

REGISTERED CHARITY NUMBER: 1119061

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2020
FOR
THE RIFLES REGIMENTAL TRUST**

THE RIFLES REGIMENTAL TRUST
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FOR THE YEAR ENDED 31ST DECEMBER 2020

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THE RIFLES REGIMENTAL TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2020

The Trustees present their report with the financial statements of the Charity for the year ended 31st December 2020. The Trustees have adopted the provisions of 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).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1119061

Principal address

RHQ The Rifles
Peninsula Barracks
Romsey Road
Winchester
Hampshire
SO23 8TS

Trustees

General Sir Patrick Nicholas Yardley Monrad Sanders KCB CBE DSO ADC Gen
Major General Rupert Timothy Herbert Jones CBE
Major General Thomas Richardson Copinger-Symes CBE
Brigadier TH Bewick OBE - Appointed 30 July 2020
Brigadier Charles Seymore Collins DSO OBE
Brigadier Charles Stuart Maconochie – Retired 30 July 2020
Brigadier Daniel Reeve MC
Colonel Ralph Arundell
Colonel Ashley Raymond Fulford OBE
Colonel Nikola Ilic MBE QGM
Lieutenant Colonel Peter James Alexander Balls
Lieutenant Colonel Peter Dominick Browne MBE
Lieutenant Colonel John Alexander Poole-Warren MBE
Lieutenant Colonel Simon David Gray MBE
Captain David Alexander McCutcheon
Jeremy Michael Archer
Simon Charles Hazlitt
Andrew George Wycliffe Jackson
Oliver Rupert Marsh
Andrew Bowring Wimble - Retired 30 July 2020
Henry Charles Steel - Appointed 30 July 2020

The offices of the Charity are based in the Regimental Headquarters of The Rifles which is an MOD establishment and the officials are civil servants employed by the MOD; therefore neither accommodation nor staffing incur any cost to the Charity. Throughout 2020 the person responsible for the day to day running of the Charity was The Rifles Regimental Secretary Lieutenant Colonel (Retired) PJA Balls OBE assisted throughout the year by The Rifles Secretary Finance, Captain (Retired) I I Foster.

Auditors

Morris Crocker Limited
Chartered Accountants
Registered Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

THE RIFLES REGIMENTAL TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Royal Bank of Scotland plc
Holt's Military Banking
200 Fowler Avenue
Farnborough
Hampshire
GU14 7JP

Solicitors

Blake Morgan LLP
New Kings Court
Tollgate
Chandler's Ford
Eastleigh
SO53 3LG

Investment Managers

Cazenove Capital Management
1 London Wall Place
London EC2Y 5AU

STRUCTURE, GOVERNANCE AND MANAGEMENT

Background and Structure

The Charity was established by a Trust Deed approved by the Charity Commission dated 1 April 2007. It was formed to manage the regimental funds of the newly formed regiment, The Rifles, which had been created on 1 February 2007 by the merger of The Devonshire and Dorset Light Infantry (DDLI), The Light Infantry (LI), The Royal Gloucestershire, Berkshire and Wiltshire Light Infantry (RGBWLI) and The Royal Green Jackets (RGJ), including their Territorial and Volunteer Units. These are the 'Forming Regiments' and the Trust is sufficiently widely drawn to be able to help not only the Regiment (The Rifles) but also the Forming Regiments and their various Antecedent Regiments, including Reserve units.

The Objects of the Trust are wide: to promote the efficiency of the Regiment in such charitable ways as the Trustees may decide; and to support such other charitable purposes connected with the Regiment or the Forming Regiments as the Trustees may decide. Since the Trust can support the Forming Regiments as well as the Regiment itself, the Forming Regiments were encouraged to transfer into the Trust as much as possible of the money that they were previously managing. Funds can be 'ring fenced' in Restricted Funds for specific purposes, including for example, the ongoing management of Former Regiment associations. In addition, certain regimental funds are held within the Trust for investment purposes only.

The Regimental Trustees are the Finance Committee of The Rifles Council, the governing body of the Regiment. They are the Trustees for all three of the Regimental Charities: The Rifles Regimental Trust, The Rifles Benevolent Trust and The Rifles Officers' Fund, the business of which is conducted at the same meetings of Trustees.

THE RIFLES REGIMENTAL TRUST
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STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

Governance

There are up to eight (currently eight) ex-officio Trustees, being the Colonel Commandant, Deputy Colonel Commandants and other senior serving officers of the Regiment. In 2020 Brigadier TH Bewick was appointed in replacement of Brigadier CH Maconochie as Colonel North. In addition, there are up to twelve (currently eleven) Nominated Trustees the majority of whom have specific skills such as in the investment or legal fields and others have commanded battalions of The Rifles or of Forming Regiments. A Nominated Trustee must be an officer or warrant officer, or former officer or warrant officer, of the Regiment or of a Forming Regiment and may include a wife or widow of such. In making such appointments care is taken to ensure representation from each of the Former Regiments. Nominated Trustees are elected for terms not exceeding four years and may be re-elected for a maximum of 4 terms. Re-elections are rotational and take place annually normally at the April Trustees. In 2020 Mr Andrew Wimble retired and was replaced by Mr Harry Steel and in addition The Chairman Mr Andrew Jackson and Lt Cols John Poole- Warren and Peter Browne were re-elected being over the age of 70. Meetings of the Trustees are held quarterly, normally in January, April, July and October.

The Trustees have a Nomination Sub Committee which, annually and when a vacancy occurs, considers suitable candidates to reinforce the skills or representation of the Trustees and proposes candidates to The Rifles Council for nomination. New nominated candidates, as well as Nominated Trustees seeking re-election, are elected by the Trustees at the Spring (second) meeting each year. New Nominated Trustees are briefed by the Chairman of Trustees and all new Trustees are given an induction pack of background information on each of the Regimental Charities, including copies of Trust Deeds, annual accounts and minutes of recent meetings, and a copy of Charity Commission booklet 'Responsibilities of a Charity Trustee'. Training through seminars etc. is made available for all Trustees.

Other Sub Committees, to cover the work of all The Rifles Charities, have been formed for Governance, Finance, Grants, Remuneration and Investment. In addition, there is a Homes Sub Committee to manage properties (Green Jacket Close) owned by The Rifles. Other Sub Committees, to cover the work of all The Rifles Charities, have been formed for Governance, Finance, Grants, Remuneration and Investment. In addition, there is a Homes Sub Committee to manage properties (Green Jacket Close) owned by The Rifles Benevolent Trust. The Nomination Sub-Committee annually reviews the membership of Sub Committees to ensure that Trustees use their skills appropriately and gain experience from the work of such Sub Committees.

The risks to which the Charity is vulnerable are reviewed annually by the Trustees after detailed work by the Governance Sub Committee. The Trustees consider the major risks to which the Charity could be exposed and review the systems established to mitigate such risks. They are not aware of any irregularities, including fraud, involving management or employees of the Charity; nor are they aware of any instances of actual or possible non-compliance with laws, regulations, contracts or agreements that might result in the Charity suffering significant penalties or other loss. In 2016 a major fraud attack was perpetrated on the Trust which, whilst detected and all monies fully recovered, identified a potential weakness in systems. These were immediately rectified to prevent any such future occurrence. The attempt was reported to the Police fraud unit as well as the Charity Commissioners.

