

Company number: 05454676

Charity Number: 1111106

The Royal Artillery Centre for Personal Development

Report and financial statements
For the year ended 31 July 2023

The Royal Artillery Centre for Personal Development

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For the year ended 31 July 2023

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The Royal Artillery Centre for Personal Development

Reference and administrative information

For the year ended 31 July 2023

Company number 05454676 – incorporated in the United Kingdom

Charity number 1111106 – registered in England & Wales

Registered address
Old Fire Station
Salt Lane
Salisbury
Wiltshire
SP1 1DU

Operational address
Royal Artillery Barracks
Larkhill
Wiltshire
SP4 8QT

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Major General R M Clements CBE
Mr S Bragg (Appointed 8 March 2024)
Brigadier N Budd OBE
WO2 T Alexander
WO2 A Assad (Resigned 17 November 2023)
Mr O Adams OBE
Colonel M Dornan
Mr S Ellison
Mr Neil Hopkins OBE (Appointed 17 November 2023)
Mr T Jackson OBE (Resigned 8 March 2024)
Mr J B Knowles
Colonel C Palmer (Resigned 17 November 2023)
Mrs A J Storey

Key management personnel
Claire Foxley Chief Executive
John Le Feuvre Operations Director

Secretary Brunswick Company Secretaries Limited

Bankers
Lloyds Bank
1st Floor
3 Town Quay
Southampton
SO14 2AQ

The Royal Artillery Centre for Personal Development

Reference and administrative information

For the year ended 31 July 2023

Bankers (continued)	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling ME19 4JQ
	Nationwide Building Society Kings Park Road Moulton Park Northampton NN3 6NW
Solicitors	Blake Morgan New Kings Court Tollgate Chandler's Ford Eastleigh Hampshire S053 3LG
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor 110 Golden Lane LONDON EC1Y 0TG

The trustees present their report and the audited financial statements for the year ended 31 July 2023.

Reference and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and Activities

Purposes and aims

The Royal Artillery Centre for Personal Development operates as RACPD.

RACPD's Charitable Object is:

'To promote the efficiency of the Armed Forces of the Crown and in particular the Royal Artillery by improving the competencies, performance, morale and retention of serving military personnel, MOD Civil Servants and support to veterans through involvement in nationally recognised education, training and vocational schemes.'

RACPD's Mission is:

We provide outstanding personal and professional development to soldiers, dependants, and veterans whether they are in early recruit or trade training, mid-career, undergoing resettlement or developing a second career. We want to enable better life opportunities for soldiers and their families.

The long-term Vision is that:

RACPD will inspire, encourage, challenge, and fully support learners and staff to achieve their best. We will be the provider of choice, delivering relevant programmes of learning, aligning military skills with recognised civilian qualifications. We will increase our flexibility and reach through wider use online technology and to enable staff and learners to work remotely at a time/location that results in success. Income will be maximised by excellent learner and staff management whilst retaining a grade one experience and achievement.

Through our work, we will:

- Provide soldiers with a 'second chance' in their education and thereby enhance their self-confidence, skills, knowledge, and life chances.
- Remove financial barriers to soldiers who wish to undertake personal development.
- Support the Royal Artillery in developing the professional skills, motivation, and welfare of its soldiers, thereby improving performance, and increasing retention.

Principal Activities

We provide vocational education and training programmes to soldiers and officers in the Royal Artillery. This enables them to:

- Develop their literacy, numeracy, IT, and communication skills and thus increase self-confidence and widen aspirations.
- Increase their employability in the Armed Forces and subsequent career, thereby making a more positive contribution to the British labour market.
- Gain transferable and recognisable civilian qualifications and improve their professional skills, thereby increasing the effectiveness and efficiency of the Royal Artillery.

The trustees review the aims, objectives, and activities of the Charity each year. This report looks at what the Charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the Charity has brought to those groups of people that it is set up to help. This review also helps the trustees ensure the Charity's aims, objectives and activities remain focused on its stated purposes. The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Over the previous two years this report has included reference to Covid-19, the effects of which are no longer causing concern. However, the crisis in Ukraine continued to result in a larger than normal number of learner suspensions. Whilst timely and overall achievement rates are lower than last year, they remain outstanding and higher than national and overall Army rates.

Our Core Activities

Delivering Qualifications

One of the Charity's priorities is to increase the number of soldiers who achieve nationally recognised, transferable qualifications. These qualifications improve soldiers' promotion prospects within the Army and increase their chances of employment when they leave the Army.

The range and level of civilian qualifications we offer is broad and meets the needs of soldiers throughout their military careers. These include qualifications from Level 1 to Level 4, which are listed on the Regulated Qualification Framework (RQF), in the following areas:

- Logistics (including aviation)
- Telecommunications
- Horse Care and Management
- Information Communication Technologies (ICT)
- Leadership and Management
- English, Maths, and ICT Functional Skills (FS)
- Teacher Education

The key income generating programmes that the Charity delivers are apprenticeships in Logistics (including Aviation programmes), Telecommunications and horsecare. These are funded through the employer levy, administered by the Army apprenticeship team.

Delivering Educational Support, Information, Advice and Guidance

The majority of our programmes and advice are delivered within the workplace in regiments based in England. This removes the geographical barriers that exist for many remotely located soldiers who are unable to attend a Further Education College or travel to Larkhill to attend courses. RACPD employs staff to specifically provide apprenticeship and educational support and information, advice and guidance to soldiers and their dependants. These members of staff, known as Personal Development Advisors and Mentors (PDA/M), are embedded within the Royal Artillery regiments and they are uniquely placed to offer an accessible and flexible service to soldiers.

The Regimental Learning Centres, managed by qualified Functional Skills teachers, provide a unique and vital service to soldiers and their families. A range of courses, qualifications and Information, Advice and Guidance (IAG) are offered at flexible times to fit around soldiers' operational commitments.

