

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 2018

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

CONTENTS

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

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 2018

Trustees	Colonel W R Harber OBR, Regimental Secretary (resigned 31 January 2018) Colonel J R J Powell OBE, Regimental Secretary (appointed 2 February 2018) Mr H R Thomas MBE, Curator Colonel M P Rayner, Chairman Major J C Rogerson, Retired Army Officer Major D Bradley, Farmer Sir Timothy Chessells, Company Director Major D Pollard BA, Retired Major J Bennett
Charity registered number	277008
Address of Charity	RHQ PWRR HM Tower of London London EC3N 4AB
Independent Examiner	MHA MacIntyre Hudson Chartered Accountants 71 New Dover Road Canterbury Kent CT1 3DZ
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	T N McDermott Esq

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

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The Trustees present their annual report together with the financial statements of the The Princess of Wales's Royal Regiment and Queen's Regiment Museum Maintenance Fund for the year 1 January 2018 to 31 December 2018. 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 published on 16 July 2014.

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 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.

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

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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 meeting on the 17 April 2018 and 11 November 2018 which were well attended. The Museum is open for the full opening hours of the Castle, except for Wednesdays when the morning period it is closed for a detailed clean before the public enter, our footfall for the Museum is still in the 180,000 plus. The winter period (November to February) has seen the Museum Staff and Volunteers conducting deep cleaning and maintenance work. The Castle has increased their opening hours from February half term (which sees the Castle open for the full period) and from then on opening from Wednesday through to Sunday. It has been fortunate during this winter, after the problems we had last year, regarding the move of the Office and Research area. We have now achieved the move of this area into the main Museum. This has made a great difference as visitors are able to approach staff and volunteers much easier, which allows a much more interactive approach which was never obtainable previously. Like most years, we have hosted several visits from a good number of schools. We have made a close link with several local schools, for example the Dover College, where Capt Billy Nevill study prior to joining the army. The College commissioned a statue of Capt Nevill and requested that the Museum attended the unveiling with the football, which Capt Nevill purchased to be kicked over the trenches at the Somme in 1916, which is one of accessions. We have also hosted server CCF, ACF and Regimental visit too, which is excellent for the Museum to spread the word of the requirements for those currently serving to preserve the heritage of the Regiment by them remembering to note events, take photos and collect artefacts which tells the history of the Regiment. The Museum was allocated a grant the Army Ogilby Trust for the improvement of the WW1 exhibit area, this was achieve for the Centenary of the event which improved the visitors experience, as it tells the story of those who took part in 5 WW1 battles, including items of these at the battles.

The Museum's 'Operation REVITALISE' is still moving forward but every slow. The Trustees appointed a contractor to formulise an application for an HLF grant, which has been completed, but one of the requirements of the grant was that the Museum required a survey of the building which it is housed. Sadly, there are several areas that need to be addressed before the application could be approved. Most of this area of concern fall within EH area of care. A decision was made to withhold the application as submitting this would have seen the request rejected and the Museum only having 2 future applications for the project. We are currently in negotiations with EH regarding this matter which we will continue until the building is repaired or alternative accommodation is obtained.

Surrey Infantry Museum

The primary aim of the Surrey Infantry Museum remains the rebuilding of the collection following its losses in the Clandon Park fire of 29 April 2015 and the re-establishment of a permanent physical Museum within the County of Surrey. Negotiations continue with Guildford Borough Council for SIM to become part of Guildford Museum following its refurbishment and expansion: completion of this project is scheduled for the summer of 2023. Meanwhile SIM has the use of two display cabinets in the current Guildford Museum together with permanent public exhibitions in The Lightbox and the Surrey History Centre, both located in Woking.

SIM continues with its education programme in local schools and to attend events throughout the year with its pop-up graphics stand and portable artefacts display. In 2018 SIM mounted two major exhibitions in the main gallery at Guildford Museum and enjoyed a three-month residency at Send and Ripley Museum. The museum Friends organisation supports and promotes SIM through its activities including quarterly lecture lunches and its very popular biennial Battlefield Tours.