In 2016 by unanimous agreement of the Trustees basic bookkeeping of all the Regimental Trust Accounts was outsourced to a firm of professional bookkeepers in Gloucestershire, The Trust Partnership. The fourth full year of independent operation in 2020 incurred costs of £6,998 (£6,716) once again below the estimated cost and the liaison between Regimental Headquarters and Trust Accounting continues to develop with an excellent service being provided.

OBJECTIVES AND ACTIVITIES

Principal Activities and Policies

Income

Apart from investment income, the major regular source of income to the Charity is from Regimental Subscriptions (the Day's Pay Scheme) in which the majority of officers and soldiers throughout the Regiment participate. All income is received into The Rifles Regimental Trust with 51% of the basic income then being passed to The Rifles Benevolent Trust. The balance is retained by The Rifles Regimental Trust, which is able to make grants to The Rifles Benevolent Trust as required and includes additional contributions from officers which are held in a designated fund to support officer related activities. All payments via the Day's Pay Scheme are through Charitable Giving and are therefore inclusive of tax.

THE RIFLES REGIMENTAL TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2020

OBJECTIVES AND ACTIVITIES (Continued)

Regimental Objectives

The Rifles Council has approved Regimental Objectives, which are reviewed annually, and which Trustees take into account when making grants from The Rifles Regimental Trust. The Objectives were reissued in 2017 with three objectives being set:

1. Realise the potential of every Rifleman and maximise the opportunity of being a large Regiment.
2. Exploit the range of modern roles to enhance the Regiment's reputation for tactical innovation and forward thinking.
3. Capitalise on the five pillars (Regulars, Reserves, Cadets, Associations and Communities) to sustain the Regiment and build esprit de corps, ensuring full manning.

Grants to Regular Battalions

- a. Trustees will allocate to Regular battalions an annual block grant that may be expended at CO's discretion, except that a percentage must be expended on Adventurous Training (to meet the terms of the Lawrence Bequest from which part of the income is derived). It is intended to cover such expenditure as official entertainment and the support of Bugle Platoons (but not the repair of bugles).
- b. The grant may be drawn down by negotiation with RHQ for expenditure during the year. No part should be reserved for future years, unless agreed through RHQ.
- c. The grant is intended to help towards all normal activities of the battalion; requests for additional grants should be for exceptional expenditure. Such additional requests are considered regularly by the Trustees.
- d. Major repairs to bugles and chattels - and the insurance thereof - are not covered by the grant. These will be arranged centrally by RHQ, and covered by the RHQ budget.

Grants to Reserve Battalions

- a. Reserve battalions and independent Reserve companies will also be given a block grant, part of which will be from a fund restricted for this purpose. The Trustees will consider additional requests for grants which will be weighted by the fact from 2016 when Reserves started limited subscriptions of 14% of a day's pay under the Days Pay scheme as only approximately 20% are contributing. As the numbers grow Trustees will continue to review and hopefully be able to enhance their support given to Rifles Reserve units.

Grants to City/County Offices

- a. There are currently City or County Offices in Exeter (incorporates Bodmin sub office), London, Pontefract (incorporates Durham sub office), Shrewsbury, and Taunton. The Salisbury office at The Wardrobe closed in 2019 and the country secretary now works from RHQ in Winchester. The Gloucester office closed in 2017 and the Bodmin office was scheduled to close in 2018 but this is currently under abeyance. The Oxford Office was closed in 2018.
- b. Each City/County Office will be allocated a block grant to cover administration, events and Regional Colonel's expenses.
- c. The grant may be drawn down by negotiation with RHQ.
- d. Offices may bid for additional grants to cover exceptional expenditure planned for the following year.
- e. No grants are made to cadets or cadet detachments.

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OBJECTIVES AND ACTIVITIES (Continued)

Grants through RHQ

- a. RHQ will establish a budget for annual approval by the Trustees to cover all regimental matters that are not covered by grants to Regular and Reserve battalions, or City/County offices.

Designated (Unrestricted) and Restricted Funds

1. **5(V) RGJ Trust** (Designated). These funds derive from a disbanded RGJ TA unit and the income therefrom is applied to grants to the Rifles Reserve Battalions and independent companies.
2. **The Officers' Fund** (Designated) receives income from the Day's Pay Scheme that is specifically intended for officers' subscriptions and welfare.
3. **The Hatton Bequest Fund** (Restricted) derives from a legacy in memory of Corporal Harry Hatton, 2nd Royal Green Jackets, who was injured in Northern Ireland and who subsequently died. It is to be used to provide prizes for the best recruits in the Regiment at the Training Regiment at Catterick.
4. **The Lawrence Bequest Fund** (Restricted). The bequest was made to the Rifle Brigade in memory of Captain F E Lawrence who was killed in East Africa in 1895. It is to be used for the maintenance of his grave in Africa and to support Adventure Training within the Regiment
5. **RGJ Management Fund** (Restricted). This Fund is managed by the Trustees for investment purposes. The income and capital of the Fund are under the control of the Royal Green Jackets Association Management Committee for the business of the Former Regiment
6. **The LI Management Fund**. This fund is managed by the Trustees for investment purposes. The income and capital of this fund have since 2015, when they were incorporated into the Rifles Regimental Trust as a restricted fund, been under the Control of the Light Infantry Committee for the business of the former Regiment.

Funds Under Management

Elements of the current and forming regiments have deposited sums with the Trustees to gain benefit from investment in a larger portfolio. As the funds are assets of their own charities, these are "Funds Under Management" for which the Rifles Trustees act as Custodian Trustees. The funds are:

1. **The DDLI Charities Fund**. These investments belong to The Devon and Dorset Light Infantry for their Former Regiment business and are accounted for through their own charity accounts.
2. **1 Rifles, 2 Rifles, 4 Rifles, 5 Rifles, 6 Rifles and 7 Rifles PRI funds**. These funds belong to their respective battalions and are accounted for through their own PRI's which are charity accounts exempt from registration and controlled by a managing trustee (The Commanding Officer). Trustees may take into account the level of capital held in such PRI accounts when considering requests from battalions for additional grants.
3. **The Rifles and Light Infantry Somerset Association**. These funds were added in 2020 for investment purposes only with the Regimental business being accounted for through their own charity.

All these Funds (Restricted, Designated and Funds Under Management) are invested together with the main Rifles Regimental Trust Unrestricted funds with a strict record being maintained as to the (aliquot) percentage of the capital and income that belongs to each.

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OBJECTIVES AND ACTIVITIES (Continued)

Allocation of Grants

The Trustees meet annually to consider the budget for the following year and the block grants that can be made. They will also consider at this time any requests for additional grants. The Trustees are also the Trustees of The Rifles Benevolent Trust who meet quarterly to ratify grants. Such quarterly meetings give the Trustees the opportunity to consider income and expenditure on, and other business of, The Rifles Regimental Trust and any additional grants that have been requested.

Public Benefit

The following statements take into account the Charity Commission's guidance on public benefit disclosure.

The Trustees are conscious that the use of charitable funds should have an element of benefit to the public. The object of The Rifles Regimental Trust is to promote the efficiency of the Regiment in its widest sense.

