

REGISTERED CHARITY NUMBER: 1119061

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2022
FOR
THE RIFLES REGIMENTAL TRUST**

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FOR THE YEAR ENDED 31ST DECEMBER 2022**

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THE RIFLES REGIMENTAL TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2022

The Trustees present their report with the financial statements of the Charity for the year ended 31st December 2022. 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
Lieutenant General Thomas Richardson Copinger-Symes CBE
Major General TH Bewick OBE
Major General Charles Seymore Collins DSO OBE
Brigadier Mark Christian Peter Wilson MBE
Brigadier Daniel Reeve MC
Colonel Ralph Arundell
Colonel Ashley Raymond Fulford OBE
Colonel Nikola Ilic MBE QGM
Lieutenant Colonel Peter James Alexander Balls OBE
Lieutenant Colonel John Alexander Poole-Warren MBE
Lieutenant Colonel Simon David Gray MBE
Captain Robert Gribble - Appointed 31 May 2022
Capt Lee Jones - Retired 31 May 2022
Jeremy Michael Archer
Simon Charles Hazlitt
Andrew George Wycliffe Jackson
Rebecca Charlotte Maciejewska
Oliver Rupert Marsh
Henry Charles Steel

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 2022 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.

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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 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 2022 Capt Lee Jones retired and was replaced by Captain Robert Gribble; Colonel Ralph Arundell and Lieutenant Colonel Peter Balls OBE agreed to continue as Trustees and were re-elected. 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 on appointment 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 fifth full year of independent operation in 2020 incurred costs of £5,091 (£5,390) 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 to September 2021 was received into The Rifles Regimental Trust with 51% of the basic income then being passed to The Rifles Benevolent Trust. With effect from 1 October 2021 Trustees have amended the allocation of income from the Day's Pay Scheme from 51% to 40% to The Rifles Benevolent Trust. This was reviewed and reconfirmed at the October 2022 meeting of trustees and will continue to be reviewed annually. This remains possible due to other income to the Benevolence Trust from Legacies enabling the changes to be made without any detriment to existing beneficiaries. The balance (60%) 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
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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 (including to 4 Rangers who rebadged in December 2021 but who for now remain linked to The Rifles and to where their Regimental Subscriptions are paid), 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 is normally paid in two equal elements in January and July but may be drawn down by negotiation with RHQ where the operational cycle of the Battalion justifies an earlier payment to support expenditure commitments 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 are also 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 Day's Pay Scheme but less than 30% are currently 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. Under restructuring there will be four Regional Offices for the South West (based in Exeter), The North (based in Pontefract), The South East (based at RHQ) and Central (based in Shrewsbury). There are currently satellite offices based in Bodmin, Durham, London and Taunton some of which will, in due course, be subject to closure. The Salisbury office at The Wardrobe closed in 2019; the Gloucester office closed in 2017 and the Oxford Office was closed in 2018.
- b. Each City/County Office will be allocated a block grant to cover administration, events and Regional Colonels' 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.
7. **RGBW Fund**. These funds were moved into the Regimental Trust in January 2021 for investment purposes only with the RGBW business being accounted for through their own charity. In 2022 the Trustees of The RGBW funds asked and it was agreed that the funds would be moved under the umbrella of The Rifles Regimental Trust with an RGBW management board maintaining oversight and control for the business of the former Regiment within the guidelines of the Rifles Regimental Trust Deed.

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 PRIs 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.

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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, which in turn brings tangible benefits to the public.

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 three years as ex-officio Trustee. Captain Lee Jones handed over to Captain Robert Gribble on their handover as Rifleman's Adjutant.

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 £196,622 (£164,373) was subscribed under the Scheme of which represents 60%the income (commenced in from October 2021) being retained by The Rifles Regimental Trust and the balance of 40% being transferred to The Rifles Benevolent Trust. The percentage of all ranks subscribing under this voluntary Scheme has remained around 95%. In addition, officers subscribed a further £36,582 (£34,987) 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 from unrestricted funds to a total of £39,417 (£45,500) were made to the five regular and three Reserve battalions as well as the 3 Regimental Bands who received £3,000. Regular Battalions also received a further £20K from Restricted funds and the Reserves a further £9,500 (£7,500). The Rifles Company at ITC Catterick received £0.00 (£1,000). 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 £6,000 (£6,000), 7 Rifles (which also receives a grant from the independent Trustees of the 4 (V) RGJ Trust) received £3,000 (£3,000), 8 Rifles received £6,000 (£6,000). Grants totalling £7,180 (£7,350) were made to the City and County Offices.

