	-	-	784
Total income		1,931	30,211	32,142	8,764
Expenditure on:					
Raising funds	6	-	3,734	3,734	4,533
Charitable activities	7	1,931	14,336	16,267	18,755
Total expenditure		1,931	18,070	20,001	23,288
Net income/(expenditure) before net (losses)/gains on investments		-	12,141	12,141	(14,524)
Net (losses)/gains on investments		-	(56,940)	(56,940)	11,437
Net movement in funds		-	(44,799)	(44,799)	(3,087)
Reconciliation of funds:					
Total funds brought forward		-	688,335	688,335	691,422
Net movement in funds		-	(44,799)	(44,799)	(3,087)
Total funds carried forward		-	643,536	643,536	688,335

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 9 to 19 form part of these financial statements.

THE LIGHT DRAGOONS HERITAGE TRUST

BALANCE SHEET AS AT 5 APRIL 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	11	621,327	683,379
		<u>621,327</u>	<u>683,379</u>
Current assets			
Debtors	12	1,980	-
Cash at bank and in hand		21,415	6,780
		<u>23,395</u>	<u>6,780</u>
Creditors: amounts falling due within one year	13	(1,186)	(1,824)
Net current assets		<u>22,209</u>	<u>4,956</u>
Total assets less current liabilities		<u>643,536</u>	<u>688,335</u>
Total net assets		<u>643,536</u>	<u>688,335</u>
Charity funds			
Unrestricted funds	15	643,536	688,335
Total funds		<u>643,536</u>	<u>688,335</u>

The financial statements were approved and authorised for issue by the Trustees on 13 September 2023 and signed on their behalf by:

C F S May

Captain C R Renwick

The notes on pages 9 to 19 form part of these financial statements.

THE LIGHT DRAGOONS HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023

1. General information

The Light Dragoons Heritage Trust is registered with the Charity Commission for England and Wales, number 273386. The principal address is Home Headquarters, Fenham Barracks, Barrack Road, Newcastle upon Tyne. NE2 4NP.

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 Light Dragoons Heritage Trust meets the definition of a public benefit entity under FRS 102.

2.2 Income

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

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.

2.3 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 on raising funds includes all expenditure incurred by the Charity 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 Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.4 Interest receivable

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2023

2. Accounting policies (continued)

2.5 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.

Investments held as fixed assets are shown at cost less provision for impairment.

2.6 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.

2.7 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.

2.8 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 Charity 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.

2.9 Financial instruments

The Charity 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.

2.10 Fund accounting

Unrestricted funds are funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity 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 Charity 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 LIGHT DRAGOONS HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023

3. Income from donations and legacies

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Donations	1,931	4,058	5,989
Transfer from the Light Dragoons Charitable Trust	-	14,462	14,462
	<u>1,931</u>	<u>18,520</u>	<u>20,451</u>

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Donations	96	96
Transfer from the Light Dragoons Charitable Trust	80	80
	<u>176</u>	<u>176</u>

4. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Income from investments	11,589	11,589
Bank and Brewin Dolphin deposit account interest received	102	102
	<u>11,691</u>	<u>11,691</u>

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Income from investments	7,804	7,804

THE LIGHT DRAGOONS HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2023

5. Other incoming resources

	Total funds 2023 £
Virtual tours	-

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Virtual tours	784	784

6. Investment management costs

	Unrestricted funds 2023 £	Total funds 2023 £
Investment management fees	3,734	3,734

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Investment management fees	4,533	4,533

THE LIGHT DRAGOONS HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023

7. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total 2023 £
Direct costs	1,931	14,336	16,267
		<i>Unrestricted funds 2022 £</i>	<i>Total 2022 £</i>
Direct costs		18,755	18,755

8. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Direct costs	14,676	1,591	16,267
	<i>Activities undertaken directly 2022 £</i>	<i>Support costs 2022 £</i>	<i>Total funds 2022 £</i>
Direct costs	17,715	1,040	18,755