The majority of our employees are former servicemen/women, or dependants of serving soldiers, who understand the culture and challenges those soldiers (our learners) face. This understanding of our beneficiaries' needs is vital to the success of the programmes.

Achievements and performance

The Charity's activities and beneficiaries are described below. All its charitable activities focus on soldiers and their dependants and are undertaken to further The Royal Artillery Centre for Personal Development's charitable purposes for public benefit.

Performance Statistics

Registrations

Up until 31 July 2021, every soldier joining the Royal Artillery (RA) was offered the opportunity to gain an apprenticeship in Driving Goods Vehicles (DGV). Some of these remain on programme but due to suspension will be complete by the end of AY2022/23. From 1 August 2020, in line with apprenticeship reform and a transition from frameworks to standards, they were offered an opportunity to start on the Express Delivery Operative standard apprenticeship. This offer of a first apprenticeship is important to the recruiting effort and ensures that young soldiers, who may not have had a positive school experience, have the opportunity to achieve a Level 2 (GCSE equivalent) qualification.

Registrations continue to be affected by a number of factors including: fluctuating numbers graduating from ITT, no military training courses for aviation learners, no progression apprenticeship for strike trade, progression endorsed by IfATE but with pre-requisite courses with

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For the year ended 31 July 2023

low learner numbers and therefore not financially viable (Transport and Warehousing Supervisor), and no level 2 Telecommunications as this framework was not replaced by a standard.

Overall apprenticeship registrations have increased by 10%, due to an apprenticeship recruitment drive in regiments and a resolution of the issues with the Army recruiting website which was off grid for over six weeks in the previous year. There was a 11% increase in logistics registrations most of which was a result of a 29% increase in registrations from Initial Trade Training (ITT). Registrations for Aviation Operations (which is a very small programme) increased by 73% which an actual increase of 11 apprentices. The Telecommunications registrations increased by 22% due to consolidation of the new Digital Support Technician apprenticeship and the alignment of the Army's telecommunications trade courses. Functional Skills registrations increased by 8% due to the increase in overall apprenticeship inductions and the continued requirement to provide mandatory L2 tests.

Learning and Development course registrations increased this year by 52%. This includes the L3 teaching qualification and the level 2 and level 3 'supporting teaching' courses which are delivered to dependants. CAVA/IQA delivery increased as green assessors and staff were still keen to gain the award, despite it no longer being mandatory for staff supporting apprenticeships. Team Leading courses took place in regiments, in slightly lower numbers (decrease of 38 learners) than last year due to the high rate of deployment in some regiments and short notice cancellation of courses. We remain committed to supporting this course as it provides a level 2 qualification for younger soldiers and ensures that should they leave the service at the earliest point, most will have a nationally recognised trade apprenticeship leadership qualification.

IT (ITQ) registrations only decreased by 5 learners which was pleasing given that we no longer market it due to tutor time being focussed on apprenticeship and some standalone FS and it is no longer supported by Adult Education Budget (AEB) funding. The most popular 'other' course is the Understanding Children & Young People's Mental Health course which is a L2 online offering through The Skills Network. We have maintained our partnerships with other training providers and for a small fee we refer learners to them; the most popular of these courses continue to be Door Supervisor and the Institution of Occupational Safety and Health (IOSH) qualification.

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PROGRAMME	2022 – 2023	2021 – 2022	2020– 2021	2019– 2020	2018– 2019	2017 – 2018	2016 – 2017	2015– 2016	2014– 2015
Aviation Operations on the Ground	15	4	6	7	14	3	32	44	53
Telecommunications	68	53	25	301	178	229	245	294	368
Logistics (Includes Forklift truck and driver CPC (10))	326	291	460	380	427	536	756	777	654
Horse care	0	21	23	19	26	3	13	7	11
Leadership & Management	138	176	136	373	275	380	326	343	366
Learning Centres Literacy & Numeracy	50	38	26	5	15	19	6	N/A	N/A
Assessor & Verifier Awards	10	15	2	15	17	21	24	28	36
Learning and Development	25	12	28	42	58	106	20	76	104
ICT	33	41	40	54	111	98	182	194	217
Key/Functional Skills	790	729	538	354	490	655	788	893	1383
Other courses [1]	124	158	61	39	126	181	44	N/A	N/A
Referrals to other training providers	36	56	20	80	104	N/A	N/A	N/A	N/A
TOTALS	1615	1594	1365	1669	1737	2231	2436	2656	3192

[1] Courses include IAG and First Aid at Work.

Achievement rates¹

Achievement rates for qualifications are a key performance indicator (KPI) since they demonstrate both the quality of delivery and the support for soldiers. RACPD monitors quality of delivery closely and on a quarterly basis through performance management reviews. Improvements in programme planning and overall quality assurance remain an integral part of the Self-Assessment Report and Quality Improvement Plan. Additionally, the PDA/M role remains critical to support the soldiers, regiments, and apprenticeship programme managers in delivering qualifications and providing advice and guidance to learners.

We continue to have some of the highest achievement rates, within the Army and nationally², in all our programmes. This year, the overall achievement rate for our apprenticeship programme was 72.2% and the timely achievement was 77% (frameworks only for timely). Although this was a timely decrease from last year, these results are still outstanding in comparison to Army and

¹ Achievement. Once the learning has been completed the qualification is classed as 'achieved.' There are two categories of achievement: Overall achievement - the total number of learners that have finished through completion of all the learning activities; Timely achievement - the number of learners that are achieved on or before their planned end date or no more than 90 days after it.

² National achievement rates (2022/23): Overall – 48%.

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National averages and given the local and global environment. The overall achievement rate for the telecommunications programme cannot be measured as there were no end point assessments (EPA) of this newly activated programme prior to year end. The logistics programme achievement rate was 74.47% which is satisfactory given that the EPA process was delayed due to Army contracting systems and a new EPA provider being contracted to carry out EPA in regiments. The aviation operations achievement was 100%.

