

Charity number: 277008

**THE PRINCESS OF WALES'S ROYAL REGIMENT AND QUEEN'S
REGIMENT MUSEUM MAINTENANCE FUND**

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

THE PRINCESS OF WALES'S ROYAL REGIMENT AND QUEEN'S REGIMENT MUSEUM MAINTENANCE FUND

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THE PRINCESS OF WALES'S ROYAL REGIMENT AND QUEEN'S REGIMENT MUSEUM MAINTENANCE FUND

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2021

Trustees	Colonel J Wright, Chairman (appointed 12 May 2022) Colonel JRJ Powell OBE, Regimental Secretary Major J Bennett, Retired Major D Bradley, Farmer Major D Pollard BA, Retired Mr HR Thomas MBE, Curator Mrs SCT Warren, Trustee Mr James Beeston, Trustee (appointed 7 December 2021)
Charity registered number	277008
Principal office	AHQ PWRR Leros Barracks Sturry Road Canterbury Kent CT1 1HR
Independent Examiner	Duncan Cochrane-Dyett BSc BFP FCA MHA MacIntyre Hudson Chartered Accountants Maidstone United Kingdom
Bankers	The Royal Bank of Scotland Plc Victoria Road Farnborough GU14 7NR
Investment Advisors	Barclays Wealth 1 Churchill Place London E14 5HP
Hon. Legal Advisor	A Moss

THE PRINCESS OF WALES'S ROYAL REGIMENT AND QUEEN'S REGIMENT MUSEUM MAINTENANCE FUND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their annual report together with the financial statements of The Princess of Wales's Royal Regiment and Queen's Regiment Museum Maintenance Fund for the 1 January 2021 to 31 December 2021. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 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 in the UK and Republic of Ireland (effective 1 January 2019).

Objectives and activities

a. Policies and objectives

The objective of the charity is to uphold the traditions of the Regiment and perpetuate its deed.

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)'.

The Trustees are conscious that the use of charitable funds should have an element of benefit to the public. The Trust also provides public benefit by educating the public about the activities and history of the British Army. The Trust also provides free information and advice to students of military history and to those researching their Army ancestries.

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

The main activity undertaken by the Charity is for the Museums to continue to provide high quality exhibitions and research service to the general public and the Army.

Achievements and performance

a. Main achievements of the Charity

PWRR and Queens Museum

The PWRR and Queen's Regiment Museum is located within Dover Castle which is an English Heritage (EH) site. The Trustees held meetings on the 13th April and 7th December 2021. Due to Covid-19, the April meeting was held virtually and the second meeting as a hybrid in-person/Zoom event. Both were well attended.

The agreement with EH is for the Museum to be open for the full opening hours of the Castle, except for Wednesdays when in the morning it is closed for a detailed clean before the public enter. We have been able to stay open in line with our licence requirements throughout thanks to a careful bubble system.

In May 2021 we installed our 'Warriors at War' display about OP TELIC, the PWRR's service in Iraq between 2003 and 2009. The introduction of a number of contactless donation devices (Coin Machine, Penny Press and a Donation device) have increased donations throughout 2021. Alongside that, we have begun the application to become a Charitable Incorporated Organisation (CIO).

During the quiet period due to lockdown, we have managed to ensure that the necessary documentation for Accreditation has been updated and actioned as necessary. The Curator worked with a consultancy, Access Matters UK, to undertake the museum's first access audit, and has begun a relationship with the Dover District Disability Association, who also took part in the audit and will be supporting our work in future to improve.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

We have continued to maintain our close links with several local schools and other schools from outside our immediate area in accordance with EH's educational policy. We are still engaged with Canterbury's Simon Langton Girls Grammar School during this year with their ArchIVE project about archive collections in museums. Due to the pandemic, face to face children's activities were unachievable: we have instead carried our projects on digitally.

Our currently Licence to occupy expires in September 2022, so we have begun actively seeking to renew this, with a possibility of moving to a Lease to enable the Trust to obtain larger amounts of funding much more easily as we will have security of the occupancy of the building. This is one of the main priorities for 2022.

Again this year we have again seen several days of high winds which have seen damage to the buildings within the Keep area, including the loss of some additional tiles and a further ridge tile from the Museum's roof. EH has tried to address this by patching the building's roof, but they are aware that a replacement is required sooner rather than later. Funding for this repair is being considered, but due to the pandemic funding is tight. It should be noted that it not just our building roof that requires addressing, the complete Keep buildings are in the same position.

