

Charity Registration Number: 274689

1ST THE QUEEN'S DRAGOON GUARDS REGIMENTAL TRUST

REPORT OF THE TRUSTEES

AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1ST THE QUEEN'S DRAGOON GUARDS REGIMENTAL TRUST

CONTENTS

	Page
Company Information	1
Annual Report of the Trustees	2, 3
Independent Examiner's Report	4
Statement of Financial Activities	5
Balance Sheet	6
Cash Flow Statement	7
Notes to the Financial Statements	8 to 10

1ST THE QUEEN'S DRAGOON GUARDS REGIMENTAL TRUST

ANNUAL REPORT OF THE TRUSTEES

The Trustees present their annual report along with the financial statements of the charity for the year ended 31 March 2022. The financial statements have been prepared in accordance with the accounting policies set out on page 7 and comply with the requirements of the Charities Act 2011 and the Trust Deed.

Constitution of the Trust

1st The Queen's Dragoon Guards Regimental Trust (QDG Trust) was constituted as an unincorporated association by Deed of Settlement dated 31 October 1977. A revised Trust Deed was executed on 24 October 2016. It is a registered charity, number 274689. The Trustees during the year were Mr ORC Larminie, Colonel PJ Andrews OBE, Mr AFJ Roe, Mr FDS Rosier and Mr JD Beatson-Hird, Mr D A Warner, Mr M Ashley-Miller and the Colonel of the Regiment Brigadier AS Richmond OBE.

Objects of the Trust

The QDG Trust Fund, and the income thereof, is to be used to promote the efficiency of the Regiment, for the relief of need of all past and present members of the Regiment, or its predecessors, and their wives and widows, and for the advancement of education in respect of the history of the Regiment.

Trustees' Responsibilities Statement

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. The Charity's constitution and charity law requires the Trustees to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Charity, as at the end of the financial period, and of the surplus or deficit of the Charity for that period. In preparing these financial statements the Trustees are required to select suitable Accounting Policies and then apply them consistently, make judgements and estimates that are reasonable and prudent, state whether applicable United Kingdom Accounting Standards have been followed (subject to any material departures disclosed and explained in the financial statements) and prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Charity will continue in operation. The Trustees are responsible for maintaining adequate accounting records which 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. 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.

Review of the year

The Trustees have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's General Guidance on Public Benefit, "Charities and Public Benefit". During the year the activities of the Trust were again curtailed by the effects of the pandemic. However support for the serving Regiment was increased from the previous year, partly due to operational deployments in Mali and Poland. C Squadron returned from Mali during the financial year and undertook a number of adventure training and sports activities that were supported by the Trust. RHQ and A Squadron returned after the end of the financial year and the Trustees expect that support to the serving Regiment to return to near pre-COVID levels in the 2022/23 Financial Year. The principal grant to the serving Regiment was £44,484 (£34,002 for 2020/21) excluding any expenditure on heritage assets that are on loan from the Trust to the Messes. The opening up of the economy post COVID will allow the restoration programme for the heritage assets to proceed faster. A Christmas Hamper project was managed through the RCA for those on deployment and their families. The RCA's activities were also restricted by COVID, however they are also expected to recover in the 2022-23 Financial Year. Requests for benevolence assistance have again remained low.

At the end of the year the Charity had unrestricted funds of £3,921,414 of which £1,166,408 was in heritage assets. Total restricted funds were £1,565.

Annual Report of the Trustees continued

Reserves and investment policy

The Trustees have agreed a reserves and investment policy, which is reviewed annually.

The main policy is for the QDG Trust to be able to fund its normal activities through its annual income, which is mostly derived from its investment income and the one day's pay scheme. In addition the

Trustees wish to maintain a reasonable contingency reserve that is invested for long term growth, but could also be used to fund a benevolence call that might result from a significant event.

The Trustees are mindful of the uncertainty in investment markets and consider their cash holdings as part of their reserves policy review.

During the year, markets continues their recovery from the COVID lows, and the investments made modest gains.

The Trustees receive regular updates on their investments from BlackRock and believe the medium risk profile is appropriate. The BlackRock Fund maintains an income reserve that has a healthy balance

and the Trustees do not consider that there is a material risk to the expected income in the short to medium term.