The overall pass rate for FS English and maths has improved overall, with English remaining at 83% and maths increasing from 49% to 53%. This is a direct effect of continued study into maths rich feedback provided by the Awarding organisation, in an attempt to understand how to improve maths achievement. National average pass rates for FS are: maths 44% and 65% for English.

The analysis and use of data continue to be very good. Maintaining success rates and other KPIs over a sustained period demonstrates our effective data and management information systems (MIS). MIS reports identify action areas that are highlighted at quarterly performance reviews. The focus in the last year has been to maintain overall and timely achievement rates as well as possible. This has been a challenge given the increased tempo of the Army and therefore the difficulty of tracking, locating, and supporting learners.

The average achievement rate for all other RACPD programmes and courses was 88%.

Achievements and Wider Benefits

It is important to recognise that we do not measure the success of our delivery by achievement statistics alone; the impact of these achievements on individuals' lives is equally important. The effort and commitment soldiers put in to gain qualifications and thereby enhance their life chances is acknowledged through the Personal Development Awards programme every year. Learners are nominated by their regiment and overall winners announced at an awards ceremony which took place in October 2023 at which prizes which included certificates and cash awards (totalling over £3,200) were presented.

The *matrix* standard became a mandatory requirement for FE delivery for RACPD in 2014. The assessment is completed over three years with an initial visit and two follow up interim assessments. This year the inspector conducted a full inspection prior to year end and taking into account the imminent change in requirement for AY 2023–24 and that the trading subsidiary, Sheldrake, would also need to be included. The assessor recommended ongoing accreditation status so check-in monitoring will take place in July/August 2024 and 2025. Some short courses are accredited by Awarding Organisations and their quality assurance checks include Standard Verifier visits. A number of these took place throughout the year and all were complimentary on the standard of delivery, the outcomes for learners and the quality of the administration. The visits will continue for short courses.

The employment of PDA/Ms remains a significant investment for the Charity, albeit their main focus continues to be the apprenticeship programme, especially in the larger regiments. The

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tangible benefit of that is evident in the number of soldiers achieving their apprenticeships and the ability to maintain timely success rates despite the challenges faced.

Many of the regiments are in fairly remote locations, with limited access to Further Education Colleges. Every Learning Centre's primary focus is delivery of Functional Skills for apprenticeships however, they also deliver the supplementary and elective IT qualification (primarily British Computing Society (BCS) ITQ Level 2). The BCS recognised that the centre's performance and quality has been maintained at the highest level (awarded Green status at audit). In addition, we offered standalone Functional Skills to reservists and civilians and a total of 47 tests were sat in either English, maths or ICT with an overall pass rate of 85%.

Over the year, the Charity continued to provide wider support and services which help to improve the life chances of individuals and the efficiency of the Royal Artillery, including:

- Courses or referral to courses in Door Security and Health & Safety which enabled soldiers to gain qualifications in sectors known to be employer friendly and relevant to Army service. We delivered qualifications in First Aid at Work and Information Advice and Guidance (IAG).
- Policy advice provided to the Royal Artillery on all personal development matters ensuring that subject matter expertise and knowledge of the civilian education and labour market were made available to policymakers.
- Personal development and Information, Advice and Guidance (IAG) given to soldiers and officers enabling them to make informed decisions about which courses to attend and which qualifications would support them both in-career and when they leave the Army.
- Roadshows were completed virtually to regiments to brief all officers and soldiers on the Army apprenticeship programme, the RA offer, and the other support available from RAPCD.
- The personal development funds normally awarded directly to regiments to support their Personal Development Programme (eg the purchase of equipment, improvement of educational facilities) have not been reinvigorated but regiments have been informed that should they need additional PD funds, they should request support from RAPCD.

Beneficiaries of our services

In total, during the academic year 2022–23, RAPCD registered 1615 learners onto educational programmes, compared to 1594 last year. The overall pass rate across all programmes was 88%. Those who did not achieve were mainly apprenticeship learners who withdrew themselves voluntarily, were posted away from the role that required the training or they left the Army. Whenever possible RAPCD staff encourage learners to complete their qualifications before disengaging from a programme but this is not always possible. Learners completing formal qualifications make up the majority of the beneficiaries but there is still a significant number who request advice and guidance without being formally registered on a course with RAPCD. While

they may later enrol on a course, it is just as likely that the PDA/M, Learning Centre Manager (LCM) or another member of staff will signpost them to an alternative training provider if that is the right pathway for the learner.

Performance is measured in a variety of ways. The Royal Artillery sets Key Performance Indicators for the apprenticeship programme based on the number of learners starting a programme, completing a programme and the time within which completion is achieved. This has yet to change for standards but we expect KPIs to be based around Gateway completion. Quality of delivery is also measured and an audit programme, run by the Army, takes place biennially. Programme managers set specific targets for their teams based on knowledge of courses taking place either in the RSA or externally in the regiments and these are reported internally to the Operations Director. Impact is measured in a similar fashion, through the number of soldiers engaging with education and when available through destination data if a soldier leaves the Army and is successfully employed as a direct result of having engaged with RACPD.

Financial review

The overall deficit, before gains on investments of £246,334 is better than budget ((£469,190)). Apprenticeship income was only £24k lower than originally budgeted for which is impressive given the high rate of suspensions on the apprenticeship programme. Expenditure was £90K under budget and the biggest cost, salaries lower than budgeted by (£170K).

The Charity receives most of its earned income from apprenticeship delivery, which is funded in small part by the ESFA, with the majority now being paid by the employer (Army) through the employer levy. The Charity is heavily dependent upon this income to support the many other programmes and services that RACPD offers the Royal Artillery.

Army apprenticeship funding in this period was 87% of the Charity's overall income of £1,665,844 which is higher than normal as many other sources of income (college funded courses) underperformed due to lack of team leading courses and the reduction in college funding/performance. The total apprenticeship funding received was £1,168,328 which was only £31K less than last year.