Overall, 2021 has been a difficult year, with the drop of footfall again for both us (though we had our most successful August on record) and EH seeing a reduction in income again. We have managed throughout to ensure that the collection has been our main priority.

Surrey Infantry Collection

The primary aim for the Surrey Infantry Collection (recently rebranded from the Surrey Infantry Museum (SIM)), is to establish its size and significance following its losses in the Clandon Park fire of 29 April 2015. We also aim to understand how the collection could be used in the future, and we are considering options for the potential re-establishment of a permanent physical museum within the County of Surrey.

After the retirement of our Museum Manager, the Trust elected to appoint a Collections Officer, which was achieved in May 2021. The primary focuses of this appointment are to conduct a full review of the Surrey Infantry Collection and to try to establish a foothold within a local Surrey museum. It is pleasing to say that we now have a semi-permanent display within Guildford Museum with the aim to update this display on a regular occasion. This has been achieved by the joint effort of the Curator and the Collections Officer who now have a good relationship with the team at Guildford Museum.

Regarding the review of the collection, this is moving forwards, but it is a slow process, and we have become aware that specialist advice is required regarding the conservation of fire-damaged objects. We are therefore seeking funding for the appointment of a conservation firm to assist in this process, and we are also seeking advice from the Museum Development South East group.

We are at the final stage of a final settlement relating to the outcome of any further insurance claims linked to the Clandon Fire, with our insurance company 'Eccelastical' taking action to recover their losses and our uninsured losses. It is hoped that this will be sorted by early 2022.

Financial review

a. 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.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

b. Reserves policy

The trustees have considered the requirement of the SORP and have concluded that for the Museum to be maintained indefinitely there is a need for its funds to be invested in order to maximise growth to cover the future costs. This policy is current in place and reviewed annually.

The trustees seek to maintain free reserves of three months expenditure, which trustees estimate to be in excess of £30,000.

c. Investment review

Since May 2017, the investments are held in a Barclays Charitable Fund, having sought advice and guidance with the long term aim. After the current financial year, the investment portfolio was transferred to Saracen.

d. Review of financial position

The trustees consider the financial position to be satisfactory and the monies invested on the advice of investment advisors to be well managed.

Total income received in the year amounted to £98,989 (2020: £91,982), and total expenditure of £84,730 (2020: £88,401). After net gains on investments, there was a surplus of funds of £88,304 (2020: £4,536), resulting in carried forward funds of £1,080,951 (2020: £992,647).

Structure, governance and management

a. Constitution

The Princess of Wales's Royal Regiment and Queen's Regiment Museum Maintenance Fund is a registered charity, number 277008, and is constituted under a Trust deed.

b. 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.

c. Organisational structure and decision-making policies

The Charity is regulated by a declaration of Trust dated 27 October 1978.

The Trustees are provided with recent publications from The Charity Commission to inform them of any changes and their according responsibilities.

d. Pay policy for key management personnel

The trustees consider the board of trustees as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed within the accounts. Trustees are required to disclose all relevant interests and register them with the secretary.

THE PRINCESS OF WALES'S ROYAL REGIMENT AND QUEEN'S REGIMENT MUSEUM MAINTENANCE FUND

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Plans for future Periods

PWRR and Queens Museum

We remain flexible and ambitious. We have built a strong relationship with the Team at Dover Castle and with the management team of EH, but funding for any major improvements to the building's roof will be a long-term project. Sadly in our last report we mentioned EH's Master Plan for the castle, including large scale additions to the castle's offer to the public. This has been put back indefinitely. We are still moving forward in a much smaller scale and ensuring any future display equipment can be moved to aid any future major revamp of the Museum when the time comes.

Again, this year's high winds again have drastically affected the roof, and EH have now agreed to begin addressing the poor condition of the roof tiles. As reported in our last report, should EH decide that the roof needs to be replaced, and we believe that this may be the case, our collection will have to be moved for safety and care reasons, and we may have to plan and arrange storage in what may be a short time frame; as always this is one of our major project which is always in our planning, a closure of the Museum, which will again affect our income generation both in the loss of donations and machine income. We continue to work closely with EH regarding the Museum, who see us as a key part of their plans.

We are planning to have some form a signage (subject to EH approval) to encourage visitors to the Museum once they are on the Dover Castle site.

Our main project for 2022 is to ensure that we obtain a Licence/Lease for the Museum for a longer term with a good financial arrangement.