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

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

Strategic report (continued)

Achievements and performance (continued)

Work on material rescued from the debris after the fire carries on: approximately 95% of the items have now been returned to SIM from its restoration contractor for cataloguing and evaluation. Professional restoration work on medals and forty 'key' items is ongoing with the museum Volunteers working on other items.

SIM continues to receive donations of memorabilia. These newly-acquired objects together with the restored items should provide SIM with enough material to deliver a high-quality offering to the public within the next few years.

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.

b. Reserves policy

The trustees have considered the requirement of the SORP 2015 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 currently 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.

d. Review of Financial Position

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

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.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Structure, governance and management (continued)

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 Charity is governed by a body of five Trustees, two Ex Officio and two Nominated Members:

Ex Officio Trustees:

Colonel J R J Powell OBE

Mr H R Thomas MBE

Nominated Managing Trustees:

Colonel M P Rayner

Major J C Rogerson

Major D Bradley

Sir Timothy Chessells

Major D Pollard BA

Major J Bennett

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 2018

Plans for future periods

PWRR and Queens Museum

Due to the stalling of the project OP REVITALISE, the museum will still take advantage of improving the visitors experience, by both popup displays, we are taking the popup to the Dover Armed Forces Day Event in June 2019, and we will be ensuring that the 50 Anniversary of OP BANNER, where the Regiments saw 30 plus Tours both Emergency and Residential. It will be a great opportunity to display a few items which have been in store for several years. We believe that it will also improve our relationship with those of the Queen's and PWRR as we will be seeking some individual stories to tell, rather than just the story of the Regiment. It is also hoped to have a personal display of Johnson Beharry VC personal equipment and others linked to the Regiment's involvement in Iraq with an exhibit within the PWRR area of the Museum.

We have recently appointed a new Assistant Curator, with the previous Assistant Curator having moved to a post within a local Museum in Dover. It is hope that the improvements achieve over the last couple of years will be developed to improve the visitors experience. It is to the Trustees forward looking by employment Museum Specialists to fill this post, that the visitors experience is one we are proud of the public feedback has been very enthusiastic and encouraging.

We are still keen to move the Archives from Canterbury to the Museum; this again depends on EH future action regarding the building. As if the building roof is repaired as it has been suggested, we will have to relocate our Collection to a safe area, which will be a major task for the care of the Collection and to have the Archives co-located at this time would mean an even larger area and 3 moves for the Archives, which we are keen to avoid.

We of cause are working closely with EH regarding the Museum, who see us as a player within the future, EH have arrange several meetings, to enable the Museum to move forward and have included us at the Point of Sale display monitors, which ensures that victors aware of our location and existence within the Castle.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Statement of Trustees' responsibilities

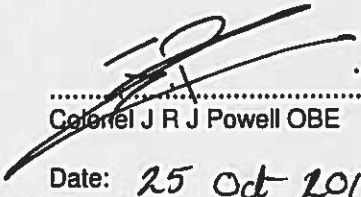
The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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 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 R J Powell OBE

Date: 25 Oct 2019

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

**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

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 my examination of the accounts of the charity for the year ended 31 December 2018.

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: 31 October 2019

Duncan Cochrane-Dyet FCA

MHA MacIntyre Hudson
Chartered Accountants
71 New Dover Road
Canterbury
Kent, CT1 3DZ

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

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	Surrey Infantry Museum (Designated fund) 2018 £	PWRR & Queens Museum (Unrestricted fund) 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:					
Donations and legacies	3	313	47,718	48,031	89,742
Charitable activities	4	30	705	735	3,288
Investments	5	18,939	5,121	24,060	22,525
Total income		19,282	53,544	72,826	115,555
Expenditure on:					
Raising funds	6	1,602	432	2,034	1,478
Charitable activities	7	41,417	67,492	108,909	91,140
Total expenditure		43,019	67,924	110,943	92,618
Net losses on investments		(39,843)	(10,741)	(50,584)	47,732
Net movement in funds		(63,580)	(25,121)	(88,701)	70,669
Reconciliation of funds:					
Total funds brought forward		574,725	144,515	719,240	648,571
Net movement in funds		(63,580)	(25,121)	(88,701)	70,669
Total funds carried forward		511,145	119,394	630,539	719,240