Expenditure decreased by £299,349, from £2,028,331 last year to £1,912,177 due mainly to better accounting for Sheldrake staff/specialist support, natural staff wastage and generally improved expenditure management. The salary bill represents 76% of overall spending which is slightly higher than last year (74%).

Investment powers and policy

Investment powers are governed by the memorandum and articles of association and permit the Charity's funds to be invested in any way the trustees wish. The Board keeps its investment strategy under constant review, in accordance with the Charity Commission's guidelines for best practice. The key features are:

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- A return on investments which allows the Charity to continue to deliver services over a period of time.
- Maintaining and, if possible, enhancing the value of funds whilst they are invested.
- Managing risk.

Based on this framework the trustees have agreed the following principles:

- Capital investment periods should be linked to the financial risks identified on the Risk Register. Given the volatility of government policy, two of the three main operational risks require immediate funds if they come to fruition.
- Investments should be divided into:
- Short term, easy access funds, up to one year.
- Longer term investments which could be invested for periods from two to five years and provide capital appreciation and an income.

The trustees, having considered the liquidity requirements of operating RACPD and the Reserves Policy, have generally adopted a policy of keeping available funds in short term easy access accounts until the economic conditions are more certain. However, alternative medium-term investments were approved on the grounds that the sum agreed should be invested for a minimum of 4 years but should still remain easily accessible. Investments in CAF fell as some was transferred to the current accounts for use. Over the whole portfolio CAF and Quilter, unrealised investment losses were £56,722.

Specific performance objectives were not set for investments this year, outside of the budgetary expectations. Interest from other investments (bank interest) reduced and was £101 compared to £188 last year.

Principal risks and uncertainties

The significant risks to which the Charity is exposed fall into two categories – those macro risks which are largely outside its control and those micro risks which are, at least to some extent, within its operational control. The main external macro risks are derived from the apprenticeship contract which include loss of the contract, changes in government and Army apprenticeship policy and funding, including the lower RA recruiting/allocation figures, and the consequent changes in income, and the implications of the Ukraine crisis. The micro-risks include learners attending and achieving Functional Skills which have increased in length and difficulty, recruiting suitably qualified and experienced staff, maintaining learners on programmes in a fast-moving environment and the effects of new standards with the requirement for End Point Assessment.

All risks are reviewed regularly by the SMT and wherever possible risks are mitigated or managed within routine business. A risk register is maintained for scrutiny by the Board of Trustees every six months, albeit the senior management team review it more regularly. There is little by way of mitigation for the macro risks until the full implications of an ongoing Ukraine campaign and British Army assistance becomes clearer, and RA recruiting returns to 'normal' levels. Micro risks are mitigated against through normal routine procedures such as monitoring and regular audits.

The Charity's principal financial instrument, other than investments, is cash and bank deposits. The credit risk associated with cash is limited as the counterparties have reasonable credit ratings.

The Charity has maintained a positive cash position throughout the year and the exposure to liquidity risk is considered to be minimal.

Fundraising Practice

RACPD does not engage in public fundraising and does not use professional fundraisers or commercial participators. RACPD nevertheless observes the relevant fundraising regulations and codes. During the year RACPD received no complaints relating to its fundraising practice.

Reserves Policy and Going Concern

The trustees' reserves policy takes into account the following factors:

- The Charity is very heavily dependent on funds from the DfE via college sub-contracting. Government policy on post-16 education and training is dynamic and FE college funding limited.
- The level of reserves must allow for any radical shift in Government and FE college policy which may reduce the Charity's income significantly.
- The trustees have a long-term commitment to delivering the Charity's Objects and wish to maintain sufficient funds to allow the Charity to continue to operate if external funding were to be removed completely. In the event that funding ceases, the Charity will retain sufficient funds to provide for the learners registered on its programmes to complete their personal development plan.
- The strategic plan requires the expansion of the RACPD's charitable offer. Specific initiatives have been identified which extend the Charity's scope to provide additional public benefit and better fulfil its objectives.
- The strategy also recognises the need for the Charity to adapt its operating model in response to changes in the environment in which it operates, and sufficient funds must be maintained for transformation of the operating model should this be required.

The trustees have assessed the level of reserves needed to meet specific requirements and have chosen to invest those reserves to build capital and ensure that charitable activities can continue to take place. Such activity includes allocations of money to enable personal development resources and staging of events but also maintenance of a small number of staff in regiments to support the wider educational advice and guidance.

Trustees believe the charity is a going concern, for the purposes of approving the annual report and statutory accounts, having reasonable expectation that it can continue to operate for at least 12 months from the date signing the accounts, and that there are no material uncertainties in this regard.

In practice, the charity's total reserves remain high at approximately £2.2million all of which is unrestricted. £1.7million is held in investments and £275,000 in cash. This is more than sufficient to support the charitable activities planned over the next two to three years and whilst the trading subsidiary builds its reputation and ability to provide sufficient funding to cover all RACPD costs, after the loss of the RA apprenticeship contract referred to below. This also allows sufficient buffer should business continuity issue arise.

Plans for the Future

Future financial planning was predicated on maintaining the current apprenticeship programme income and being supported by additional educational activities and courses. The apprenticeship contract was won in May 2018 and ran for five years (from 1 August 2018 until 31 July 2023). In March 2023, RACPD was informed that it had lost the RA apprenticeship contract to another provider competitor; this will reduce the charity's income in AY 2023/24 to funds earned from FE college partners and learner fees only.

The Board of Trustees remains committed to the charitable Object and achieving this by maintaining provision of information, advice and guidance, and delivery of a range of educational opportunities and qualifications to Service personnel and their families. In order to do that the Board took the decision prior to year-end, to release funds from the reserve for a minimum of two years. This would enable the trading subsidiary to enhance its delivery of both apprenticeship training and End Point Assessment (EPA) and thereby provide a surplus to support RACPD to be self-sufficient and thrive in the longer term. The Board was cognisant that Sheldrake Training holds an Army contract for EPA which runs until 31 July 2025 and has a potential two year extension thereafter and Trustees wish to fulfil this contractual obligation. Sheldrake Training is building up its reputation, range of delivery and consequent turnover.