Surrey Infantry Collection

The collection review should be completed within the next year, although one of the major hurdles for this project is the lack of collection documentation. It is seen one of our major concerns, although the volunteers helping to conduct this review are proving to be invaluable in providing information to help improve the documentation of our collection, in order to meet SPECTRUM requirements.

There is a need to make a stronger link and develop a relationship with the local museums and work with them and be involved in their aspirations to include our Surrey Infantry Collection.

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 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:

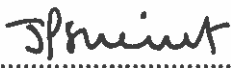
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject 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 Charity will continue in business.

THE PRINCESS OF WALES'S ROYAL REGIMENT AND QUEEN'S REGIMENT MUSEUM MAINTENANCE FUND

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 and signed on their behalf by:


.....

Colonel J Wright
(Chair of Trustees)

Date: 23 September 2022

THE PRINCESS OF WALES'S ROYAL REGIMENT AND QUEEN'S REGIMENT MUSEUM MAINTENANCE FUND

**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Independent examiner's report to the Trustees of The Princess of Wales's Royal Regiment and Queen's Regiment Museum Maintenance Fund ('the Charity')

I report to the charity Trustees on our examination of the accounts of the Charity for the year ended 31 December 2021.

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

Independent examiner's statement

I have completed our examination. I confirm that no matters have come to our attention in connection with the examination giving us 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.

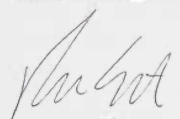
I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

THE PRINCESS OF WALES'S ROYAL REGIMENT AND QUEEN'S REGIMENT MUSEUM MAINTENANCE FUND

**INDEPENDENT EXAMINER'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

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. Our work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for our work or for this report.

Signed:



Dated: 20 October 2022

Duncan Cochrane-Dyet BSc BFP FCA
MHA MacIntyre Hudson
Chartered Accountants
Maidstone
United Kingdom

THE PRINCESS OF WALES'S ROYAL REGIMENT AND QUEEN'S REGIMENT MUSEUM MAINTENANCE FUND

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	Designated funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	4	10	66,695	66,705	64,696
Charitable activities	5	1,460	678	2,138	6,090
Investments	6	12,908	5,414	18,322	21,196
Other income	7	-	11,824	11,824	-
Total income		14,378	84,611	98,989	91,982
Expenditure on:					
Raising funds	8	1,903	513	2,416	2,009
Charitable activities		19,427	62,887	82,314	86,392
Total expenditure		21,330	63,400	84,730	88,401
Net (expenditure)/income before net gains on investments		(6,952)	21,211	14,259	3,581
Net gains on investments		58,322	15,723	74,045	955
Net movement in funds		51,370	36,934	88,304	4,536
Reconciliation of funds:					
Total funds brought forward		794,536	198,111	992,647	988,111
Net movement in funds		51,370	36,934	88,304	4,536
Total funds carried forward		845,906	235,045	1,080,951	992,647

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


The notes on pages 12 to 32 form part of these financial statements.

THE PRINCESS OF WALES'S ROYAL REGIMENT AND QUEEN'S REGIMENT MUSEUM MAINTENANCE FUND

**BALANCE SHEET
AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	15	1,907	2,647
Heritage assets	16	33,925	18,000
Investments	17	846,054	774,755
		<u>881,886</u>	<u>795,402</u>
Current assets			
Debtors	18	189,377	181,619
Investments	19	2,508	2,178
Cash at bank and in hand		21,063	49,540
		<u>212,948</u>	<u>233,337</u>
Creditors: amounts falling due within one year	20	(13,883)	(11,092)
Net current assets		<u>199,065</u>	<u>222,245</u>
Total assets less current liabilities		<u>1,080,951</u>	<u>1,017,647</u>
Creditors: amounts falling due after more than one year	21	-	(25,000)
Total net assets		<u><u>1,080,951</u></u>	<u><u>992,647</u></u>
Charity funds			
Restricted funds	22	845,906	794,536
Unrestricted funds	22	235,045	198,111
Total funds		<u><u>1,080,951</u></u>	<u><u>992,647</u></u>

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


.....
Colonel J Wright

Date: 23 Sep 22

The notes on pages 12 to 32 form part of these financial statements.