Regimental Expenses

Expenditure totalling £117,959 (£106,822) was made under the RHQ budget, the largest amounts being spent on the Regimental Magazine (The Bugle - for which income of £4,503 (£9,227) 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 £25,000 (£13,000) was also made to the Rifles Museum CIO. As recognition of a full career by the presentation on completion of 22/24 years or on commissioning of a bugle in 2021, the first full year, the cost was £15,757 (£12,805).

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. From 2022 a proportion, based on sales to each battalion or Museum (Rifles and RGJ), has been passed onto each element with the balance £4,4174 (approx. 50%) being retained by the Regimental Trust. 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; future income will be shared with those elements of the Regiment purchasing from Rifles Direct.

FINANCIAL REVIEW

Investment Report 2022

As at 31 December 2022 The Rifles Regimental Trust had an investment portfolio which was valued at £8,379,732 (£9,142,132).

Global stocks and bonds lost more than \$30tr in 2022. The heavy losses came as a result of central banks, led by the US Federal Reserve, ratcheting up borrowing costs in an attempt to control the worst spell of inflation in decades. The interest rate rises brought a dramatic close to the cheap money era that followed the financial crises. In addition, many of the problems sparked by the pandemic are still with us, including labour shortages.

The year began ominously, with Russia's invasion of Ukraine in February impacting any hopes that the global economy might be able to move on from the destruction of the pandemic. One of the biggest consequences was an energy crisis in Europe and a frantic scramble to find alternatives to Russian gas. Energy ministers agreed on a price cap on Russian exports of oil and gas, but the EU energy regulator expressed doubt that it would lead to cheaper supplies for business and consumers. Hopes for a swifter transition to more sustainable sources of energy have taken a knock in the process, with global coal use set to hit an all-time high. World oil markets were also recast as western countries tried to limit Russia's revenues, one of many moves aimed at disrupting its economy. The conflict wrecked supply chains, threatened global food markets and fuelled a global cost of living crisis.

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FINANCIAL REVIEW (Continued)

Investment Report 2022 (Continued)

Although there were signs that headline inflation had peaked, core inflation in many countries continued to rise. Containing this surge by raising interest rates was the main preoccupation of the world's central banks over the year. The US Federal Reserve, the European Central Bank and the Bank of England began to slow the pace of rises towards the end of the year but at the same time dented investor optimism with warnings that their policy tightening still had some way to go. The combination of higher borrowing costs, a strong US dollar and the rise in inflation meanwhile has left many of the world's poorer countries with serious debt problems.

The UK struggled with the consequences of leaving the EU and has in addition been hit by a rise in economic inactivity. Any hopes that the UK might chart a new confident course post-Brexit were dashed by a year of political chaos, with the country headed by its third prime minister and fourth chancellor at the end of the year.

The Tory Partys reputation for economic management was severely challenged after financial markets gave a negative reaction to its economic plans while the country ended the year engulfed in public sector strikes

As 2022 drew to a close we had another reminder that the pandemic is far from over. China was hit by what it calls an "exit wave" of infections after abruptly abandoning its stringent zero-Covid policies that had so badly damaged its economy, with data laying bare the hit to its public finances.

Against this backdrop, the broad MSCI AC World Index ended down -8.1% in sterling terms, but down nearly a fifth in value in local currency terms, as weakness in Sterling protected UK investors from the worst of the equity market falls. Equities witnessed their biggest declines since 2008, with bourses from Wall Street to Shanghai and Frankfurt all seeing significant falls. At the sector level, returns were negative across almost all areas with energy the major exception. The UK market benefitted from energy and mining company exposure, as well as pharmaceuticals, ending the year up slightly in positive terms.

Bond markets also saw heavy selling; the US 10-year government bond yield, a global benchmark for long-term borrowing costs, moved up from 1.5% at the end of 2021 to 3.9%, the biggest annual rise in Bloomberg records going back to the 1960s. In the UK, 10-year gilt yields moved from 0.97% at the start of the year to 3.55% at the end of the year, which reflects a return of -23.8% over the period. UK inflation linked bonds fell a staggering -33.6%.