Risks

The principal risk within the QDG Trust is considered to be the heritage assets that are loaned to the serving Regiment. There are revised procedures for their audit and maintenance that have been agreed in cooperation with the serving Regiment and utilising resources available from the QDG Heritage Trust.

During the year, substantial damage to the silver collection on loan to the Officers' Mess was identified. Responsibility for this damage has been admitted by ESS, the subsidiary of Compass Group that

manages the Officers' Mess. The cost of rectifying the damage has been estimated to be in the range £65,000 to £105,000 along with loss in value of c. £105,000. The Trustees believe that the probability of them having to pay for any of the repairs is remote, and would not be significant for the Trust. It is more likely that a reduction in value of the heritage assets on the balance sheet is required, however this would not be a cash item.

An insurance claim against ESS's insurers for the repairs and for the loss in value is with their loss adjustor.

The Trustees confirm that the QDG Trust's assets are available and adequate to fulfil the obligations

of the QDG Trust. The policy of the Trustees is to build up sufficient reserves to enable the annual grant to the serving Regiment and the Benevolent grants to be wholly paid out of income.

There are no long-term grant commitments or other liabilities that might pose a risk to the charity.

Approved by the Board of Trustees on 8 September 2022


ORC Larminie

Chairman of Trustees

REPORT OF THE INDEPENDENT EXAMINER

TO THE TRUSTEES OF 1ST THE QUEEN'S DRAGOON GUARDS REGIMENTAL TRUST

I report on the financial statements of 1st The Queen's Dragoon Guards Regimental Trust for the year ended 31 March 2022, which are set out on pages 5 to 10.

Respective responsibilities of the Trustees and the Independent Examiners

As the Charity's Trustees you are responsible for the preparation of the financial statements; you consider that the audit requirement of section 144(2) of the Charities Act 2011 (the Act) does not apply, and that an independent examination is needed. It is my responsibility to examine the financial statements under section 145 of the Act and to state, on the basis of procedures specified in the General Directions given by the Charity Commissioners under section 145(5)(b) of the Act, whether particular matters have come to my attention.

Basis of Independent Examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently we do not express an audit opinion as to whether the financial statements present a true and fair view and the report is limited to those matters set out below.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

- 1) which gives me reasonable cause to believe that in any material respect the requirements
 - (a) to keep accounting records in accordance with section 130 of the Act; and
 - (b) to prepare financial statements which accord with the accounting records and comply with the accounting requirements of the Act.have not been met; or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

D. M. Samothrakakis

Deborah Mary Samothrakakis BSc FCA
Tester Accountancy & Bookkeeping Ltd
Chartered Accountants
34, Fair Oak Road, Cathays, Cardiff CF24 4PY

Date

8/9/22

1ST THE QUEEN'S DRAGOON GUARDS REGIMENTAL TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)

FOR THE YEAR ENDED 31 MARCH 2022

	<u>Notes</u>	<u>2022</u> <u>Unrestricted</u> <u>Funds</u> £	<u>2022</u> <u>Restricted</u> <u>Fund</u> £	<u>2022</u> <u>Total</u> <u>Funds</u> £	<u>2021</u> <u>Total</u> <u>Funds</u> £
<u>Income from:</u>					
Donations and legacies:					
One day pay scheme donations		31,107		31,107	33,068
Other donations		22,642		22,642	15,001
Donation of heritage assets		-		-	79,980
		<u>53,749</u>	<u>-</u>	<u>53,749</u>	<u>128,049</u>
Investments:					
Interest on cash on deposit		14	-	14	31
Interest on loan to QDG Heritage Trust			-	-	-
Dividends on investments		80,069	-	80,069	78,916
		<u>80,083</u>	<u>-</u>	<u>80,083</u>	<u>78,947</u>
Other:					
Association subscriptions		7,036	-	7,036	6,522
Contributions to functions/ special occasions etc		11,863	-	11,863	2,205
Shop sales		22,327		22,327	19,598
Sale of books		-	-	-	-
		<u>41,226</u>	<u>-</u>	<u>41,226</u>	<u>28,325</u>
<u>Total income and endowments</u>		<u>175,058</u>	<u>-</u>	<u>175,058</u>	<u>235,321</u>
<u>Expenditure on:</u>					
Charitable activities	2	109,555	-	109,555	100,623
Other expenditure	3	5,915	-	5,915	4,361
<u>Total expenditure</u>		<u>115,470</u>	<u>-</u>	<u>115,470</u>	<u>104,984</u>
Net income/(expenditure)		59,588	-	59,588	117,436
Net gains/(losses) on investments	5	143,404	-	143,404	427,836
<u>Net income/(expenditure)</u>		<u>202,992</u>	<u>-</u>	<u>202,992</u>	<u>545,272</u>
Fund balances brought forward		3,718,422	1,565	3,719,987	3,174,715
<u>Fund balances carried forward</u>		<u>3,921,414</u>	<u>1,565</u>	<u>3,922,979</u>	<u>3,719,987</u>