Grants can, for example, be made to the serving elements of the Regiment to support activities which increase the fitness and capability of the serving soldier, such as adventure training, and to activities which help to establish the regimental ethos and culture, such as bugling. Grants may also be made to the other pillars of the Regiment, such as the Reserve units and the Regimental Associations, to help establish the reputation of the Regiment throughout the country and particularly in its recruiting areas. The existence of the Charity helps to ensure high morale and high standards in The Rifles and thus contributes to the effectiveness of the country's armed forces. This in turn brings tangible benefits to the public through the furtherance of peace and stability.

ACHIEVEMENTS AND PERFORMANCE

Governance

General Sir Patrick Sanders KCB CBE DSO ADC Gen took over as Colonel Commandant on 20 July 2019 and has now completed over a year as ex-officio Trustee. Additional appointment of ex-officio Trustee was Brigadier TH Bewick OBE. Ex -Officio trustee standing down was Brigadier CH Maconochie. Change in nominated Trustees saw the retirement of Mr AB Wimble who was replaced by Mr HC Steel.

The Governance Sub Committee has again carried out a full review of the risks to which the charity might be exposed and improvements have been made to the risk analysis.

Income

The Care for Casualties Appeal (C4C), which was launched in March 2010, has been a major contributor of income to the Charity. Income to the Appeal. As at 31 December 2016 its assets were Transferred to The Rifles Benevolent Trust (Charity No 1119071) and any subsequent income received is transferred to that Charity on a regular basis including those raised through JustGiving.com.

Subscriptions from officers and soldiers under the Day's Pay Scheme have remained steady. During the year, a total of £149,752 (£148,058) was subscribed under the Scheme of which 49% was retained by The Rifles Regimental Trust and 51% transferred to The Rifles Benevolent Trust. The percentage of all ranks subscribing under this voluntary Scheme has remained at about 95%. In addition, officers subscribed a further £34,059 (£33,103) for officer related activities. An annual review of subscriptions is undertaken and individuals not contributing are identified and encouraged to do so.

THE RIFLES REGIMENTAL TRUST
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ACHIEVEMENTS AND PERFORMANCE (Continued)

Grants

As can be seen from note 7 to the Accounts, grants of a total of £51,980 (£75,590) were made to the five regular and three Reserve battalions as well as the 3 Regimental Bands who received £3,000. The Rifles Company at ITC Catterick received £1,000 (£3,720). Each of the regular battalions receives varying sums based upon their established strength, this includes funding for their regimental sport. It remains the hope of the Trustees to be able to increase the level of grants to battalions in the future. Of the Reserve units, 6 Rifles received £8,000 (£6,000) including £2K for Op Tosca, 7 Rifles (which also receives a grant from the independent Trustees of the 4 (V) RGJ Trust) received £5,000 (£4,750) including £2K for Op Tosca (2018 included additional funding for a Regimental Carol Service and for crockery), 8 Rifles received £6,000 (£6,066) and the independent Reserve units, now only F Coy with the London Regiment, received £500. Grants totalling £5,580 (£14,644) were made to the City and County Offices. Grants to the Rifles Company ITRC Catterick and the City and County Offices were lower due to curtailment of activities due to the COVID 19 pandemic.

Regimental Expenses

Expenditure totalling £106,822 (£172,101) was made under the RHQ budget, the largest amounts being spent on the Regimental Magazine (The Bugle - for which income of £7,787 (£11,339 was recovered from sales), on IT consultancy and equipment, and on insurance. In addition, there was support for such activities as freedom and homecoming parades, individual adventure training grants and the St Cross Cricket Ground. A grant of £21,551 (£19,586) was also made to the Rifles Museum CIO. In the course of the year Trustees approved the recognition of a full career by the presentation on completion of 22/24 years or on commissioning of a bugle, in 2020 the cost was £3,265. Additional income has been generated by donations from Battalions and increase in Regimental subscriptions from Warrant Officer and SNCOs the main beneficiaries. RHQ expenses reduced in the year due to cancellation of various events and activities but are likely to return to previous levels by 2022.

Rifles Direct

In early 2017 the sale of Rifles Direct to AMMO (All Arms Marketing and Manufacturing Organisation) was completed with the Regiment retaining control over the Company and Regimental brands. In 2018 the Regiment continued to receive the agreed income of £8,000 per annum (payable 1/12th each month) which was subsequently increased to £9,000 per annum and is reviewed against sales bi-annually. The income was used to clear the original loan to the company of £50,000 which was cleared by the end of 2020. Rifles Direct continues to provide a valuable regimental service, much of which would have to be provided in some form or other and has maintained a worldwide interest online; subsequent income received will be credited to the Trust and will be available to support Battalions and Regimental activities.

FINANCIAL REVIEW

Investment Report 2020

As at 31 December 2020 the Regimental Trust had a value of £7,623,919 as part of the consolidated assets across the three Regimental Charities portfolios of £26,238,257.

In spite of renewed lockdowns and mutant virus strains, global equity markets moved to new highs over the quarter, with the S&P 500, the Dow Jones and the MSCI World index all closing at record levels on New Year's Eve. For all of last year's turmoil, including the fastest ever "bear market" and the fastest subsequent recovery in 40 years, 2020 proved a good year for equities, at least outside the UK. This was thanks in large part to the swift interventions from central banks and governments following the onset of the pandemic, as well as the promising vaccine news that arrived in November.

Against this backdrop the Trusts generated a return of +6.7% over 2020 which contrasts with the inflation plus 3.5% target of +4.2%, and the composite benchmark of +1.9%. For context the UK market fell -10% over the year whilst Global equities returned +12%. Over 5 years, the Trusts have returned +7.2% p.a. compared with the inflation +3.5% target of +5.9% p.a. and the composite benchmark of +6.7% p.a.

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FINANCIAL REVIEW (Continued)

Investment Report 2020 (Continued)

2020 was a year of winners (Tesla +718%, Peloton +418% & Zoom +380%) and losers (Standard Chartered -34%, Lloyds -42% & BP -42%). A unique set of circumstances forcing changes to working, social and shopping practices have favoured a handful of industries predominantly within the technology sector, while others have faltered under the economic uncertainty. The 'losers' have tended to be industries with greater economic sensitivity such as oil, gas and financials, or those which were effectively shut down by the pandemic – such as hotels, restaurants and leisure enterprises.

Drawing on the lessons learned during the financial crisis of 2008 central banks introduced a range of measures aimed at protecting market liquidity and the flow of credit. Furthermore, Governments around the world have recognised that monetary policy alone will not be able to respond to the economic threat of the pandemic, implementing a range of measures to support markets.

The Trusts prospered by having a good concentration of shares in companies that prospered in the pandemic, and fewer of those that suffered. However, as the year went by we sold some of the strongest performers and picked up shares of some of the losers at good prices. In detail, the strongest performers over the year was our Global equity exposure, particularly within the US and Asia. Given the relative performance of the UK market, the biggest detractors to performance was the exposure to the UK, particularly funds with a "value" approach – those that focus on an area that contained many of the losers in the pandemic.