The parallel falls in equities and bonds proved a challenging headwind for investors in 2022. Commodities were one of few sources of protection, boosted by the US dollar strength.

The portfolios fell -6.0% over the period, ahead of the strategy benchmark and more than 4% ahead of the peer group. High levels of inflation in the UK have made meeting inflation plus target more challenging in the shorter term. Despite this, we remain confident in the ability to meet inflation-plus targets over the longer term.

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 was reviewed to take into account the substantial reduction over the year in investment income in 2020 and with effect from 1 January 2021 annual income was 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%. A further review took place in late 2021 and a baseline of 3% of the average over 3 years was retained (including actual investment income) and an additional uplift of 1% was agreed to enable the budgetary requirement for 2022 to be met. Going forward for 2023 the baseline of 3% of value is to be retained; this comprises of actual Investment income topped up by a drawdown, if required, from unrestricted funds and takes into account substantial anticipated income for 2023 from the Antioch Settlement £175,00 (£87,500 in 2022).

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 consequent ability of the Trust to support its beneficiaries through the making of effective grants.

Trustees consider that the variety of investments with a diversified investment portfolio exercised through the Fund managers, Cazenove Charities, along with a “total return” approach. This allows a drawdown on capital of 3%, including investment income, plus an uplift factor to meet budgetary requirements (1% for 2022) which is monitored and recommended by the investments sub-committee and helps to stabilise the income and miti-gates 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 Property Manager who also looks after Green Jacket Close. 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.

The database of Regimental chattels is near completion, 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
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STATEMENT OF TRUSTEES RESPONSIBILITIES

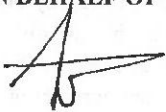
The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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:



.....
S Hazlitt
Trustee

Date:

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 2022 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 2022 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 income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and performing walkthrough tests. The walkthrough testing confirmed documented systems which have been designed to act as a preventative measure against fraud and error which appear to be 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:

31 August 2023

THE RIFLES REGIMENTAL TRUST
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31ST DECEMBER 2022

				Year ended 31.12.2022	Year ended 31.12.2021
		Unrestricted funds	Restricted funds	Total funds	Total funds
	Notes	£	£	£	£
INCOME FROM					
Donations and legacies	2	328,661	658,803	987,464	535,145
Other trading activities	3	4,503	-	4,503	9,227
Investment income	4	81,429	30,029	111,458	88,621
Total		414,593	688,832	1,103,425	632,993
EXPENDITURE ON					
Raising funds	5	35,530	7,291	42,821	41,765
Charitable activities	6	283,063	119,644	402,707	385,324
Total		318,593	126,935	445,528	427,089
Net (losses)/gains on investments		(354,101)	(129,487)	(483,588)	537,115
Net (expenditure)/income		(258,101)	432,410	174,309	743,019
Transfers between funds					
Net movement in funds		(258,101)	432,410	174,309	743,019
RECONCILIATION OF FUNDS					
Total funds brought forward		4,866,517	1,881,127	6,747,644	6,004,625
TOTAL FUNDS CARRIED FORWARD		<u>4,608,416</u>	<u>2,313,537</u>	<u>6,921,953</u>	<u>6,747,644</u>

THE RIFLES REGIMENTAL TRUST

**BALANCE SHEET
AS AT 31ST DECEMBER 2022**

	Notes	2022 £	2021 £
FIXED ASSETS			
Investments	13 & 14	8,379,732	9,142,132
		<u>8,379,732</u>	<u>9,142,132</u>
CURRENT ASSETS			
Debtors	15	62,929	49,000
Cash at bank		132,123	97,287
		<u>195,052</u>	<u>146,287</u>
CREDITORS			
Amounts falling due within one year	16	(41,324)	(59,537)
		<u>(41,324)</u>	<u>(59,537)</u>
NET CURRENT ASSETS		<u>153,728</u>	<u>86,750</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,533,460	9,228,882
CREDITORS			
Amounts falling due after more than one year	17	(1,611,507)	(2,481,238)
		<u>(1,611,507)</u>	<u>(2,481,238)</u>
NET ASSETS		<u>6,921,953</u>	<u>6,747,644</u>
FUNDS	18 & 19		
Unrestricted funds		4,608,416	4,866,517
Restricted funds		2,313,537	1,881,127
		<u>6,921,953</u>	<u>6,747,644</u>