THE PRINCESS OF WALES'S ROYAL REGIMENT AND QUEEN'S REGIMENT MUSEUM MAINTENANCE FUND

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	(32,661)	(34,386)
Cash flows from investing activities		
Dividends, interests and rents from investments	18,322	18,149
Purchase of tangible fixed assets	(628)	(2,092)
Proceeds from sale of investments	2,745	2,174
Purchase of investments	-	(100,000)
Purchase of heritage assets	(15,925)	(18,000)
Net cash provided by/(used in) investing activities	4,514	(99,769)
Change in cash and cash equivalents in the year	(28,147)	(134,155)
Cash and cash equivalents at the beginning of the year	51,718	185,873
Cash and cash equivalents at the end of the year	23,571	51,718

The notes on pages 12 to 32 form part of these financial statements

THE PRINCESS OF WALES'S ROYAL REGIMENT AND QUEEN'S REGIMENT MUSEUM MAINTENANCE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

The Princess of Wales's Royal Regiment and Queen's Regiment Museum Maintenance Fund is a public benefit registered charity. The charity is registered in the UK and Northern Ireland, number 277008. It is unincorporated and constituted under a Trust Deed.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £1.

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 Princess of Wales's Royal Regiment and Queen's Regiment Museum Maintenance Fund 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

The trustees have assessed that there are no significant doubts in the charity's ability to continue as a going concern. As a result these financial statements have been prepared on the going concern basis.

THE PRINCESS OF WALES'S ROYAL REGIMENT AND QUEEN'S REGIMENT MUSEUM MAINTENANCE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. A number of the members of Friends of Surrey Museum have paid in advance for future years membership. This income has been deferred and will be released to the SOFA for the period to which the membership relates. All other membership income is recognised on a received basis, and is treated as due for the year in which it is received irrespective of when in that year the money is received.

Investment income is accounted for in the period in which the charity is entitled to receipt. HMRC repayments of tax deducted on interest received is accounted for in the period in which it relates.

No amounts are included in the financial statements for services donated by volunteers.

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 Charity 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 Charity, can be reliably measured.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.4 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is incurred on an accruals basis and includes VAT where appropriate.

Costs of generating funds comprise those costs directly attributable to managing the investment portfolio and raising investment income.

Charitable expenditure comprises costs incurred by the charity in delivery of its activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include these costs associated with meeting the constitutional and statutory requirements of the charity and includes the independent examiners' fee and costs linked to the management of the charity.

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.

THE PRINCESS OF WALES'S ROYAL REGIMENT AND QUEEN'S REGIMENT MUSEUM MAINTENANCE FUND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.4 Resources expended (continued)

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity'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.

2.5 Tangible fixed assets and depreciation

Tangible assets costing more than £500 are capitalised and included at cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less the residual value and less any provision for impairment on a straight line basis over the expected useful economic lives as follows:

Fixtures and fittings	- 33%
Office equipment	- 33%

2.6 Heritage assets

Where heritage assets have been purchased, they are initially recognised at cost, and included on the balance sheet. After recognition, under the cost model, heritage assets are measured at cost less any accumulated impairment losses. The assets relate to medals hence they are not depreciated.

The charity owns a collection of Historical Military items that are included in the Heritage Asset note, but not presented on the balance sheet. The collection has been acquired by donations received since the charity came into existence. The Trustees consider that owing to the incomparable nature of the collection, any valuation would be both unreliable and also an onerous cost, compared with the additional benefits derived by the charity and users of the accounts. As a result, the value reported is based on the insurance valuation and included in the note.

At each reporting date the Charity 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 PRINCESS OF WALES'S ROYAL REGIMENT AND QUEEN'S REGIMENT MUSEUM MAINTENANCE FUND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.7 Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors. The charity manages the investment risks by the use of expert advisors and operates an investment policy reviewed at all trustee meetings.

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 is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.10 Liabilities and provisions

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.

2.11 Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

2.12 Pensions

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

THE PRINCESS OF WALES'S ROYAL REGIMENT AND QUEEN'S REGIMENT MUSEUM MAINTENANCE FUND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

3. Critical accounting estimates and areas of judgement

Apart from those discussed in note 2 above, there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

THE PRINCESS OF WALES'S ROYAL REGIMENT AND QUEEN'S REGIMENT MUSEUM MAINTENANCE FUND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Income from donations and legacies

	Designated funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Donations	-	10,110	10,110
Grants - Various	10	23,085	23,095
English Heritage Grant	-	8,500	8,500
PWRR Benevolent Fund Grant	-	25,000	25,000
	<u>10</u>	<u>66,695</u>	<u>66,705</u>