The next two- three years are transition years which the trustees are willing to fund from the unrestricted reserve. The strategy for the next 3 years is under review and will be finalised prior to year end. The reserves policy will be revisited as part of this.

Structure, Governance and Management

The Charity is governed by up to eleven trustees, who are also the members. The previous number of 9 trustees increased by two last year due to the agreed requirement for representation on the Board by serving military non-commissioned officers. It remains an appropriately sized forum to ensure a good range of relevant expertise and to enable timely decision-making. The trustees hold three Board meetings each year which is sufficient to review operational business as well as an AGM which reviews performance over the whole year. In addition, in a normal year they meet in May for development and appraisal, and to discuss strategy in an unrestricted forum. The number of meetings, their format and timings provide sufficient opportunity to review and update the strategy and to oversee and assure performance on a quarterly basis. Meetings this year were held face to face, including the AGM.

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The trustees delegate operational control, including full management of staff, to the Chief Executive (Claire Foxley) who is directly supported by the Director of Operations (John Le Feuvre). They are supported by three heads of department (MIS, Teaching & Learning and Quality) who together constitute the Senior Management Team.

The Board nominates individual trustees to hold responsibility for key regulatory matters: Health & Safety; Safeguarding; Data Protection; Equality & Diversity and Security. The Board has three committees: Audit; Finance and Remuneration. The Chair of each committee holds Board responsibility for those specific matters.

The Board decides the Charity's strategy, which is reviewed each year in May/June. Additionally, in Q3, Trustees endorse the Chief Executive's annual Business Plan, which sets out the forthcoming income and expenditure budgets for the next academic year. The Board has endorsed a scheme of delegation in which the trustees delegate limited spending authority to the Chief Executive, while retaining authority to spend single amounts not exceeding £60,000. The trustees also retain authority to appoint (executive) directors.

The organisation is a charitable company limited by guarantee, incorporated on 17 May 2005, and registered as a charity on 31 August 2005 with articles amended on 24 February 2014. The company was established under a memorandum of association, which established the Objects and powers of the charitable company and is governed under its articles of association. All trustees give their time voluntarily and receive no benefits from the Charity. Any expenses reclaimed from the Charity are set out in the notes to the accounts.

Appointment of Trustees

The memorandum provides for eleven trustees, of which two are serving in the Royal Artillery (RA) and four as Army officers in Staff appointments outside of the RA (but all ex-Gunners). The serving trustees are directly linked to their military roles, which is on the basis that those roles command or train the Charity's beneficiaries. These 'military' trustees are only appointed as trustees for the duration of their specific military role, normally two years. The memorandum was updated in this year to include two serving non-commissioned officer positions and amended so that trustees may now serve two tenures of three years. Those holding the position of committee chair or with extensive experience in a specialist area may be retained for a further three-year rotation.

A skills scan is conducted periodically to identify the skills gap among trustees so that new trustees may be recruited to provide the missing skills and experience. Such trustees are found either through recruitment via charity trustee organisations, or local networking. As a result, the Board recruited two serving soldiers as "former learners". The Board conducts a biannual analysis of their effectiveness, and this was last conducted in September 2022 using the Cobseo Governance Tool. This gave an overall green rating with some minor considerations for improvement, mainly around trustee responsibilities. These will be acted upon during the next AY.

Trustee Induction and Training

All trustees attend an induction briefing before their first Board meeting. The induction, which is preceded by receipt of a comprehensive information pack, is led by the Chief Executive, who with the Operations Director, briefs the new trustee on the organisational structure, strategic plan, current business plan, operations, and forthcoming initiatives. This is followed by a governance briefing by the Board Secretary on the trustee's responsibilities as a company director and trustee. The briefing includes details of when and how the Board meetings are held. New trustees are appraised of their specific Board responsibilities via committee membership (Audit / Finance / Remuneration) and /or Board lead on regulatory matters such as Health & Safety, Safeguarding, Data Protection, Security, or Equality & Diversity. During this induction, and at subsequent events, the trustees meet key RACPD staff.

Subsequently, but preferably within three months of induction, the trustee will attend a formal, professional charity governance training course delivered by Civil Society.

Related Parties and Relationships with other Organisations

RACPD is a member of Cobseo (The Confederation of Service Charities). RACPD has a wholly owned trading subsidiary, Sheldrake Training Limited, which was incorporated on 17 March 2016.

Remuneration Policy for Key Management Personnel

The Remuneration Committee endorses the pay policy and takes advice from the Chief Executive on any cost of living increases in salary. These are then recommended to the Board for endorsement once the Finance Committee has agreed affordability. Changes in salary are normally effective from the start of the Financial Year on 1 August and salaries are benchmarked against the Charity, Further Education, and public sectors.

Statement of Responsibilities of the Trustees

The trustees (who are also directors of The Royal Artillery Centre for Personal Development for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the group 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 in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.

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For the year ended 31 July 2023

- State whether applicable UK Accounting Standards and statements of recommended practice 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 operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the Charity guarantee to contribute an amount not exceeding £1 to the assets of the Charity in the event of winding up. The total number of such guarantees on 31 July 2023 was 11 (2022: 11). The trustees are members of the Charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the Charity.

The trustees' annual report has been approved by the trustees on 21 May 2024 and signed on their behalf by

Maj Gen R M Clements CBE
Chairman

Independent auditor's report

To the members of

The Royal Artillery Centre for Personal Development

Opinion

We have audited the financial statements of Royal Artillery Centre for Personal development (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 July 2023 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 July 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the group financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Royal Artillery Centre for Personal development's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the audit committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;

Independent auditor's report

To the members of

The Royal Artillery Centre for Personal Development

- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose.