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

The notes on pages 12 to 27 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 2018**

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	10	1,670	4,286
Investments	12	625,628	698,246
		<u>627,298</u>	<u>702,532</u>
Current assets			
Stocks		108	108
Debtors	13	6,105	8,571
Cash at bank and in hand		25,416	49,130
		<u>31,629</u>	<u>57,809</u>
Creditors: amounts falling due within one year	14	(28,388)	(41,101)
Net current assets		<u>3,241</u>	<u>16,708</u>
Total assets less current liabilities		<u>630,539</u>	<u>719,240</u>
Total net assets		<u><u>630,539</u></u>	<u><u>719,240</u></u>
Charity funds			
Surrey Infantry Museum (Designated Fund)	15	511,145	574,725
PWRR & Queens Museum (Unrestricted Fund)	15	119,394	144,515
Total funds		<u><u>630,539</u></u>	<u><u>719,240</u></u>

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


Colonel J R J Powell OBE

Date: 27 October 2019


Mr H R Thomas MBE

The notes on pages 12 to 27 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 2018**

	2018 £	2017 £
Cash flows from operating activities		
Net cash used in operating activities	(45,748)	55,680
Cash flows from investing activities		
Purchase of tangible fixed assets	-	(5,011)
Proceeds from sale of investments	23,045	-
Purchase of investments	-	(52,599)
Net cash provided by/(used in) investing activities	23,045	(57,610)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(22,703)	(1,930)
Cash and cash equivalents at the beginning of the year	50,085	52,015
Cash and cash equivalents at the end of the year	27,382	50,085

The notes on pages 12 to 27 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 2018

1. General information

The Princess of Wales's Royal Regiment and Queen's Regiment Museum Maintenance Fund is a public benefit registered charity.

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 2015), 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 on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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.

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of resources for the charity to be able to continue as a going concern.

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 2018**

2. Accounting policies (continued)

2.2 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.

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

2.3 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.

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 2018

2. Accounting policies (continued)

2.4 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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:

Museum fixtures and fittings	-	10%
Museum equipment	-	33%

2.6 Heritage assets

The charity owns a collection of Historical Military items. 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, no value is reported for these assets in the charity's balance sheet.

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.

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 2018**

2. Accounting policies (continued)

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.9 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.

2.10 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.

2.11 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.

2.12 Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) and assumptions have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

Depreciation rates and assessment of residual values of tangible fixed assets.

2.13 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.

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 2018**

2. Accounting policies (continued)

2.14 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. Income from donations and legacies

	Surrey Infantry Museum (Designated fund) 2018 £	PWRR & Queens Museum (Unrestricted fund) 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	313	16,024	16,337	8,447
Legacies	-	-	-	45,538
Grant in Aid - Salary	-	21,017	21,017	26,057
Other grants	-	1,277	1,277	-
English Heritage	-	9,400	9,400	9,700
Total 2018	313	47,718	48,031	89,742
Total 2017	50,925	38,817	89,742	

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 2018**

4. Income from charitable activities

	Surrey Infantry Museum (Designated fund) 2018 £	PWRR & Queens Museum (Unrestricte d fund) 2018 £	Total funds 2018 £	Total funds 2017 £
Friends of The Museum	30	705	735	3,152
Museum Shop Sales	-	-	-	98
Lecture Fees	-	-	-	38
Total 2018	30	705	735	3,288
Total 2017	2,998	290	3,288	

5. Investment income and interest

	Surrey Infantry Museum (Designated fund) 2018 £	PWRR & Queens Museum (Unrestricte d fund) 2018 £	Total funds 2018 £	Total funds 2017 £
Dividends from Equity Trust Investments	18,932	5,104	24,036	22,515
Deposit account interest	7	17	24	10
Total 2018	18,939	5,121	24,060	22,525
Total 2017	10,307	12,218	22,525	