THE LIGHT DRAGOONS HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2023

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Activities 2023 £	Total funds 2023 £
Regimental property upkeep costs	320	320
Museum running and upkeep costs	5,506	5,506
TWAM annual payment	8,850	8,850
	<hr/> 14,676 <hr/>	<hr/> 14,676 <hr/>
	<i>Activities 2022 £</i>	<i>Total funds 2022 £</i>
Regimental property upkeep costs	4,740	4,740
Museum running and upkeep costs	5,978	5,978
TWAM annual payment	6,997	6,997
	<hr/> 17,715 <hr/>	<hr/> 17,715 <hr/>

THE LIGHT DRAGOONS HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2023 £	Total funds 2023 £
Accountancy fees	1,186	1,186
Sundries	405	405
	<hr/> 1,591 <hr/>	<hr/> 1,591 <hr/>

	<i>Activities 2022 £</i>	<i>Total funds 2022 £</i>
Accountancy fees	735	735
Sundries	305	305
	<hr/> 1,040 <hr/>	<hr/> 1,040 <hr/>

9. Independent examiner's remuneration

	2023 £	2022 £
Fees payable to the Charity's independent examiner for the independent examination of the Charity's annual accounts	1,186	735

10. Trustees' remuneration and expenses

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

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

THE LIGHT DRAGOONS HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2023

11. Fixed asset investments

	Listed investments £	Cash held for re- investment £	Total £
Cost or valuation			
At 6 April 2022	649,909	33,470	683,379
Additions	61,878	69,594	131,472
Disposals	(59,883)	(76,701)	(136,584)
Revaluations	(56,940)	-	(56,940)
	<u>594,964</u>	<u>26,363</u>	<u>621,327</u>
At 5 April 2023	<u>594,964</u>	<u>26,363</u>	<u>621,327</u>
Net book value			
At 5 April 2023	<u>594,964</u>	<u>26,363</u>	<u>621,327</u>
At 5 April 2022	<u>649,909</u>	<u>33,470</u>	<u>683,379</u>

12. Debtors

	2023 £	2022 £
Due within one year		
Other debtors	1,980	-
	<u>1,980</u>	<u>-</u>

13. Creditors: Amounts falling due within one year

	2023 £	2022 £
Accruals	1,186	1,824
	<u>1,186</u>	<u>1,824</u>

THE LIGHT DRAGOONS HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2023

14. Financial instruments

	2023 £	2022 £
Financial assets		
Financial assets measured at fair value through income and expenditure	621,327	683,379

Financial assets measured at fair value through income and expenditure comprise of investments in stocks and shares.

THE LIGHT DRAGOONS HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2023

15. Statement of funds

Statement of funds - current year

	Balance at 6 April 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 5 April 2023 £
Unrestricted funds					
Unrestricted funds	688,335	30,211	(18,070)	(56,940)	643,536
Restricted funds					
Army Museums Ogilby Trust Fund	-	1,931	(1,931)	-	-
Total of funds	688,335	32,142	(20,001)	(56,940)	643,536

Statement of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 5 April 2022 £
Unrestricted funds					
Unrestricted funds	691,422	8,764	(23,288)	11,437	688,335
Restricted funds					
Army Museums Ogilby Trust Fund	-	-	-	-	-
Total of funds	691,422	8,764	(23,288)	11,437	688,335

Army Museums Ogilby Trust Fund - This fund was dedicated to providing a temporary exhibition at the Discovery Museum.

THE LIGHT DRAGOONS HERITAGE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2023

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Total funds 2023 £
Fixed asset investments	621,327	621,327
Current assets	23,395	23,395
Creditors due within one year	(1,186)	(1,186)
Total	643,536	643,536

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Fixed asset investments	683,379	683,379
Current assets	6,780	6,780
Creditors due within one year	(1,824)	(1,824)
Total	688,335	688,335

17. Related party transactions

During the year £14,462 was donated from the Light Dragoons Charitable Trust, a charitable trust that shares common Trustees with the Light Dragoons Heritage Trust (2022: £80).