Independent auditor's report

To the members of

The Royal Artillery Centre for Personal Development

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (Senior statutory auditor)

21 May 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

The Royal Artillery Centre for Personal Development

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 July 2023

	Note	Unrestricted General £	Unrestricted Designated £	2023 Total £	Unrestricted General £	Unrestricted Designated £	2022 Total £
Income from:							
Charitable activities							
Army Apprenticeships	A	1,168,328	–	1,168,328	1,199,023	–	1,199,023
Educational Training	B	90,121	–	90,121	130,624	–	130,624
Trading activities	C	302,104	–	302,104	72,332	–	72,332
Other	D	85,633	–	85,633	66,091	–	66,091
Investments		19,657	–	19,657	26,909	–	26,909
Total income		1,665,844	–	1,665,844	1,494,979	–	1,494,979
Expenditure on:							
Investment management fees		–	–	–	8,600	–	8,600
Charitable activities							
Army Apprenticeships	E	1,628,173	–	1,628,173	1,838,846	–	1,838,846
Educational Training	F	102,086	–	102,086	115,312	–	115,312
Trading activities	G	181,919	–	181,919	65,287	–	65,287
Total expenditure	2	1,912,177	–	1,912,177	2,028,045	–	2,028,045
Net (expenditure)/income before net gains/(losses) on investments		(246,334)	–	(246,334)	(533,066)	–	(533,066)
Net gains/(losses) on investments	H 9	(56,772)	–	(56,772)	(111,926)	–	(111,926)
Net income / (expenditure) for the year and net movement in funds	3	(303,106)	–	(303,106)	(644,992)	–	(644,992)
Reconciliation of funds:							
Total funds brought forward		473,705	2,000,000	2,473,705	1,118,697	2,000,000	3,118,697
Total funds carried forward		170,599	2,000,000	2,170,599	473,705	2,000,000	2,473,705

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16 to the financial statements.

The Royal Artillery Centre for Personal Development

Balance sheet

Company no. 05454676

As at 31 July 2023

	Note	The group 2023 £	2022 £	The charity 2023 £	2022 £
Fixed assets:					
Tangible assets	8	15,959	32,382	15,959	32,382
Investments	9	1,679,957	2,109,185	1,679,957	2,109,185
		<u>1,695,916</u>	<u>2,141,567</u>	<u>1,695,916</u>	<u>2,141,567</u>
Current assets:					
Debtors	12	396,586	227,659	360,858	258,274
Cash at bank and in hand		275,126	225,332	55,881	182,820
		<u>671,712</u>	<u>452,991</u>	<u>416,738</u>	<u>441,094</u>
Liabilities:					
Creditors: amounts falling due within one year	13	(197,029)	(120,853)	(62,243)	(116,002)
		<u>474,683</u>	<u>332,138</u>	<u>354,496</u>	<u>325,092</u>
Net current assets					
Total net assets	15	<u>2,170,599</u>	<u>2,473,705</u>	<u>2,050,412</u>	<u>2,466,659</u>
The funds of the charity:	16				
Unrestricted income funds:					
Designated funds		2,000,000	2,000,000	2,000,000	2,000,000
General funds		170,599	473,705	50,412	466,659
Total unrestricted funds		<u>2,170,599</u>	<u>2,473,705</u>	<u>2,050,412</u>	<u>2,466,659</u>
Total charity funds		<u>2,170,599</u>	<u>2,473,705</u>	<u>2,050,412</u>	<u>2,466,659</u>

Approved by the trustees on 21 May 2024 and signed on their behalf by

Major General R M Clements
Trustee

The Royal Artillery Centre for Personal Development

Consolidated statement of cash flows

For the year ended 31 July 2023

Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2023 £	2022 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(303,106)	(645,280)
Depreciation charges	16,423	49,935
Loss on disposal of fixed assets	–	–
(Gains)/losses on investments	56,772	111,926
Dividends, interest and rent from investments	(19,657)	(26,909)
(Increase)/decrease in debtors	(168,927)	143,312
Increase/(decrease) in creditors	76,176	10,290
Net cash (used in)/provided by operating activities	(342,318)	(356,726)
Cash flows from investing activities:		
Dividends and interest from investments	19,657	26,722
Purchase of fixed assets	–	(22,925)
Proceeds from the sale of investments	1,410,646	411,633
Purchase of investments	(1,045,926)	(639,060)
Cash movement in investments	7,735	209,305
Net cash used in investing activities	392,112	(14,325)
Change in cash and cash equivalents in the year	49,794	(371,051)
Cash and cash equivalents at the beginning of the year	225,332	596,383
Cash and cash equivalents at the end of the year	275,126	225,332

Notes to the financial statements

For the year ended 31 July 2023

1 Accounting policies

a) Statutory information

The Royal Artillery Centre for Personal Development is a charitable company limited by guarantee and is incorporated in the United Kingdom.

The registered office address is Old Fire Station, Salt Lane, Salisbury, Wiltshire, SP1 1DU. The principal place of business is Royal Artillery Barracks, Larkhill, Wiltshire, SP4 8QT.

b) Basis of preparation

The financial statements have been prepared 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) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Sheldrake Training Limited on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented as a summary of the result for the year is disclosed in the notes to the accounts.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Further information can be found in the trustees' annual report.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

1 Accounting policies (continued)

f) Interest receivable

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

g) Fund accounting

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Investment management fees relate to fees incurred in the management of the charity's investments
- Trading activities relate to the costs incurred by the group of delivering educational activities outside of its charitable objects.
- Expenditure on charitable activities includes the costs of delivering services and other educational activities undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

● Army Apprenticeship	80%
● Education Training	5%
● Support costs	14%
● Governance costs	1%

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity

● Army Apprenticeship	94%
● Education Training	6%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

1 Accounting policies (continued)

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The useful lives are as follows:

● Portacabin	4 years
● Computers	3 years
● Fixtures & Fittings	5 years
● Motor Vehicles	4 years
● Online Learning Portal	3 years

l) Listed investments and common investment funds

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. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

Investments in subsidiaries

Investments in the subsidiary are at cost.