We continue to expect that a robust economic recovery, and ongoing stimulus measures, will support equity markets. Performance has also been helped by not having too many government bonds, prospects for which look dimmer in the light of announced spending plans. However, while bonds and gold have been under pressure in recent months, we continue to believe they offer valuable diversification benefits in periods when other assets (particularly the fashionable tech companies) might suffer a hangover and we retain a meaningful exposure. We also maintain our conviction in long-term structural themes such as technology, healthcare and global infrastructure, with the latter in particular set to benefit from US President Biden's spending plans.

Investment Policy

The Trustees have an Investment Policy Statement, revised dated 25th April 2020, as required under CC14 guidelines. The Trustees have appointed an Investment Sub-Committee, who have in turn appointed Cazenove Capital Management as the investment manager for the Charity's investable assets, along with portfolios of other of The Rifles charities. Investments are made into 'pooled' investment instruments, such as unit trusts, and not individual company securities. The agreed policy has been to invest for total return whilst (a) generating sufficient income to support the on-going charitable activities, and (b) maintaining the real capital value of the investment funds over the long-term.

The yield in 2020 was greatly reduced due to the COVID 19 epidemic, going down from approximately 2.75% in 2019 to an expected 1.7% in 2021 of the assets under management; however, Trustees have also been able to withdraw up to 1% per annum of capital to support the activities of the Charity. No capital was withdrawn in 2020 from unrestricted funds.

As a consequence a review was undertaken in late 2020 and a new policy, based upon the same principles, established to be effective from January 2021. The Trusts now aim to distribute an allowance (to be the annual "Allowance") of 3% (adjusted for inflation – i.e. 3% plus the inflation rate) of the unrestricted funds every year; for 2021 this will be 3.32%. The value of the unrestricted funds used for calculating the Allowance shall be the average of the year-end values of the unrestricted funds in the previous three years.

The benchmark for the portfolio, and the tolerance within each asset class from the benchmark allocation, are agreed with the investment managers and reviewed regularly. The Trustees classify their tolerance for risk as 'moderate' with the long-term target of the portfolio being to exceed CPI + 3.5%. The Trustees are satisfied with the performance of Cazenove. The Trustees believe that a prudent approach is taken by the investment managers with priority given to the long-term preservation of capital rather than the pursuit of short-term performance.

Reserves Policy

The charity has significant reserves which are represented by the listed investments and managed funds. The investments are invested for total return which allows, in addition to the investment income, the drawdown of up to 1% of capital in any given year, from the unrestricted funds, without detriment to the Trustees Investment Strategy. This policy has been reviewed to take into account the substantial reduction over the year in investment income and with effect from 1 January 2021 annual income will be based on an estimated 3% of the average value of the funds over 3 years as at 31 December annually, plus CPI, which for 2021 makes a total of 3.32%.

THE RIFLES REGIMENTAL TRUST
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FINANCIAL REVIEW (Continued)

Risk Management

The principal risk faced by the Trust lie in the performance of the investments and the ability of the Trust to support its beneficiaries through the making of effective grants.

Trustees consider that the variety of investment with a diversified investment portfolio exercised through the fund Managers, Cazenove Charities, along with a “total return” approach, allowing for up to 15 of capital per annum to be withdrawn, helps to stabilise the income and mitigates the risks as far as is possible.

The Trustees will also approve a further drawdown of capital where deemed necessary to meet essential demands in support of the Regiment (serving, former and antecedent) its Rifleman and their dependents. However, in order to meet any extraordinary demands placed upon it a reassessment of the level of grants awarded will take place the January meeting each year and any adjustment necessary being made to ensure the long-term ability to support the Regimental family.

Key Management Personnel Remuneration

The Trustees consider the board of Trustees and The Rifles Regimental Secretary (also a Trustee) and The Rifles Secretary Finance as the Key management personnel of the charity. All Trustees give of their time freely and are not remunerated for their time spent on work on behalf of the charity. The day-to-day management is invested in other senior representatives in RHQ The Rifles who are employed and salaried by The Ministry of Defence. Remuneration of the Regimental Secretary as a Trustee has been approved by the Charity Commissioners and the sum, along with any other ex gratia awards to the other senior representatives of the RHQ Staff are approved by a special meeting of Trustees held every 3 years. All awards are made annually and are scrutinised and approved by the Remunerations Sub-committee. The Remunerations Sub-committee also screens any other ex gratia awards recommended by The Regimental Secretary for other members of the RHQ staff from an agreed budget. Payment of awards will generally be paid in December of each year. Declaration of any related party issues are contained as appropriate in the auditor’s notes. In assessing the awards Trustees assess against performance as there is no benchmark with which to compare the ex-gratia payments. Trustees are also required to disclose all relevant interests in connection with any grant application and in accordance with the Trust’s policy withdraw from decisions where any conflict of interest arises. There has been no such conflict in the current year.

ASSETS HELD AS CUSTODIAN FOR OTHERS

Upon formation of The Rifles and transfer of funds from the forming Regiments, the Trustees of The Rifles Regimental Trust became de-facto custodian Trustees on behalf of the Regiment for those chattels (silver, pictures and furniture) which were transferred to The Rifles having previously been in the care of the Forming Regiments. The Trustees’ responsibility is to ensure that insurance cover (worldwide) continues to be maintained and that checks and safeguards are in place to account for the chattels. These chattels are not carried at any value in the accounts of The Rifles Regimental Trust as no cost was incurred in their acquisition. The day-to-day control of property on loan or gifted to the Regiment is part of the role of RHQ through the Regimental Secretary and the Assistant Regimental Secretary Property. The control and direction of any disposal of property rests with The Rifles Council and/or with representatives of the Former Regiments who have retained that responsibility. Chattels are distributed to and located with each of the Battalions, at RHQ, and various other locations of regimental importance. A database of Regimental chattels is being compiled, including the location of each item. This bringing together of property was completed in 2018 and involves the property of The Light Infantry and the Royal Green Jackets which were transferred upon formation of the Rifles in 2007, followed by the property of the Devon and Dorset Light Infantry which was transferred in 2015 and finally that of the Royal Gloucestershire Berkshire Wiltshire Light Infantry which were transferred in 2018.

THE RIFLES REGIMENTAL TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2020

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees 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 and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to 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.

ON BEHALF OF THE BOARD:



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S C Hazlitt
Trustee

Date: 5 July 2021

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE RIFLES REGIMENTAL TRUST

Opinion

We have audited the financial statements of The Rifles Regimental Trust (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ;
or

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE RIFLES REGIMENTAL TRUST

- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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 a Report of the Independent Auditors 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 is detailed below:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss managements assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues concerning subscription income and donations, management override concerning the size of the organisation and grants payable in respect of cut off.

We set financial statement materiality level based on the level of assets at £60,000. As the organisation raises income from it's asset base we have used net assets as the basis to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality of £54,000. Due to income and expenditure being significantly lower than the value of assets a lower level of materiality was used when testing income and expenditure at £9,400 and performance materiality of £8,500.