The financial statements were approved by the Board of Trustees on 27 July 2023 and were signed on their behalf by:



.....
S Hazlitt
Trustee

THE RIFLES REGIMENTAL TRUST
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Cash generated from operations	1	(65,403)	815,981
Net cash provided by (used in) operating activities		<u>(65,403)</u>	<u>815,981</u>
Cash flows from investing activities:			
Purchase of fixed asset investments		(2,269,888)	(3,349,545)
Sale of fixed asset investments		2,369,846	2,565,996
Interest received		281	9
Net cash provided by (used in) investing activities		<u>100,239</u>	<u>(783,540)</u>
Change in cash and cash equivalents in the reporting period		34,836	32,441
Cash and cash equivalents at the beginning of the reporting period		97,287	64,846
Cash and cash equivalents at the end of the reporting period		132,123	97,287

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

	2022 £	2021 £
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	174,309	743,019
Loss/(Gain) on investments	662,442	(734,562)
Interest received	(281)	(9)
Decrease/(Increase) in stock	-	-
Decrease/(Increase) in debtors	(13,929)	11,727
(Decrease)/Increase in creditors	(18,213)	5,214
(decrease)/Increase in long term liabilities	(869,731)	790,592
	<u>(65,403)</u>	<u>815,981</u>

ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS

	At 01.01.22	Cash flow	At 31.12.22
Net cash			
Cash at bank	<u>97,287</u>	<u>34,836</u>	<u>132,123</u>
	97,287	34,836	132,123
Total	<u>97,287</u>	<u>34,836</u>	<u>132,123</u>

THE RIFLES REGIMENTAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022

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 2022

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 2022**

2. DONATIONS AND LEGACIES

	Unrestricted Funds	Restricted Funds	Year ended 31.12.22	Year ended 31.12.21
	£	£	£	£
Subscriptions (Riflemen and Officers)	196,622	-	196,622	164,373
Subscriptions (Officers)	36,582	-	36,582	34,987
Donations and legacies	94,466	679	95,145	269,615
Book sales	991	120	1,111	1,986
Sale of assets and other items	-	658,004	658,004	64,184
	<u>328,661</u>	<u>658,803</u>	<u>987,464</u>	<u>535,145</u>

3. OTHER TRADING ACTIVITIES

	Unrestricted Funds	Restricted Funds	Year ended 31.12.22	Year ended 31.12.21
	£	£	£	£
Magazine income	4,503	-	4,503	9,227
	<u>4,503</u>	<u>-</u>	<u>4,503</u>	<u>9,227</u>

4. INVESTMENT INCOME

	Unrestricted Funds	Restricted Funds	Year ended 31.12.22	Year ended 31.12.21
	£	£	£	£
Deposit account interest	281	-	281	9
Dividend and interest	81,148	30,029	111,177	88,612
	<u>81,429</u>	<u>30,029</u>	<u>111,458</u>	<u>88,621</u>

5. RAISING FUNDS

	Unrestricted Funds	Restricted Funds	Year ended 31.12.22	Year ended 31.12.21
	£	£	£	£
Investment management fees	19,714	7,291	27,005	25,309
Regimental magazine	15,816	-	15,816	16,456
	<u>35,530</u>	<u>7,291</u>	<u>42,821</u>	<u>41,765</u>

THE RIFLES REGIMENTAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022

6. CHARITABLE ACTIVITIES

	Grant funding Direct costs	of activities (see note 7)	Support costs (see note 8)	Totals
	£	£	£	£
General (RHQ)	117,959	345	44,568	162,872
Battalions, Reserve Forces, ITC Coy and AFC Harrogate grants	-	39,417	-	39,417
City and County office grants	-	7,189	-	7,189
Officers Fund	24,912	14,173	-	39,085
5 (V) RGJ Trust Fund	-	9,500	-	9,500
Lawrence Bequest Fund	-	20,000	-	20,000
Hatton Bequest Fund	-	-	-	-
RGJ Management Fund	244	86,044	-	86,287
Light Infantry Management Fund	97	13,260	-	13,357
Museum Grant	-	25,000	-	25,000
	<u>143,211</u>	<u>214,927</u>	<u>44,568</u>	<u>402,707</u>