	Designated funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Donations	6,231	2,791	9,022
Grants - Various	10	26,264	26,274
English Heritage Grant	-	4,400	4,400
PWRR Benevolent Fund Grant	-	25,000	25,000
	<u>6,241</u>	<u>58,455</u>	<u>64,696</u>

5. Income from charitable activities

	Designated funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Friends of the Museum	<u>1,460</u>	<u>678</u>	<u>2,138</u>

	Designated funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Friends of The Museum	<u>1,991</u>	<u>4,099</u>	<u>6,090</u>

THE PRINCESS OF WALES'S ROYAL REGIMENT AND QUEEN'S REGIMENT MUSEUM MAINTENANCE FUND

**NOTES TO THE FINANCIAL STATEMENTS
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6. Investment income

	Designated funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Investment income	12,908	5,411	18,319
Interest income	-	3	3
	<u>12,908</u>	<u>5,414</u>	<u>18,322</u>

	Designated funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Investment income	14,209	5,957	20,166
Interest income	637	393	1,030
	<u>14,846</u>	<u>6,350</u>	<u>21,196</u>

7. Other incoming resources

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Insurance claims	11,824	11,824	-
	<u>11,824</u>	<u>11,824</u>	<u>-</u>

8. Expenditure on raising funds

Costs of raising voluntary income

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Investment management fees	1,903	513	2,416
	<u>1,903</u>	<u>513</u>	<u>2,416</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Expenditure on raising funds (continued)

Costs of raising voluntary income (continued)

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Investment management fees	1,582	427	2,009

9. Analysis of grants

	Grants to Individuals 2021 £	Total funds 2021 £
Grants, PWRR & Queens Museum (Unrestricted fund)	-	-

	Grants to Individuals 2020 £	Total funds 2020 £
Grants, PWRR & Queens Museum (Unrestricted fund)	212	212

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Surrey Infantry Museum (Designated fund)	10,207	18,590	28,797
PWRR & Queens Museum (Unrestricted fund)	6,483	47,034	53,517
	<u>16,690</u>	<u>65,624</u>	<u>82,314</u>

	Activities undertaken directly 2020 £	Grant funding of activities 2020 £	Support costs 2020 £	Total funds 2020 £
Surrey Infantry Museum (Designated fund)	8,957	-	22,225	31,182
PWRR & Queens Museum (Unrestricted fund)	12,119	212	42,879	55,210
	<u>21,076</u>	<u>212</u>	<u>65,104</u>	<u>86,392</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Surrey Infantry Museum (Designated fund) 2021 £	PWRR & Queens Museum (Unrestricted fund) 2021 £	Total funds 2021 £
Travel and Subsistence	1,351	920	2,271
Insurance	5,877	-	5,877
Exhibition Exhibits, Materials and Upkeep	162	795	957
Leaflet Print and Advertising	519	-	519
Books and Membership Fees	-	157	157
Depreciation	210	1,158	1,368
Lightbox Agreement	1,985	-	1,985
Domain Name	-	636	636
Independent Examiner Fees	-	2,704	2,704
Volunteer Expenses	-	113	113
Miscellaneous expenses	103	-	103
	10,207	6,483	16,690

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Surrey Infantry Museum (Designated fund) 2020 £	PWRR & Queens Museum (Unrestricted fund) 2020 £	Total funds 2020 £
Travel and Subsistence	-	251	251
Insurance	3,648	4,439	8,087
Trustee Insurance	164	200	364
Exhibition Exhibits, Materials and Upkeep	768	4,279	5,047
Leaflet Print and Advertising	968	-	968
Books and Membership Fees	1,172	162	1,334
Depreciation	-	714	714
Lightbox Agreement	1,985	-	1,985
Domain Name	-	1,938	1,938
Volunteer Expenses	252	136	388
	<u>8,957</u>	<u>12,119</u>	<u>21,076</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Surrey Infantry Museum (Designated fund) 2021 £	PWRR & Queens Museum (Unrestricted fund) 2021 £	Total funds 2021 £
Staff costs (Note 13)	8,960	42,330	51,290
Travel and Subsistence	-	99	99
Rent	2,866	-	2,866
Books and Membership Fees	-	180	180
Telephone, Postage and Office Requisites	-	1,738	1,738
Consultancy	200	309	509
Repairs and Small Equipment	-	2,378	2,378
Governance costs	6,564	-	6,564
	18,590	47,034	65,624

	Surrey Infantry Museum (Designated fund) 2020 £	PWRR & Queens Museum (Unrestricted fund) 2020 £	Total funds 2020 £
Staff costs (Note 12)	16,487	36,623	53,110
Rent	968	-	968
Telephone, Postage and Office Requisites	36	2,051	2,087
Consultancy	-	223	223
Repairs and Small Equipment	1,576	167	1,743
Governance costs	3,158	3,815	6,973
	22,225	42,879	65,104

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Governance costs

Governance costs in the year of £1,825 (2020: £1,650) related to the annual independent examiners fee.