Substantive audit tests were designed after assessing and testing systems and controls. The systems and controls which have been designed to act as a preventative measure against fraud and error were operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going risk. The organisation has regular subscription income and a sufficient level of investments which generate income, both of these sources of income are sufficient to support expenditure. The audit undertook a review of budgets, and the review of board minutes and came to the same conclusion as management.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE RIFLES REGIMENTAL TRUST**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with 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 charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Station House
North Street
Havant
Hampshire
PO9 1QU

Date:

26 July 2021

THE RIFLES REGIMENTAL TRUST
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31ST DECEMBER 2020


				Year ended 31.12.2020	Year ended 31.12.2019
	Notes	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
INCOME FROM					
Donations and legacies	2	195,199	609	195,808	184,169
Other trading activities	3	7,787	-	7,787	11,339
Investment income	4	78,240	32,847	111,087	170,586
Total		281,226	33,456	314,682	366,094
EXPENDITURE ON					
Raising funds	5	27,777	6,840	34,617	49,596
Charitable activities	6	242,583	56,281	298,864	413,121
Total		270,360	63,121	333,481	462,717
Net (losses)/gains on investments		211,257	87,373	298,630	502,647
Net (expenditure)/income		222,123	57,708	279,831	406,024
Transfers between funds		-	-	-	-
Net movement in funds		222,123	57,708	279,831	406,024
RECONCILIATION OF FUNDS					
Total funds brought forward		3,998,511	1,726,283	5,724,794	5,318,769
TOTAL FUNDS CARRIED FORWARD		<u>4,220,634</u>	<u>1,783,991</u>	<u>6,004,625</u>	<u>5,724,793</u>

THE RIFLES REGIMENTAL TRUST

BALANCE SHEET AS AT 31ST DECEMBER 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Investments	13 & 14	7,624,021	7,206,850
		<u>7,624,021</u>	<u>7,206,850</u>
CURRENT ASSETS			
Debtors	15	60,726	91,089
Cash at bank		64,846	23,041
		<u>125,572</u>	<u>114,130</u>
CREDITORS			
Amounts falling due within one year	16	(54,322)	(92,874)
		<u></u>	<u></u>
NET CURRENT ASSETS		<u>71,250</u>	<u>21,256</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,695,271</u>	<u>7,228,106</u>
CREDITORS			
Amounts falling due after more than one year	17	(1,690,646)	(1,503,312)
		<u></u>	<u></u>
NET ASSETS		<u><u>6,004,625</u></u>	<u><u>5,724,794</u></u>
FUNDS	18 & 19		
Unrestricted funds		4,220,634	3,998,511
Restricted funds		1,783,991	1,726,283
		<u>6,004,625</u>	<u>5,724,794</u>

The financial statements were approved by the Board of Trustees on 5th Jan 2021 and were signed on their behalf by:


S C Hazlitt
Trustee

THE RIFLES REGIMENTAL TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Cash generated from operations	1	77,754	(50,163)
Net cash provided by (used in) operating activities		<u>77,754</u>	<u>(50,163)</u>
Cash flows from investing activities:			
Purchase of fixed asset investments		(2,733,013)	(2,971,521)
Sale of fixed asset investments		2,697,013	3,019,586
Interest received		51	88
Net cash provided by (used in) investing activities		<u>(35,949)</u>	<u>48,153</u>
Change in cash and cash equivalents in the reporting period		41,805	(2,010)
Cash and cash equivalents at the beginning of the reporting period		23,041	25,051
Cash and cash equivalents at the end of the reporting period		64,846	23,041

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	279,831	406,024
Loss/(Gain) on investments	(381,171)	(633,485)
Interest received	(51)	(88)
Decrease/(Increase) in stock	-	-
Decrease/(Increase) in debtors	30,363	19,341
(Decrease)/Increase in creditors	(38,552)	48,981
(decrease)/Increase in long term liabilities	187,334	109,064
	<u>77,754</u>	<u>(50,163)</u>

ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS

	At 01.01.20	Cash flow	At 31.12.20
Net cash			
Cash at bank	<u>23,041</u>	<u>41,805</u>	<u>64,846</u>
	23,041	41,805	64,846
Total	<u>23,041</u>	<u>41,805</u>	<u>64,846</u>

THE RIFLES REGIMENTAL TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

1. ACCOUNTING POLICIES

Accounting convention

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charity 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 the Republic of Ireland (FRS 102) (effective January 2015)', the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The Trustees consider that there are no material uncertainties regarding the Charity's ability to continue as a going concern.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy and it is probable the income will be received.

Voluntary income including donations, regimental subscriptions and grants that provide core funding or are of general nature are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability.

Income received from the sale of Bugle Magazine is recognised at the date of sale.

Investment income is recognised on a receivable basis.

Income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the Charity has unconditional entitlement.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

- Costs of generating funds are those costs incurred in attracting voluntary income.
- Charitable activities include expenditure associated with regimental activities, including grants paid to individual Battalions and City and County offices, they include both direct costs and support costs relating to these activities.
- Governance costs include those incurred in the governance of the Charity and its assets and are primarily associated with constitutional and statutory requirements.

Grants offered subject to conditions that have not been met at the year-end date are noted as a commitment but not accrued as expenditure.

Allocation and apportionment of costs

Overhead and support costs have been allocated first between charitable activity and governance. Overhead and support costs relating to charitable activities have been apportioned equally between activities.

Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

THE RIFLES REGIMENTAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020

1. ACCOUNTING POLICIES - continued

Taxation

The Charity is exempt from tax on its charitable activities. Corporation tax is payable by the trading company on its taxable profits.

Financial instruments

The Charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties and investments in non-puttable ordinary shares.

Trade and other debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, deposits with banks and other short-term highly liquid investments and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings or current liabilities.

Trade and other creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Fund accounting

Unrestricted and designated funds can be used in accordance with the charitable objectives at the discretion of the Trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the Trustees Report on page 5.

Realised/Unrealised 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 sale proceeds and opening market value or purchase date if later. Unrealised gains and losses are calculated as the difference between the market value at the end of the year and opening market value, or purchase date if later. Realised and unrealised gains are not separated in the Statement of Financial Activities.

THE RIFLES REGIMENTAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020

2. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Year ended 31.12.20 £	Year ended 31.12.19 £
Subscriptions (Riflemen and Officers)	149,752	-	149,752	148,058
Subscriptions (Officers)	34,059	-	34,059	33,103
Donations and legacies	10,203	503	10,706	1,516
Book sales	1,185	106	1,291	185
Sale of assets and other items	-	-	-	1,307
	<u>195,199</u>	<u>609</u>	<u>195,808</u>	<u>184,169</u>

3. OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Year ended 31.12.20 £	Year ended 31.12.19 £
Magazine income	7,787	-	7,787	11,339
	<u>7,787</u>	<u>-</u>	<u>7,787</u>	<u>11,339</u>

4. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Year ended 31.12.20 £	Year ended 31.12.19 £
Deposit account interest	51	-	51	88
Dividend and interest	78,189	32,847	111,036	170,498
	<u>78,240</u>	<u>32,847</u>	<u>111,087</u>	<u>170,586</u>

5. RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	Year ended 31.12.20 £	Year ended 31.12.19 £
Investment management fees	16,284	6,840	23,124	22,216
Regimental magazine	11,493	-	11,493	27,380
	<u>27,777</u>	<u>6,840</u>	<u>34,617</u>	<u>49,596</u>