7. GRANTS PAYABLE

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

	Year ended 31.12.22	Year ended 31.12.21
	£	£
Unrestricted funds:		
Battalion, Reserve Forces, ITC Coy and AFC Harrogate	39,417	45,500
Cornwall office	-	-
Exeter office	500	1,000
London office	(97)	850
Salisbury office	1,539	-
Shrewsbury office	1,500	1,000
Taunton office	746	1,200
Yorkshire office	3,000	2,300
South West office	-	500
Rifles admin	-	500
RHQ grant	345	373
5(V) RGJ Trust	9,500	7,500
Officers fund grant	14,173	8,975
Restricted funds:		
Grants (Hatton Bequest Fund)	-	1,000
Grants (Light Infantry Fund)	13,260	200
Adventure Training grants (Lawrence Bequest Fund)	20,000	20,000
RGJ Museum Trust grant (RGJ Management Fund)	86,044	64,116
RGJ Association (RGJ Management Fund)	-	-
New museum CIO	25,000	13,000
	<u>214,927</u>	<u>168,014</u>

THE RIFLES REGIMENTAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022

8. SUPPORT COSTS

	Management	Governance (see note 9)	Total
	£	£	£
Postage and stationery	314	-	314
Publications	(600)	-	(600)
IT admin support and equipment	1,987	-	1,987
Membership and subscriptions	175	-	175
Equipment maintenance and repairs	12,969	-	12,969
Trustee honoraria	-	-	-
Staff honoraria	10,500	-	10,500
Insurance	7,056	-	7,056
Meeting costs	-	321	321
Regimental Secretary expenses	140	-	140
Colonel Comdts Expenses	-	-	-
Accountancy	5,091	-	5,091
Auditors' remuneration	-	6,600	6,600
	15		15
	<u>37,647</u>	<u>6,921</u>	<u>44,568</u>

9. GOVERNANCE COSTS

	Unrestricted Funds	Restricted Funds	Year ended 31.12.22	Year ended 31.12.21
	£	£	£	£
Meeting costs	321	-	321	72
Auditors' remuneration	6,600	-	6,600	6,764
	<u>6,921</u>	<u>-</u>	<u>6,921</u>	<u>6,836</u>

10. TRUSTEES REMUNERATION AND BENEFITS

With the Charity Commission's approval, Lt Col P Balls OBE, Regimental Secretary and a Trustee was paid £4,000 for his exceptional contribution to the Charity (2021: £4,000).

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31st December 2022 or for the period ended 31st December 2021.

11. STAFF COSTS

	2022 £	2021 £
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 (2021: one).

No employees had remuneration in excess of £60,000 (2021: none)

THE RIFLES REGIMENTAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022

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 £2,000 (2021: £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	519,676	15,469	535,145
Other trading activities	9,227	-	9,227
Investment income	63,224	25,397	88,621
Total	592,127	40,866	632,993
EXPENDITURE ON			
Raising funds	34,531	7,234	41,765
Charitable activities	299,878	85,446	385,324
Total	334,409	92,680	427,089
Net gains/(losses) on investments	388,165	148,950	537,115
Net income/(expenditure)	645,883	97,136	743,019
Transfers between funds	-	-	-
Net movement in funds	645,883	97,136	743,019
RECONCILIATION OF FUNDS			
Total funds brought forward	4,220,634	1,783,991	6,004,625
TOTAL FUNDS CARRIED FORWARD	<u>4,866,517</u>	<u>1,881,127</u>	<u>6,747,644</u>

THE RIFLES REGIMENTAL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022**

13. FIXED ASSET INVESTMENTS

	Listed Investments £
MARKET VALUE	
At 1st January 2022	9,142,032
Additions	2,269,888
Disposals	(2,369,846)
Revaluation (Charity)	(483,589)
Revaluation (held for third parties)	(178,853)
At 31st December 2022	<u>8,379,632</u>
 NET BOOK VALUE	
At 31st December 2022	<u>8,379,632</u>
At 31st December 2021	<u>9,142,032</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	3,026,053
Outside the United Kingdom	<u>5,353,579</u>
	<u>8,379,632</u>