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

o) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

p) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

q) Pensions

The charity operates a defined contribution scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the statement of financial activity.

Notes to the financial statements

For the year ended 31 July 2023

2a Analysis of expenditure (current year)

	Charitable activities						2023	2022
	Investment management fees £	Army Apprenticeship £	Educational Training £	Trading activities £	Governance costs £	Support costs £	Total £	Total £
Staff costs (Note 4)	-	1,053,335	65,833	92,048	13,167	184,334	1,408,717	1,436,404
Registration fees	-	35,147	2,197	3,136	439	6,151	47,071	73,032
External trainers	-	38,099	2,381	54,407	476	6,667	102,031	88,574
Other direct course fees	-	-	-	-	-	-	-	6,710
PD Grants	-	12,744	796	-	159	2,230	15,930	22,504
Marketing & PD Promotion	-	19,131	1,196	-	239	3,348	23,913	12,764
Other	-	27,043	1,690	3,790	338	4,733	37,594	86,021
Motor Expenses	-	18,002	1,125	-	225	3,150	22,503	18,806
Insurance	-	7,928	495	-	99	1,387	9,910	11,981
Depreciation	-	12,953	810	-	162	2,267	16,191	4,591
Professional Fees	-	13,476	842	28,248	168	2,358	45,093	31,405
Trustees' meetings and expenses	-	4,202	263	-	53	735	5,253	16,039
Travel and Subsistence	-	26,397	1,650	290	330	4,619	33,286	14,996
Resources	-	62,046	3,878	-	776	10,858	77,558	28,701
IT Support	-	27,566	1,723	-	345	4,824	34,458	81,025
Development Projects	-	26,136	1,634	-	327	4,574	32,671	94,493
Redundancy	-	-	-	-	-	-	-	-
	-	1,384,207	86,513	181,919	17,303	242,236	1,912,177	2,028,045
Support costs	-	227,702	14,534	-	-	(242,236)	-	-
Governance costs	-	16,264	1,039	-	(17,303)	-	-	-
Total expenditure 2023	-	1,628,173	102,086	181,919	-	-	1,912,177	
Total expenditure 2022	8,600	1,838,846	115,312	65,287	-	-		2,028,045

Depreciation in relation to IT development projects is included within Development Projects.

Notes to the financial statements

For the year ended 31 July 2023

2b Analysis of expenditure (current year)

	Charitable activities						
	Investment management fees £	Army Apprenticeship £	Educational Training £	Trading activities £	Governance costs £	Support costs £	2022 Total £
Staff costs (Note 4)	-	1,149,123	71,820	-	14,364	201,097	1,436,404
Registration fees	-	57,818	3,614	760	723	10,118	73,032
External trainers	-	56,448	3,528	18,014	706	9,878	88,574
Other direct course fees	-	5,368	336	-	67	939	6,710
PD Grants	-	18,003	1,125	-	225	3,151	22,504
Marketing & PD Promotion	-	10,211	638	-	128	1,787	12,764
Other	-	32,440	2,045	45,399	409	5,727	86,021
Motor Expenses	-	15,045	940	-	188	2,633	18,806
Insurance	-	9,585	599	-	120	1,677	11,981
Depreciation	-	3,673	230	-	46	643	4,591
Professional Fees	8,600	17,352	1,085	1,115	217	3,037	31,405
Trustees' meetings and expenses	-	12,831	802	-	160	2,245	16,039
Travel and Subsistence	-	11,997	750	-	150	2,099	14,996
Resources	-	22,961	1,435	-	287	4,018	28,701
IT Support	-	64,820	4,051	-	810	11,344	81,025
Development Projects	-	75,594	4,725	-	945	13,229	94,493
Redundancy	-	-	-	-	-	-	-
	8,600	1,563,269	97,722	65,287	19,544	273,622	2,028,045
Support costs	-	257,205	16,417	-	-	(273,622)	-
Governance costs	-	18,372	1,172	-	(19,544)	-	-
Total expenditure 2022	8,600	1,838,846	115,312	65,287	-	-	2,028,045

Depreciation in relation to IT development projects is included within Development Projects.

Notes to the financial statements

For the year ended 31 July 2023

3 Net income / (expenditure) for the year

This is stated after charging:

	2023 £	2022 £
Depreciation	16,423	49,935
Auditor's remuneration (excluding VAT):		
Audit	–	10,750
	<u>–</u>	<u>10,750</u>

4 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	1,316,669	1,278,872
Social security costs	113,417	114,132
Employer's contribution to defined contribution pension schemes	41,106	43,400
	<u>1,471,192</u>	<u>1,436,404</u>

The following number of employees received employee benefits in excess of £60,000 (excluding employer national insurance and employer pension contributions) during the year between:

	2023 No.	2022 No.
£70,000 – £79,999	–	1

The total employee benefits (including employer national insurance and employer pension contributions) of the key management personnel were £178,416 (2022: £220,176).

The Charity trustees were not paid or received any other benefits from employment with the Charity in the year (2022: £0). No Charity trustee received payment for professional or other services supplied to the Charity (2022: £0).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £753.02 (2022: £788) incurred by 4 (2022: 4) members relating to attendance at meetings of the trustees.

5 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2023 No.	2022 No.
Army Apprenticeships	35	41
Training Courses	5	1
Support	5	5
	<u>45</u>	<u>47</u>

6 Related party transactions

There are no donations from related parties which are outside the normal course of business and no restricted

Notes to the financial statements

For the year ended 31 July 2023

7 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Sheldrake Training Limited distributes available profits under gift aid to the parent charity. There was no charge to corporation tax in the year.