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 2018**

6. Expenditure on raising funds

Costs of raising voluntary income

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment management fees	1,602	432	2,034	1,478
Total 2017	1,153	325	1,478	

7. Expenditure on charitable activities

	Surrey Infantry Museum (Designated fund) 2018 £	PWRR & Queens Museum (Unrestricted fund) 2018 £	Total funds 2018 £	Total funds 2017 £
Direct costs	16,264	19,744	36,008	40,270
Support costs	3,412	40,327	43,739	48,868
Governance costs	1,137	2,068	3,205	2,002
Total 2018	20,813	62,139	82,952	91,140
Total 2017	36,913	54,227	91,140	

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 2018**

Direct costs

	Surrey Infantry Museum (Designated fund) 2018 £	PWRR & Queens Museum (Unrestricted fund) 2018 £	Total funds 2018 £	Total funds 2017 £
Travel and Subsistence	1,371	2,959	4,330	5,256
Op Revitalise Grant	-	10,521	10,521	17,228
Insurance	3,659	5,353	9,012	9,135
Trustee Insurance	113	113	226	280
Exhibition Exhibits, Materials and Upkeep	6,531	2,106	8,637	817
Leaflet Printing and Advertising	-	-	-	443
Books and Membership Fees	120	824	944	762
Friends of the Museum	352	52	404	869
Presentation Costs	681	456	1,137	49
Depreciation	1,344	1,272	2,616	3,417
Lightbox Agreement	1,985	-	1,985	1,985
Domain Name	108	-	108	29
Volunteer Expenses	-	1,441	1,441	-
Total 2018	16,264	25,097	41,361	40,270
Total 2017	10,102	30,168	40,270	

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 2018**

Support costs

	Surrey Infantry Museum (Designated fund) 2018 £	PWRR & Queens Museum (Unrestricted fund) 2018 £	Total funds 2018 £	Total funds 2017 £
Staff salaries	20,604	23,694	44,298	38,281
Employers national insurance costs	251	317	568	5,520
Employers pension costs	-	510	510	166
Surrey History Centre Office	-	-	-	3,053
Telephone, Postage and Office requisites	2,548	2,014	4,562	1,848
Repairs and small equipment	-	13,312	13,312	-
Rent	613	-	613	-
Consultancy	-	480	480	-
Total 2018	24,016	40,327	64,343	48,868
Total 2017	26,302	22,566	48,868	

Governance costs

	Surrey Infantry Museum (Designated fund) 2018 £	PWRR & Queens Museum (Unrestricted fund) 2018 £	Total funds 2018 £	Total funds 2017 £
Independent Examiner Fees	723	1,688	2,411	1,665
Trustees Meeting Expenses	414	380	794	337
Total 2018	1,137	2,068	3,205	2,002
Total 2017	509	1,493	2,002	

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 2018**

8. Independent examiner's remuneration

	2018 £	2017 £
Fees payable to the charity's Independent examiner for the independent examination of the charity's annual accounts	<u>2,411</u>	<u>1,665</u>

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2017 - £NIL).

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. Reimbursed expenditure to Trustees acting in performance of their regimental duties are not included within this disclosure.

No Trustees are disqualified from holding office.

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 2018**

10. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
At 1 January 2018	46,487	6,435	52,922
At 31 December 2018	46,487	6,435	52,922
Depreciation			
At 1 January 2018	44,115	4,521	48,636
Charge for the year	1,272	1,344	2,616
At 31 December 2018	45,387	5,865	51,252
Net book value			
At 31 December 2018	1,100	570	1,670
At 31 December 2017	2,372	1,914	4,286

11. Heritage assets

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

The Charity aims to maintain the condition of the collection. The cost of any such work is not capitalised in the balance sheet. The Trustees estimate that the value is potentially in excess of £1.5 million, however this does not take into account the effect of the fire at the Surrey Infantry Museum.