THE RIFLES REGIMENTAL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022**

14. FIXED ASSET INVESTMENTS - CHARITY ONLY

	2022	2021
	£	£
Listed investments	8,379,632	9,142,032
Investment in unlisted subsidiary	100	100
	<u>8,379,732</u>	<u>9,142,132</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

	2022	2021
	£	£
Other debtors	62,929	49,000
Deferred consideration	-	-
Amounts falling due in more than one year:		
Deferred consideration	-	-
	<u>62,929</u>	<u>49,000</u>

The Loan was cleared by the end of 2020 and the income is now treated as an income source to the fund.

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Other creditors	21,332	23,012
Rifles Benevolent Trust	19,992	36,525
	<u>41,325</u>	<u>59,537</u>

THE RIFLES REGIMENTAL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022**

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

Group	2022	2021
	£	£
DDLI Charities	762,661	865,829
1 Rifles PRI	109,389	117,632
2 Rifles PRI	204,531	219,944
4 Rifles PRI	54,569	58,682
5 Rifles PRI	63,940	68,759
6 Rifles PRI	40,748	38,772
7 Rifles PRI	160,747	172,906
Rifles & LI Association Somerset	214,923	231,119
RGBW Fund	(0)	707,595
	<u>1,611,507</u>	<u>2,481,238</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 2022	Total 2021
	£	£	£	£
Fixed assets	-	-	-	-
Investments	4,511,945	3,867,787	8,379,732	9,142,032
Current assets	137,740	57,312	195,052	146,287
Current liabilities	(41,269)	-	(41,324)	(59,538)
Long term liabilities	-	(1,611,507)	(1,611,507)	(2,481,238)
	<u>4,608,416</u>	<u>2,313,537</u>	<u>6,921,953</u>	<u>6,747,542</u>

THE RIFLES REGIMENTAL TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022**

19. MOVEMENT IN FUNDS

	Balance at 01.01.22 £	Incoming resources £	Resources expended £	Investment gains/(losses) £	Transfers £	Balance at 31.12.22 £
Unrestricted fund						
General fund	4,680,541	375,631	269,431	(344,470)	-	4,442,271
Designated funds						
5 (V) RGJ Trust	149,171	2,380	10,077	(9,631)	-	131,843
Officers Fund	36,805	36,582	39,085	-	-	34,302
RGBW Fund	-	-	-	-	-	-
	<u>4,866,517</u>	<u>414,593</u>	<u>318,593</u>	<u>(354,101)</u>	<u>-</u>	<u>4,608,416</u>
Restricted funds						
Hatton Bequest Fund	43,508	668	162	(2,945)	-	41,069
Lawrence Bequest Fund	412,246	6,554	21,592	(28,883)	-	368,325
RGJ Management Fund	1,286,602	21,091	91,334	(88,775)	-	1,127,584
Rifles Collection Curators Fund	-	-	-	-	-	-
Light Infantry Fund	138,771	2,515	13,847	(8,884)	-	118,555
RGBW Fund	-	658,004	-	-	-	658,004
	<u>1,881,127</u>	<u>688,832</u>	<u>126,935</u>	<u>(129,487)</u>	<u>-</u>	<u>2,313,537</u>
TOTAL FUNDS	<u><u>6,747,644</u></u>	<u><u>1,103,425</u></u>	<u><u>445,528</u></u>	<u><u>(483,588)</u></u>	<u><u>-</u></u>	<u><u>6,921,953</u></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 01.01.21 £	Incoming resources £	Resources expended £	Investment gains/(losses) £	Transfers £	Balance at 31.12.21 £
Unrestricted fund						
General fund	4,063,101	536,776	295,815	376,479	-	4,680,541
Designated funds						
5 (V) RGJ Trust	143,588	1,955	8,058	11,686	-	149,171
Officers Fund	13,945	53,396	30,536	-	-	36,805
	<u>4,220,634</u>	<u>592,127</u>	<u>334,409</u>	<u>388,165</u>	<u>-</u>	<u>4,866,517</u>
Restricted funds						
Hatton Bequest Fund	40,650	576	1,164	3,446	-	43,508
Lawrence Bequest Fund	395,258	5,526	21,577	33,039	-	412,246
RGJ Management Fund	1,235,247	17,737	69,179	102,797	-	1,286,602
Light Infantry Fund	112,836	17,027	760	9,668	-	138,771
	<u>1,783,991</u>	<u>40,866</u>	<u>92,680</u>	<u>148,950</u>	<u>-</u>	<u>1,881,127</u>
TOTAL FUNDS	<u><u>6,004,625</u></u>	<u><u>632,993</u></u>	<u><u>427,089</u></u>	<u><u>537,115</u></u>	<u><u>-</u></u>	<u><u>6,747,644</u></u>