THE RIFLES REGIMENTAL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

6. CHARITABLE ACTIVITIES

	Grant funding Direct costs	of activities (see note 8)	Support costs (see note 9)	Totals
	£	£	£	£
General (RHQ)	45,270	215	61,337	106,822
Battalions, Reserve Forces, ITC Coy and AFC Harrogate grants	-	51,900	-	51,900
City and County office grants	-	5,580	-	5,580
Officers Fund	37,545	10,185	-	47,730
5 (V) RGJ Trust Fund	-	9,000	-	9,000
Lawrence Bequest Fund	-	20,000	-	20,000
Hatton Bequest Fund	-	1,000	-	1,000
RGJ Management Fund	105	35,000	-	35,105
Light Infantry Management Fund	76	100	-	176
Rifles Collection Curator's wages and costs	-	21,551	-	21,551
	<u>82,996</u>	<u>154,531</u>	<u>61,337</u>	<u>298,864</u>

7. GRANTS PAYABLE

The total of grants paid during the year was as follows:

	Year ended 31.12.20	Year ended 31.12.19
	£	£
Unrestricted funds:		
Battalion, Reserve Forces, ITC Coy and AFC Harrogate	51,900	75,590
Cornwall office	1,500	3,180
Exeter office	-	1,000
London office	-	493
Salisbury office	-	471
Shrewsbury office	1,580	2,000
Taunton office	-	4,000
Yorkshire office	1,000	3,500
South West office	1,000	-
Rifles admin	500	-
RHQ grant	215	2,298
5(V) RGJ Trust	9,000	3,000
Officers fund grant	10,185	14,547
Restricted funds:	-	-
Grants (Hatton Bequest Fund)	1,000	1,000
Grants (Light Infantry Fund)	100	7,061
Adventure Training grants (Lawrence Bequest Fund)	20,000	11,000
RGJ Museum Trust grant (RGJ Management Fund)	35,000	25,000
RGJ Association (RGJ Management Fund)	-	45,500
New museum CIO	21,551	19,586
	<u>154,531</u>	<u>219,226</u>

THE RIFLES REGIMENTAL TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

8. SUPPORT COSTS

	Management	Governance (see note 10)	Total
	£	£	£
Postage and stationery	790	-	790
Publications	2,100	-	2,100
IT admin support and equipment	9,582	-	9,582
Membership and subscriptions	90	-	90
Equipment maintenance and repairs	12,022	-	12,022
Trustee honoraria	2,500	-	2,500
Staff honoraria	15,500	-	15,500
Insurance	4,469	-	4,469
Meeting costs	-	175	175
Regimental Secretary expenses	45	-	45
Colonel Comdts Expenses	306	-	306
Accountancy	6,998	-	6,998
Auditors' remuneration	-	6,760	6,760
	<u>54,402</u>	<u>6,935</u>	<u>61,337</u>

9. GOVERNANCE COSTS

	Unrestricted Funds	Restricted Funds	Year ended 31.12.20	Year ended 31.12.19
	£	£	£	£
Meeting costs	175	-	175	1,197
Auditors' remuneration	6,760	-	6,760	6,358
	<u>6,935</u>	<u>-</u>	<u>6,935</u>	<u>7,555</u>

10. TRUSTEES REMUNERATION AND BENEFITS

With the Charity Commission's approval, Lt Col J A Poole-Warren, a Trustee, was paid £nil as recognition for his exceptional contribution to the Charity (2019: £500).

With the Charity Commission's approval, Lt Col P Balls OBE, Regimental Secretary and a Trustee was paid £2,000 for his exceptional contribution to the Charity (2019: £2,000).

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31st December 2020 or for the period ended 31st December 2019.

11. STAFF COSTS

	2020	2019
	£	£
Rifles Collection Curators gross salaries	-	-
Pension costs	-	-
Employers NI	-	-
Total salary costs	<u>-</u>	<u>-</u>

There was no full time member of direct charitable staff (2019: one).

No employees had remuneration in excess of £60,000 (2019: none)

THE RIFLES REGIMENTAL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

11. STAFF COSTS - continued

Key management personnel

The key management personnel of the Charity comprise the Trustees and the Assistant Regimental Secretary Finance. The total employee benefits of the key management personnel of the Charity were £1,500 (2019: £2,000). This does not include all remuneration for the Assistant Regimental Secretary Finance, as this role forms part of the day to day management which is invested in other senior representatives in RHQ The Rifles, who are employed and salaried by the Ministry of Defence. Trustee remuneration is reported in note 10.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME FROM			
Donations and legacies	182,250	1,919	184,169
Other trading activities	11,339	-	11,339
Investment income	<u>118,869</u>	<u>51,717</u>	<u>170,586</u>
Total	312,458	53,636	366,094
 EXPENDITURE ON			
Raising funds	42,865	6,731	49,596
Charitable activities	<u>314,741</u>	<u>98,380</u>	<u>413,121</u>
Total	357,606	105,111	462,717
 Net gains/(losses) on investments	351,990	150,657	502,647
Net income/(expenditure)	306,842	99,182	406,024
Transfers between funds	-	-	-
Net movement in funds	306,842	99,182	406,024
 RECONCILIATION OF FUNDS			
Total funds brought forward	3,691,669	1,627,101	5,318,770
TOTAL FUNDS CARRIED FORWARD	<u><u>3,998,511</u></u>	<u><u>1,726,283</u></u>	<u><u>5,724,794</u></u>

THE RIFLES REGIMENTAL TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

13. FIXED ASSET INVESTMENTS

	Listed Investments £
MARKET VALUE	
At 1st January 2020	7,206,750
Additions	2,733,013
Disposals	(2,697,013)
Revaluation (Charity)	298,630
Revaluation (held for third parties)	82,541
At 31st December 2020	<u>7,623,921</u>
 NET BOOK VALUE	
At 31st December 2020	<u>7,623,921</u>
At 31st December 2019	<u>7,206,750</u>

Investments are held in a portfolio managed by Schroders. The market value of investments by geographical area is as follows:

	Market value £
Within the United Kingdom	2,771,554
Outside the United Kingdom	4,852,367
	<u>7,623,921</u>

THE RIFLES REGIMENTAL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

14. FIXED ASSET INVESTMENTS - CHARITY ONLY

	2020	2019
	£	£
Listed investments	7,623,921	7,206,750
Investment in unlisted subsidiary	100	100
	<u>7,624,021</u>	<u>7,206,850</u>

The investment in unlisted subsidiary represents the Charity's 100% shareholding in Rifles Direct Limited (registered no. 05682176), being 100 ordinary shares of £1 each.

Rifles Direct Limited was dormant throughout the year.

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Other debtors	60,726	82,263
Deferred consideration	-	8,000
Amounts falling due in more than one year:		
Deferred consideration	-	826
	<u>60,726</u>	<u>91,089</u>

With effect from January 2017 and the sale to Ammo and Company of the Rifles Direct operation the existing loan agreement ceased to apply. After the income received for stock the balance remaining is to be cleared by the receipt of an annual agreed payment of £8,000, by equal monthly installments, from Ammo and Company until such time as the outstanding amount is cleared. Thereafter the income will be treated as an income source to the Fund.