12. Independent examiner's remuneration

	2021 £	2020 £
Fees payable to the Charity's independent examiner for the independent examination of the Charity's annual accounts	<u>1,825</u>	<u>1,650</u>

13. Staff costs

	2021 £	2020 £
Wages and salaries	46,637	51,515
Social security costs	3,692	927
Pension Contribution	961	668
	<u>51,290</u>	<u>53,110</u>

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

	2021 No.	2020 No.
Average number of employees	<u>3</u>	<u>3</u>

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

14. Trustees' remuneration and expenses

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

THE PRINCESS OF WALES'S ROYAL REGIMENT AND QUEEN'S REGIMENT MUSEUM MAINTENANCE FUND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Trustees' remuneration and expenses (continued)

The Trustees consider the board of Trustees as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All Trustees give their time freely and no Trustee remuneration was paid in the year. Trustees are required to disclose all relevant interests and register them with the Charities' Accountant.

During the year ended 31 December 2021, £1,054 of expenses were reimbursed to 1 Trustee. These costs were in relation to general office expenditure and entertainment. (2020 - £Nil).

15. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
At 1 January 2021	49,962	6,435	56,397
Additions	-	628	628
At 31 December 2021	49,962	7,063	57,025
Depreciation			
At 1 January 2021	47,315	6,435	53,750
Charge for the year	1,158	210	1,368
At 31 December 2021	48,473	6,645	55,118
Net book value			
At 31 December 2021	1,489	418	1,907
At 31 December 2020	2,647	-	2,647

THE PRINCESS OF WALES'S ROYAL REGIMENT AND QUEEN'S REGIMENT MUSEUM MAINTENANCE FUND

**NOTES TO THE FINANCIAL STATEMENTS
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16. Heritage assets

Assets recognised at cost

	Heritage assets 2021 £	Total 2021 £
Carrying value at 1 January 2021	18,000	18,000
Additions	15,925	15,925
Carrying value at 31 December 2021	33,925	33,925

The above assets relate to medals purchased by the charity.

The charity is a repository of thousands of items, the majority of which have been donated over many years both by individuals and regimental units that have closed.

In line with FRS102 and SORP, the assets have been obtained over many years of the charity existing and are not recognised on the Balance Sheet due to the cost of individual heritage assets not being identifiable. Off balance sheet assets relate to paintings, medals and other items that are military in nature.

The Trustees estimate that the value is potentially in excess of £2 million. The value is based on the Insurance policy valuation.

A curatorial register of assets is maintained by each Museum.

THE PRINCESS OF WALES'S ROYAL REGIMENT AND QUEEN'S REGIMENT MUSEUM MAINTENANCE FUND

**NOTES TO THE FINANCIAL STATEMENTS
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17. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2021	774,755
Disposals	(2,745)
Revaluations	74,044
At 31 December 2021	<u>846,054</u>
Net book value	
At 31 December 2021	846,054
At 31 December 2020	<u>774,755</u>

The historical cost of the listed investments at 31 December 2021 was £644,331 (2020: £647,076).

The investments are represented by £846,054 (2020: £774,755) in UK listed investments and £2,508 (2020: £2,178) in deposit accounts.

18. Debtors

	2021 £	2020 £
Due within one year		
Penny Press Float	150	150
Trade debtors	9,076	-
Other debtors	174,491	177,017
Prepayments and accrued income	5,660	4,452
	<u>189,377</u>	<u>181,619</u>

Prepayments include £Nil (2020: £1,985) of expenditure relating to an advanced payment for services which expire in 2022.