The notes on pages 8 to 10 form part of these financial statements

1ST THE QUEEN'S DRAGOON GUARDS REGIMENTAL TRUST

BALANCE SHEET AT 31 MARCH 2022

	Notes	£	2022	£	2021	£
FIXED ASSETS						
Heritage assets - unrestricted funds	4		1,166,408		1,159,868	
Investments - unrestricted funds	5		2,548,602		2,391,748	
CURRENT ASSETS						
Shop stock - unrestricted funds		15,357		23,663		
Stock of books - unrestricted funds		2,928		2,928		
Advance payments - unrestricted funds		8,000		6,000		
Cash at bank - restricted funds		1,565		1,565		
Cash at bank - unrestricted funds		181,919		139,015		
		<u>209,769</u>		<u>173,171</u>		
CREDITORS: Amounts falling due within one year:						
Benevolent Grants accrued		-		3,000		
Sundry creditors		1,800		1,800		
		<u>(1,800)</u>		<u>(4,800)</u>		
NET CURRENT ASSETS			207,969		168,371	
NET ASSETS			<u>£ 3,922,979</u>		<u>£ 3,719,987</u>	
FUNDS:						
RESTRICTED FUNDS			1,565		1,565	
UNRESTRICTED FUNDS			<u>3,921,414</u>		<u>3,718,422</u>	
TOTAL FUNDS			<u>£ 3,922,979</u>		<u>£ 3,719,987</u>	

The notes on pages 8 - 10 form part of these financial statements

Approved by the trustees on 8/9/2022 and signed on their behalf



O R C Larminie

1ST THE QUEEN'S DRAGOON GUARDS REGIMENTAL TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

	<u>2022</u> £	<u>2021</u> £
Reconciliation of net income/(expenditure) to net cash flow from operating activities:		
Net income/(expenditure) for the year	202,992	545,272
Dividends and interest from investments	(80,083)	(78,947)
Losses/(gains) on investments	(143,404)	(427,836)
(Increase)/decrease in Heritage assets	(6,540)	(79,980)
(Increase)/decrease in debtors	(2,000)	(6,000)
(Increase)/decrease in shop stock	8,306	(6,695)
(Increase)/decrease in stock of books	-	-
Increase/(decrease) in creditors	(3,000)	2,900
Net cash flow provided by/(used in) operating activities	<u>(23,729)</u>	<u>(51,286)</u>
Cash flow from investing activities:		
Received from sale of investments	-	-
Payments to acquire investments	-	-
Dividends and interest from investments	80,083	78,947
Dividends re-invested	(13,450)	(13,554)
Net cash flow provided by investing activities	<u>66,633</u>	<u>65,393</u>
Change in cash and cash equivalents in the year	42,904	14,107
Cash and cash equivalents at the start of the year	140,580	126,473
Cash and cash equivalents at the end of the year	<u>£ 183,484</u>	<u>£ 140,580</u>
Cash and cash equivalents at 31st March consists of:		
Cash at bank	<u>£ 183,484</u>	<u>£ 140,580</u>

The notes on pages 8 to 10 form part of these financial statements

1ST THE QUEEN'S DRAGOON GUARDS REGIMENTAL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 General information and basis of preparation of financial statements

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard, applicable in the UK and Republic of Ireland (SORP: FRS 102), issued on 16 July 2014, the Charities Act 2011 and UK Generally Accepted Practice as it applies from January 2015.