THE RIFLES REGIMENTAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022

19. MOVEMENT IN FUNDS - continued

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 £131,299 (2021: £147,284) to The Rifles Benevolent Trust for Regimental Subscriptions and £51,605 (2021: £116,051) 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 £25,750 (2021: £24,750) 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 £17,500 (2021: £17,500) to The Rifles Benevolent Trust for salaries. At the year end The Rifles Regimental Trust owed The Rifles Benevolent Trust £19,994 (2021: £36,526).

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 2022 the Charity had received legacy income totalling £nil (2021: £254,537).

THE RIFLES REGIMENTAL TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31ST DECEMBER 2022**

	Year ended 31.12.2022	Year ended 31.12.2021
	£	£
INCOME FROM		
Donations and legacies		
Regimental Subscriptions (Riflemen and Officers)	196,622	164,373
Regimental Subscriptions (Officers)	36,582	34,987
Donations and legacies	90,350	262,009
Donations (Light Infantry)	377	11
Rifles Direct Income	4,417	7,595
Book sales (Light Infantry)	1,111	1,986
Sale of assets and other items	<u>658,004</u>	<u>64,184</u>
	987,464	535,145
Other trading activities		
Magazine income	<u>4,503</u>	<u>9,227</u>
Investment income		
Dividends and interest	111,177	88,612
Deposit account interest	<u>281</u>	<u>9</u>
	111,458	88,621
Total	<u>1,103,425</u>	<u>632,992</u>
EXPENDITURE ON		
Raising funds		
Investment management fees	27,005	25,309
Regimental magazine	<u>15,816</u>	<u>16,456</u>
	42,821	41,765
Charitable activities		
Recruiting costs	16,649	19,537
Honour boards etc	15,757	12,805
Wreaths and remembrance	210	-
Travel expenses (Regional Colonels and Advisory Board)	1,291	657
Adventure training/sports sponsored through RHQ	2,209	1,150
Officers Fund expenditure	<u>19,912</u>	<u>16,561</u>
Chronicle contribution	2,000	2,031
Rifles Association	5,323	4,059
Divisional colonel	<u>5,265</u>	<u>3,832</u>
	68,616	60,632

This page does not form part of the statutory financial statements

THE RIFLES REGIMENTAL TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31ST DECEMBER 2022**

	Year ended 31.12.2022	Year ended 31.12.2021
	£	£
Charitable activities continued	68,616	60,632
St Cross Cricket Ground	10,000	10,000
Marketing and family support	205	-
Buglers	300	-
Freedom parades	988	838
Flags and association standards	660	-
Grants (see note 8)	214,927	168,014
RCO salary	17,500	17,500
Reunion/gathering costs	6,600	-
RGJ Management Fund costs	244	16
Light Infantry Management Fund costs	97	114
Horseguards event	37,553	-
Regimental awards	450	1,700
Awards dinner	-	19,790
	<hr/> 358,140	<hr/> 278,604
Support costs		
Postage and stationery	314	365
Publications	(600)	606
IT and admin support and equipment	1,987	7,544
Membership and subscriptions	175	153
Equipment and maintenance and repairs	12,969	6,491
Staff honoraria	10,500	10,000
Insurance	7,056	3,815
Meeting costs	321	72
Regimental secretary expenses	140	51
Colonel Comdts Expenses	-	1,284
Accountancy	5,091	5,390
Auditors' remuneration	6,601	6,765
Bank charges	15	-
Rifles collection - 9 Statuettes from sale of assets by melting down broken and unused silver	-	64,184
	<hr/> 44,568	<hr/> 106,720
Total	<hr/> 445,528	<hr/> 427,089
Net (losses)/gains on investments	<hr/> (483,588)	<hr/> 537,115
Net (expenditure)/income	<hr/> <hr/> 174,309	<hr/> <hr/> 743,019