THE PRINCESS OF WALES'S ROYAL REGIMENT AND QUEEN'S REGIMENT MUSEUM MAINTENANCE FUND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

19. Current asset investments

	2021	2020
	£	£
Cash and cash equivalents	2,508	2,178

20. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	575	941
Other taxation and social security	972	927
Sundry creditors	800	731
Accruals and deferred income	11,536	8,493
	13,883	11,092

THE PRINCESS OF WALES'S ROYAL REGIMENT AND QUEEN'S REGIMENT MUSEUM MAINTENANCE FUND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Accruals and deferred income	-	25,000

22. Statement of funds

Statement of funds - current year

	Balance at 1 January 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2021 £
Unrestricted funds					
PWRR and Queen's Regiment Museum Fund	198,111	84,611	(63,400)	15,723	235,045
Designated funds					
Surrey Infantry Museum Fund	794,536	14,378	(21,330)	58,322	845,906
Total of funds	992,647	98,989	(84,730)	74,045	1,080,951

Responsibility for the Surrey Infantry Museum was transferred to the PWRR on 1 July 2011. The trustees agreed at the time that the Surrey Infantry Museum should be shown as a Designated Fund within the PWRR Museum Maintenance Fund. The reason for this decision was that the Trustees still wanted to review the performance of each museum separately.

THE PRINCESS OF WALES'S ROYAL REGIMENT AND QUEEN'S REGIMENT MUSEUM MAINTENANCE FUND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

22. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2020 £
Unrestricted funds					
PWRR and Queen's Regiment Museum Fund	184,641	68,904	(55,637)	203	198,111
Designated funds					
Surrey Infantry Museum Fund	803,470	23,078	(32,764)	752	794,536
Total of funds	988,111	91,982	(88,401)	955	992,647

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Surrey Infantry Museum Fund 2021 £	PWRR and Queen's Regiment Museum Fund 2021 £	Total funds 2021 £
Tangible fixed assets	-	1,907	1,907
Fixed asset investments	695,528	150,526	846,054
Heritage assets	-	33,925	33,925
Debtors due after more than one year	162,455	(162,455)	-
Current assets	-	212,948	212,948
Creditors due within one year	(12,077)	(1,806)	(13,883)
Total	845,906	235,045	1,080,951

THE PRINCESS OF WALES'S ROYAL REGIMENT AND QUEEN'S REGIMENT MUSEUM MAINTENANCE FUND

**NOTES TO THE FINANCIAL STATEMENTS
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23. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Surrey Infantry Museum Fund 2020 £	PWRR and Queen's Regiment Museum Fund 2020 £	Total funds 2020 £
Tangible fixed assets	-	2,647	2,647
Fixed asset investments	607,098	167,657	774,755
Heritage assets	-	18,000	18,000
Current assets	196,434	36,903	233,337
Creditors due within one year	(8,996)	(2,096)	(11,092)
Creditors due in more than one year	-	(25,000)	(25,000)
Total	794,536	198,111	992,647

24. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	88,304	4,536
Adjustments for:		
Depreciation charges	1,368	714
Gains on revaluation in year	(74,044)	(955)
Dividends, interests and rents from investments	(18,322)	(18,149)
(Increase)/ Decrease in debtors	(7,758)	22
Increase/(Decrease) in creditors	(22,209)	(20,554)
Net cash used in operating activities	(32,661)	(34,386)

THE PRINCESS OF WALES'S ROYAL REGIMENT AND QUEEN'S REGIMENT MUSEUM MAINTENANCE FUND

**NOTES TO THE FINANCIAL STATEMENTS
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25. Analysis of cash and cash equivalents

	2021 £	2020 £
Liquid investments	2,508	2,178
Deposit Account	17,984	43,540
Current Account	3,079	6,000
Total cash and cash equivalents	23,571	51,718

26. Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	49,540	(28,477)	21,063
Liquid investments	2,178	330	2,508
	51,718	(28,147)	23,571

27. Related party transactions

The Princess of Wales' Royal Regiment and Queen's Regiment Museum Maintenance Fund operate in the same location as The Princess of Wales' Royal Regiment Benevolent Fund. The respective charities do not share trustees and any key management personnel, but fall under the Princess of Wales' Royal Regiment umbrella of charities.

At the year end, amounts due from The Princess of Wales' Royal Regiment Benevolent Fund was £169,803 (2020: £174,329) and has been shown in other debtors. During the year, £7,180 of support expenses were paid by The Princess of Wales' Royal Regiment Benevolent Fund on behalf of the Charity, and £2,654 were paid by the Charity on behalf of The Princess of Wales' Royal Regiment Benevolent Fund.