The financial statements are prepared on a going concern basis and under the historical cost convention, as modified by the inclusion of investments at market value. The significant accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all years presented.

1.2 Funds

Income and expenditure are included in the financial statements on an accruals basis. Restricted funds comprise of donations that have been received for specific purposes or have been subject to specific conditions imposed by the donor. Unrestricted funds may be used at the discretion of the Trustees in furtherance of the general objectives of the charity.

1.3 Heritage assets

A collection of heritage assets, consisting of Regimental paintings, silver and other artefacts, on display at the Officers' Mess of the Regiment, was donated to the Regimental Trust on 18 January 2013. Those of the Warrant Officers' and Sergeants' Mess were similarly donated on 21 May 2019 and the Corporals' Mess on 11 December 2020. It is expected that additions will be a regular occurrence. The insurance value has been used for the acquisition and the Trustees are of the opinion that these heritage assets have indefinite lives and therefore no depreciation is provided on them. The Trustees review the value of the heritage assets where there is evidence of impairment. Where items are bought for collection, they are valued at cost, where applicable.

1.5 Investments

Investments, managed by Blackrock, have been valued at market price by the Fund Managers and are shown in the Balance Sheet at this value. Changes in market value are recognised as gains or losses in the Statement of Financial Activities.

1.6 Restricted Funds

Funds are restricted funds if they are to be reserved for expenditure for specified purposes. The restricted funds shown in the accounts is a fund set aside for expenditure on benevolence.

1ST THE QUEEN'S DRAGOON GUARDS REGIMENTAL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

2 EXPENDITURE ON CHARITABLE ACTIVITIES:

	<u>2022</u>	<u>2021</u>
	£	£
Grant to 1st The Queen's Dragoon Guards:		
Principal Grant to the Regiment for the year	44,484	34,002
Incidental additional grants to the Regiment	-	-
Total grant to the Regiment for the year	44,484	34,002
Benevolent grants, wreaths and funeral costs paid	9,154	13,628
Expenditure on functions/special occasions etc	12,323	2,524
Christmas hampers	6,550	5,755
Advertising & Sponsorships	1,500	-
Regimental Journals	5,175	3,578
Donations	950	1,300
Maintenance of Heritage assets	9,641	5,000
Grant to the Heritage Trust	-	24,486
Cost of shop sales	15,228	5,689
Cost of book sales	-	-
Governance costs:		
Accountancy fees	1,300	1,300
Independent Examiner's fees	500	500
Legal costs		2,316
Secretary's Honorarium	2,750	2,750
TOTAL EXPENDITURE ON CHARITABLE ACTIVITIES	£ 109,555	£ 102,828

3 OTHER EXPENDITURE

	<u>2022</u>	<u>2021</u>
	£	£
Subscriptions	370	370
Postage & I.T.	2,754	2,763
Internet	313	307
Bank charges	179	170
Sundry expenditure	2,299	751
TOTAL OTHER EXPENDITURE	£ 5,915	£ 4,361

4 HERITAGE ASSETS

At valuation/cost (see note 1.3 on page 8)	<u>2022</u>	<u>2021</u>
	£	£
At start of year	1,159,868	1,079,888
Gifted during the year	0	79,980
Purchased in year	6,540	-
At end of year	£ 1,166,408	£ 1,159,868

1ST THE QUEEN'S DRAGOON GUARDS REGIMENTAL TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

5 INVESTMENTS

Blackrock Armed Forces Armed Forces Charities Growth and Income Fund:

	<u>Units</u>	<u>2022</u> £	<u>2021</u> £
Account Number 0004386436: Income units			
Market Value at start of the year	838,974.850	1,923,157	1,579,587
Purchases		-	-
Increase/(decrease) in value		112,715	343,570
	838,974.850	2,035,872	1,923,157
Account Number 0004387522: Accumulation units			
Market Value at start of the year	109,663.190	468,591	370,771
Accumulated distributions		13,450	13,554
Increase/(decrease) in value		30,689	84,266
	109,663.190	512,730	468,591
<u>Total Market Value at 31 March</u>		£ 2,548,602	£ 2,391,748