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Other creditors	21,401	25,480
Rifles Benevolent Trust	32,921	67,394
	<u>54,322</u>	<u>92,874</u>

THE RIFLES REGIMENTAL TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Group	2020	2019
	£	£
DDLI Charities	846,866	897,547
1 Rifles PRI	108,723	104,405
2 Rifles PRI	203,285	195,212
4 Rifles PRI	54,238	52,414
5 Rifles PRI	63,551	61,027
6 Rifles PRI	35,835	34,411
7 Rifles PRI	164,844	158,297
Rifles & LI Association Somerset	213,304	-
	<u>1,690,646</u>	<u>1,503,312</u>

Creditors due in more than one year represent funds held as custodian trustee, please refer to the trustees annual report and page 32 of the notes to the financial statements for further details on these funds.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
	£	£	£	£
Fixed assets	-	-	-	-
Investments	4,217,852	3,406,169	7,624,021	7,206,750
Current assets	57,104	68,468	125,572	114,130
Current liabilities	(54,322)	-	(54,322)	(92,874)
Long term liabilities	-	(1,690,646)	(1,690,646)	(1,503,312)
	<u>4,220,634</u>	<u>1,783,991</u>	<u>6,004,625</u>	<u>5,724,694</u>

THE RIFLES REGIMENTAL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020**

19. MOVEMENT IN FUNDS

	Balance at 01.01.20 £	Incoming resources £	Resources expended £	Investment gains/(losses) £	Transfers £	Balance at 31.12.20 £
Unrestricted fund						
General fund	3,828,028	243,614	213,104	204,563	-	4,063,101
Designated funds						
5 (V) RGJ Trust	143,916	2,504	9,526	6,694	-	143,588
Officers Fund	26,567	35,108	47,730	-	-	13,945
	<u>3,998,511</u>	<u>281,226</u>	<u>270,360</u>	<u>211,257</u>	<u>-</u>	<u>4,220,634</u>
Restricted funds						
Hatton Bequest Fund	39,098	730	1,152	1,974	-	40,650
Lawrence Bequest Fund	390,755	7,056	21,479	18,926	-	395,258
RGJ Management Fund	1,190,863	23,104	39,906	61,186	-	1,235,247
Light Infantry Fund	105,567	2,566	584	5,287	-	112,836
	<u>1,726,283</u>	<u>33,456</u>	<u>63,121</u>	<u>87,373</u>	<u>-</u>	<u>1,783,991</u>
TOTAL FUNDS	<u>5,724,794</u>	<u>314,682</u>	<u>333,481</u>	<u>298,630</u>	<u>-</u>	<u>6,004,625</u>

A detailed description of the designated and restricted funds is included in the trustees annual report.

Comparative net movements in funds, included in the above are as follows:

	Balance at 01.01.19 £	Incoming resources £	Resources expended £	Investment gains/(losses) £	Transfers £	Balance at 31.12.19 £
Unrestricted fund						
General fund	3,537,884	274,506	324,258	339,896	-	3,828,028
Designated funds						
5 (V) RGJ Trust	131,299	4,051	3,528	12,094	-	143,916
Officers Fund	22,486	33,901	29,820	-	-	26,567
	<u>3,691,669</u>	<u>312,458</u>	<u>357,606</u>	<u>351,990</u>	<u>-</u>	<u>3,998,511</u>
Restricted funds						
Hatton Bequest Fund	35,829	1,107	1,144	3,306	-	39,098
Lawrence Bequest Fund	358,547	11,208	12,461	33,461	-	390,755
RGJ Management Fund	1,127,709	37,743	79,623	105,034	-	1,190,863
Light Infantry Fund	105,016	3,578	11,883	8,856	-	105,567
	<u>1,627,101</u>	<u>53,636</u>	<u>105,111</u>	<u>150,657</u>	<u>-</u>	<u>1,726,283</u>
TOTAL FUNDS	<u>5,318,770</u>	<u>366,094</u>	<u>462,717</u>	<u>502,647</u>	<u>-</u>	<u>5,724,794</u>

THE RIFLES REGIMENTAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020

19. MOVEMENT IN FUNDS - continued

A current year 12 month and prior year 12 months combined position is as follows:

	Balance at 01.01.19 £	Incoming resources £	Resources expended £	Investment gains/(losses) £	Transfers £	Balance at 31.12.20 £
Unrestricted fund						
General fund	3,537,884	518,121	537,362	544,458	-	4,063,101
		-	-	-	-	
Designated funds						
5 (V) RGJ Trust	131,299	6,555	13,054	18,788	-	143,588
Officers Fund	22,486	69,009	77,550	-	-	13,945
	<u>3,691,669</u>	<u>593,685</u>	<u>627,966</u>	<u>563,246</u>	<u>-</u>	<u>4,220,634</u>
Restricted funds						
Hatton Bequest Fund	35,829	1,837	2,296	5,280	-	40,650
Lawrence Bequest Fund	358,547	18,264	33,940	52,387	-	395,258
RGJ Management Fund	1,127,709	60,847	119,529	166,220	-	1,235,247
Light Infantry Fund	105,016	6,144	12,468	14,143	-	112,835
	<u>1,627,101</u>	<u>87,092</u>	<u>168,233</u>	<u>238,030</u>	<u>-</u>	<u>1,783,990</u>
TOTAL FUNDS	<u>5,318,770</u>	<u>680,777</u>	<u>796,199</u>	<u>801,276</u>	<u>-</u>	<u>6,004,624</u>

Transfers between funds

Transfers between funds are made to cover the shortfall on restricted funds.

20. RELATED PARTY DISCLOSURES

The Rifles Benevolent Trust and The Rifles Officers Fund are both related parties of The Rifles Regimental Trust as all three Charities have the same board of Trustees.

During the year The Rifles Regimental Trust transferred £155,865 (2019: £154,101) to The Rifles Benevolent Trust for Regimental Subscriptions and £53,045 (2019: £131,409) for donations that are received into The Rifles Regimental Trust, but due to The Rifles Benevolent Trust. The Rifles Benevolent Trust reimbursed The Rifles Regimental Trust £26,000 (2019: £24,000) for IT costs paid on their behalf. The Rifles Regimental Trust salaries are paid through The Rifles Benevolent Trust. During the year The Rifles Regimental Trust transferred £5,250 (2019: £2,400) to The Rifles Benevolent Trust for salaries. At the year end The Rifles Regimental Trust owed The Rifles Benevolent Trust £32,922 (2019: £67,392).

The charity is partly administered by employees of the Ministry of Defence. In addition, the charity also makes use of office space and other office facilities provided, including computer equipment, postage and stationery. These support costs are difficult to quantify as they are not discrete activities because personnel and office facilities are used for other Army duties. As such the value of support provided by the Ministry of Defence has not been included in the Charity's Statement of Financial Activities.

21. MATERIAL LEGACIES

Legacy income is only included in incoming resources where the legacy has been received or both the receipt and the amount is known with sufficient certainty. As at 31 December 2020 the Charity had received legacy income totalling £nil (2019: £7).