8 Tangible fixed assets

Group and charity	Online Learning Portal £	Portacabin £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost						
At the start of the year	331,520	79,236	20,550	184,031	46,730	662,067
Additions in year	-	-	-	-	-	-
Adjustment in year	-	-	-	-	-	-
At the end of the year	331,520	79,236	20,550	184,031	46,730	662,067
Depreciation						
At the start of the year	316,177	79,236	20,550	166,992	46,730	629,685
Charge for the year	7,746	-	-	8,677	-	16,423
At the end of the year	323,923	79,236	20,550	175,669	46,730	646,108
Net book value						
At the end of the year	7,597	-	-	8,362	-	15,959
At the start of the year	15,343	-	-	17,039	-	32,382

All of the above assets are used for charitable purposes.

9 Listed investments

	The group 2023 £	2022 £	The charity 2023 £	2022 £
Fair value at the start of the year	2,109,184	2,202,989	2,109,184	2,202,989
Additions at cost	1,045,926	639,060	1,045,926	639,060
Disposal proceeds	(1,410,646)	(411,633)	(1,410,646)	(411,633)
Change in cash held	(7,735)	(209,305)	(7,735)	(209,305)
Net loss on change in fair value	(56,772)	(111,926)	(56,772)	(111,926)
Fair value at the end of the year	1,679,957	2,109,185	1,679,957	2,109,185

Investments comprise:

	The group 2023 £	2022 £	The charity 2023 £	2022 £
UK Common investment funds	609,154	1,044,845	609,154	1,044,845
Listed investments	1,046,618	1,032,420	1,046,618	1,032,420
Cash	24,185	31,920	24,185	31,920
Investment in subsidiary company	-	-	-	-
	1,679,957	2,109,185	1,679,957	2,109,185

Notes to the financial statements

For the year ended 31 July 2023

10 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of Sheldrake Training Limited, a company registered in England and Wales (Company Number 10070090). The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are distributed under Gift Aid to the charitable company. The trustee Stephen Ellison together with the Chief Executive are also directors of the subsidiary. A summary of the results of the subsidiary is shown below:

	2023 £	2022 £
Turnover	302,104	72,332
Cost of sales	(149,591)	(45,759)
Gross profit	152,513	26,573
Administrative expenses	(32,327)	(19,529)
Operating profit and profit on ordinary activities	120,186	7,044
Retained earnings		
Brought forward	7,044	4,110
Profit for the year	120,186	7,044
Distribution to parent under gift aid	(7,044)	(4,110)
Carried forward	120,186	7,044
The aggregate of the assets, liabilities and funds was:		
Assets	254,973	45,341
Liabilities	(134,787)	(38,297)
Funds	120,186	7,044

11 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2023 £	2022 £
Gross income	1,363,739	1,422,645
Result for the year	(403,214)	(652,324)

12 Debtors

	The group 2023 £	2022 £	The charity 2023 £	2022 £
Trade debtors	262,799	86,309	227,193	86,159
Amounts due from trading subsidiary	–	–	125,917	33,445
Prepayments	7,871	43,994	7,748	43,871
Accrued income	–	97,356	–	94,799
	270,669	227,659	360,858	258,274

Notes to the financial statements

For the year ended 31 July 2023

13 Creditors: amounts falling due within one year

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	26,441	37,246	22,015	32,393
Taxation and social security	30,354	31,655	30,354	31,655
Other creditors	132,860	8,311	6,943	8,313
Accruals	7,379	43,641	2,933	43,641
	197,033	120,853	62,245	116,002

14 Pension scheme

The group operates a defined contribution scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge of £41,106.41 (2022: £43,400) represents contributions payable by the group into the fund. At the year end there were contributions outstanding of £7869.55 (2022: £8,313).

15a Analysis of group net assets between funds (current year)

	Unrestricted General £	Unrestricted Designated £	Total funds £
Tangible fixed assets	15,959	–	15,959
Investments	–	1,679,957	1,679,957
Net current assets	154,640	320,043	474,683
Net assets at the end of the year	170,599	2,000,000	2,170,599

15b Analysis of group net assets between funds (prior year)

	Unrestricted General £	Unrestricted Designated £	Total funds £
Tangible fixed assets	32,382	–	32,382
Investments	109,185	2,000,000	2,109,185
Net current assets	332,138	–	332,138
Net assets at the end of the year	473,705	2,000,000	2,473,705

16a Movements in funds (current year)

	At 1 August 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 July 2023 £
Unrestricted funds:					
Designated funds:					
Strategic Funds	1,900,000	–	–	–	1,900,000
Facilities Funds	100,000	–	–	–	100,000
Total designated funds	2,000,000	–	–	–	2,000,000
General funds	473,705	1,665,843	(1,968,949)	–	170,599
Total unrestricted funds	2,473,705	1,665,843	(1,968,949)	–	2,170,599
Total funds	2,473,705	1,665,843	(1,968,949)	–	2,170,599

Notes to the financial statements

For the year ended 31 July 2023

16b Movements in funds (prior year)

	At 1 August 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 July 2022 £
Unrestricted funds:					
Designated funds:					
Strategic Funds	1,900,000	–	–	–	1,900,000
Facilities Funds	100,000	–	–	–	100,000
Total designated funds	2,000,000	–	–	–	2,000,000
General funds	1,118,697	1,383,053	(2,028,045)	–	473,705
Total unrestricted funds	3,118,697	1,383,053	(2,028,045)	–	2,473,705
Total funds	3,118,697	1,383,053	(2,028,045)	–	2,473,705

Purposes of designated funds

The Strategic fund was kept at £1,900,000 to meet the level of reserves that the trustees agreed were required for contingency.

Strategic funds – PDA/LC, has been allocated a fund of £1,400,000 over 5 years to fund 50% of the PDA (Personal Development Advisors)/LC (Learning Centres) expenditure as agreed by the trustees and the remainder was used in the year.

The Facilities Funds represents monies set aside to relocate the charity to a suitable long term location.

17 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.