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
FOR THE YEAR ENDED 31 DECEMBER 2018**

12. Investments

	Listed Investments £
Valuation	
At 1 January 2018	698,246
Disposals	(23,045)
Revaluations	(50,584)
Movement in deposit account	1,011
At 31 December 2018	625,628
 Market value	
At 31 December 2018	625,628
<i>At 31 December 2017</i>	<i>698,246</i>

The historical cost of the listed investments at 31 December 2018 was £576,429 (2017: £598,502).

The investments are represented by £623,662 (2017: £697,281) in UK listed investments and £1,966 (2017: £955) in deposit accounts.

The investment in Barclays Wealth Funds with the market value of £623,662 (2017: £697,281) represents more than 5% of the total investment value.

13. Debtors

	2018 £	2017 £
Due within one year		
Penny Press Float	150	150
Prepayments	5,955	8,421
	6,105	8,571

Prepayments include £5,955 (2017: £7,940) of expenditure relating to an advanced payment of services which expire in 2021. This expenditure will be released in equal instalments over the coming years at a rate of £1,985 per 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 2018**

14. Creditors: Amounts falling due within one year

	2018 £	2017 £
Op Revitalise Fund Raising	-	35,049
Sundry creditors	26,457	500
Accruals and deferred income	1,931	5,552
	<u>28,388</u>	<u>41,101</u>

15. Statement of funds

Statement of funds - current year

	Balance at 1 January 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2018 £
Unrestricted funds					
PWRR & Queens Museum	<u>144,515</u>	<u>53,544</u>	<u>(67,924)</u>	<u>(10,741)</u>	<u>119,394</u>
Designated funds					
Surrey Infantry Museum	<u>574,725</u>	<u>19,282</u>	<u>(43,019)</u>	<u>(39,843)</u>	<u>511,145</u>
Total of funds	<u>719,240</u>	<u>72,826</u>	<u>(110,943)</u>	<u>(50,584)</u>	<u>630,539</u>

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 2018**

15. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2017 £	Income £	Expenditure £	Balance at 31 December 2017 £
Unrestricted funds				
PWRR and Queen's Regiment Museum Fund	144,553	54,515	(54,553)	144,515
Designated funds				
Surrey Infantry Museum Fund	504,018	108,774	(38,067)	574,725
Total of funds	<u>648,571</u>	<u>163,289</u>	<u>(92,620)</u>	<u>719,240</u>

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Surrey Infantry Museum Fund 2018 £	PWRR and Queen's Regiment Museum Fund 2018 £	Total funds 2018 £
Tangible fixed assets	570	1,100	1,670
Fixed asset investments	526,886	98,742	625,628
Current assets	5,287	26,342	31,629
Creditors due within one year	(21,598)	(6,790)	(28,388)
Total	<u>511,145</u>	<u>119,394</u>	<u>630,539</u>

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 2018**

16. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Surrey Infantry Museum Fund 2017 £	PWRR and Queen's Regiment Museum Fund 2017 £	Total funds 2017 £
Tangible fixed assets	1,914	2,372	4,286
Fixed asset investments	553,605	144,641	698,246
Current assets	19,706	38,103	57,809
Creditors due within one year	(500)	(40,601)	(41,101)
Total	574,725	144,515	719,240

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

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	(88,701)	70,669
Adjustments for:		
Depreciation charges	2,616	3,416
Gains on revaluation in year	50,584	(47,732)
Decrease in Op Revitalise	-	27,030
Decrease in debtors	2,466	1,966
Increase/(decrease) in creditors	(12,713)	331
Net cash provided by/(used in) operating activities	(45,748)	55,680

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 2018**

18. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash held by investment manager	1,966	955
Deposit Account	19,694	43,130
Current Account	5,722	6,000
Total cash and cash equivalents	27,382	50,085

19. Contingent liabilities

As a consequence of the fire at the Surrey Infantry Museum a number of on loan items were damaged and are currently under going a renovation process. The families that own these items will be entitled to compensation should the items not be renovated. The cost of this is currently unknown and will be covered by insurance, so no provision has been made for these costs in the accounts.