THE RIFLES REGIMENTAL TRUST
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31ST DECEMBER 2020

	Year ended 31.12.2020 £	Year ended 31.12.2019 £
INCOME FROM		
Donations and legacies		
Regimental Subscriptions (Riflemen and Officers)	149,752	148,058
Regimental Subscriptions (Officers)	34,059	33,103
Donations and legacies	9,989	1,089
Donations (Light Infantry)	503	427
Rifles Direct Income	214	-
Book sales (Light Infantry)	1,291	185
Sale of assets and other items	-	1,307
	<u>195,808</u>	<u>184,169</u>
Other trading activities		
Magazine income	<u>7,787</u>	<u>11,339</u>
Investment income		
Dividends and interest	111,036	170,498
Deposit account interest	<u>51</u>	<u>88</u>
	<u>111,087</u>	<u>170,586</u>
Total	<u>314,682</u>	<u>366,094</u>
EXPENDITURE ON		
Raising funds		
Investment management fees	23,124	22,216
Regimental magazine	<u>11,493</u>	<u>27,380</u>
	<u>34,617</u>	<u>49,596</u>
Charitable activities		
Recruiting costs	21,685	26,081
Honour boards etc	4,999	2,486
Wreaths and remembrance	-	547
Travel expenses (Regional Colonels and Advisory Board)	467	928
Adventure training/sports sponsored through RHQ	1,650	2,920
Band and Bugles expenses	-	1,766
Officers Fund expenditure	30,545	10,273
Chronicle contribution	4,000	2,500
Rifles Association	59	394
Divisional colonial	<u>3,139</u>	<u>2,540</u>
	<u>66,544</u>	<u>50,434</u>

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THE RIFLES REGIMENTAL TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31ST DECEMBER 2020**

	Year ended 31.12.2020	Year ended 31.12.2019
	£	£
Charitable activities continued	66,544	50,434
St Cross Cricket Ground	10,000	10,000
Battlefield study/tours	-	1,311
Marketing and family support	-	82
Buglers	-	619
Freedom parades	-	3,178
Grants (see note 8)	154,531	219,226
RCO salary	5,250	2,275
Reunion/gathering costs	1,020	28,452
RGJ Management Fund costs	105	4,384
Light Infantry Management Fund costs	77	935
Regimental awards	-	1,200
Awards dinner	-	23,841
	<hr/>	<hr/>
	237,527	345,937
Support costs		
Postage and stationery	790	322
Publications	2,100	-
IT and admin support and equipment	9,582	22,530
Membership and subscriptions	90	76
Equipment and maintenance and repairs	12,022	12,657
Trustee honoraria	2,500	2,500
Staff honoraria	15,500	10,000
Insurance	4,469	4,729
Meeting costs	175	1,197
Regimental secretary expenses	45	101
Colonel Comdts Expenses	306	-
Accountancy	6,998	6,716
Auditors' remuneration	6,760	6,358
	<hr/>	<hr/>
	61,337	67,184
Total	<hr/>	<hr/>
	333,481	462,717
Net (losses)/gains on investments	<hr/>	<hr/>
	298,630	502,647
Net (expenditure)/income	<hr/>	<hr/>
	279,831	406,024

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THE RIFLES REGIMENTAL TRUST

INCOME AND EXPENDITURE ACCOUNT BY DESIGNATED FUNDS FOR THE YEAR ENDED 31ST DECEMBER 2020

	Designated Funds		
	5 (V) RGJ Trust £	Officers Fund £	Total £
INCOME FROM			
Subscriptions	-	34,059	34,059
Investment income	2,504	-	2,504
Bugle sales		1,049	1,049
Total	2,504	35,108	37,612
EXPENDITURE ON			
Grants	9,000	10,185	19,185
Chronicle/Bugle Publications	-	30,470	30,470
Chronicle honoraria	-	2,000	2,000
St Cross	-	5,000	5,000
Adventure training		75	75
Investment management fees	526	-	526
Total	9,526	47,730	57,256
Net (losses)/gains on investments	6,694	-	6,694
Net (expenditure)/income	(328)	(12,622)	(12,950)
Net movement in funds	(328)	(12,622)	(12,950)
RECONCILIATION OF FUNDS			
Total funds brought forward	143,916	26,567	170,483
TOTAL FUNDS CARRIED FORWARD	143,588	13,945	157,533

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THE RIFLES REGIMENTAL TRUST

INCOME AND EXPENDITURE ACCOUNT BY RESTRICTED FUNDS FOR THE YEAR ENDED 31ST DECEMBER 2020

	Hatton Bequest Fund £	Lawrence Bequest Fund £	RGJ Management Fund £	Light Infantry Fund £	Total £
INCOME FROM					
Donations and legacies	-	-	-	503	503
Book sales	-	-	-	106	106
Investment income	730	7,056	23,104	1,957	32,847
Total	<u>730</u>	<u>7,056</u>	<u>23,104</u>	<u>2,566</u>	<u>33,456</u>
EXPENDITURE ON					
Grants	1,000	20,000	35,000	100	56,100
Meeting costs	-	-	48	-	48
Postage and stationery	-	-	1	40	42
Wreaths and remembrance	-	-	56	37	93
Investment management fees	152	1,479	4,801	407	6,840
Total	<u>1,152</u>	<u>21,479</u>	<u>39,906</u>	<u>584</u>	<u>63,121</u>
Net (losses)/gains on investments	1,974	18,926	61,186	5,287	87,374
Net (expenditure)/income	1,552	4,503	44,384	7,269	57,708
Transfers between funds	-	-	-	-	-
Net movement in funds	1,552	4,503	44,384	7,269	57,708
RECONCILIATION OF FUNDS					
Total funds brought forward	39,098	390,755	1,190,863	105,567	1,726,283
TOTAL FUNDS CARRIED FORWARD	<u><u>40,650</u></u>	<u><u>395,258</u></u>	<u><u>1,235,247</u></u>	<u><u>112,836</u></u>	<u><u>1,783,991</u></u>

THE RIFLES REGIMENTAL TRUST

ANALYSIS OF LONG TERM CREDITORS FOR THE YEAR ENDED 31ST DECEMBER 2020

	DDLJ Charities £	1 Rifles PRI £	2 Rifles PRI £	4 Rifles PRI £	5 Rifles PRI £	6 Rifles PRI £	7 Rifles PRI £	Rifles & LJ Somerset Assn £	Total £
INCOME FROM									
Donations and legacies	-	-	-	-	-	-	-	-	-
Investment income	16,879	1,985	3,711	990	1,160	654	3,009	3,289	31,677
Other income								200,000	200,000
Total	16,879	1,985	3,711	990	1,160	654	3,009	203,289	231,677
EXPENDITURE ON									
Grants	105,000	2,616	4,892	1,635	1,529	862	3,967	-	120,501
Capital withdrawal	-	-	-	-	-	-	-	-	-
Investment management fees	3,479	413	773	206	242	136	626	510	6,385
Total	108,479	3,029	5,665	1,841	1,771	998	4,593	510	126,886
Net (losses)/gains on investments	40,919	5,362	10,027	2,675	3,135	1,768	8,131	10,525	82,541
Net (expenditure)/income	(50,681)	4,318	8,073	1,824	2,524	1,424	6,547	213,304	187,333
Net movement in funds	(50,681)	4,318	8,073	1,824	2,524	1,424	6,547	213,304	187,333
RECONCILIATION OF FUNDS									
Total funds brought forward	897,547	104,405	195,212	52,414	61,027	34,411	158,297	-	1,503,312
TOTAL FUNDS CARRIED FORWARD	846,866	108,723	203,285	54,238	63,551	35,835	164,844	213,304	1,690,646

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