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THE RIFLES REGIMENTAL TRUST

**INCOME AND EXPENDITURE ACCOUNT BY DESIGNATED FUNDS
FOR THE YEAR ENDED 31ST DECEMBER 2022**

	Designated Funds		
	5 (V) RGJ Trust £	Officers Fund £	Total £
INCOME FROM			
Subscriptions	-	36,582	36,582
Investment income	2,380	-	2,380
Total	<u>2,380</u>	<u>36,582</u>	<u>38,962</u>
EXPENDITURE ON			
Grants	9,500	14,173	23,673
Chronicle/Bugle Publications	-	14,526	14,526
St Cross	-	5,000	5,000
Website costs	-	1,637	1,637
Adventure training		3,749	3,749
Investment management fees	577	-	578
Total	<u>10,077</u>	<u>39,085</u>	<u>49,163</u>
Net (losses)/gains on investments	(9,631)	-	(9,631)
Net (expenditure)/income	(17,328)	(2,503)	(19,831)
Net movement in funds	(17,328)	(2,503)	(19,831)
RECONCILIATION OF FUNDS			
Total funds brought forward	149,171	36,804	185,975
TOTAL FUNDS CARRIED FORWARD	<u><u>131,843</u></u>	<u><u>34,301</u></u>	<u><u>166,144</u></u>

THE RIFLES REGIMENTAL TRUST

**INCOME AND EXPENDITURE ACCOUNT BY RESTRICTED FUNDS
FOR THE YEAR ENDED 31ST DECEMBER 2022**

	Hatton Bequest Fund £	Lawrence Bequest Fund £	RGJ Management Fund £	Light Infantry Fund £	RGBW Fund £	Total £
INCOME FROM						
Donations and legacies	-	-	300	379	-	679
Grant	-	-	-	-	-	-
Book sales	-	-	-	120	-	120
Sale of assets and other items	-	-	-	-	658,004	658,004
Investment income	668	6,554	20,791	2,016	-	30,029
Total	<u>668</u>	<u>6,554</u>	<u>21,091</u>	<u>2,515</u>	<u>658,004</u>	<u>688,832</u>
EXPENDITURE ON						
Grants	-	20,000	86,044	13,260	-	119,304
Meeting costs	-	-	235	-	-	235
Postage and stationery	-	-	9	42	-	51
Wreaths and remembrance	-	-	-	55	-	55
Investment management fees	162	1,592	5,047	490	-	7,291
Total	<u>162</u>	<u>21,592</u>	<u>91,334</u>	<u>13,847</u>	<u>-</u>	<u>126,935</u>
 Net (losses)/gains on investments	(2,945)	(28,883)	(88,775)	(8,884)	-	(129,486)
Net (expenditure)/income	(2,438)	(43,923)	(159,018)	(20,214)	658,004	432,411
Transfers between funds	-	-	-	-	-	-
Net movement in funds	(2,438)	(43,923)	(159,018)	(20,214)	658,004	432,411
 RECONCILIATION OF FUNDS						
Total funds brought forward	43,508	412,245	1,286,603	138,771	-	1,881,127
TOTAL FUNDS CARRIED FORWARD	<u>41,070</u>	<u>368,322</u>	<u>1,127,585</u>	<u>118,557</u>	<u>658,004</u>	<u>1,655,534</u>

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THE RIFLES REGIMENTAL TRUST

ANALYSIS OF LONG TERM CREDITORS
FOR THE YEAR ENDED 31ST DECEMBER 2022

	DDLJ Charities £	1 Rifles PRI £	2 Rifles PRI £	4 Rifles PRI £	5 Rifles PRI £	6 Rifles PRI £	7 Rifles PRI £	Rifles & LI Somerset Assn £	RGBW Fund £	Total £
INCOME FROM										
Donations and legacies	-	-	-	-	-	5,000	-	-	-	5,000
Investment income	14,007	1,952	3,650	974	1,141	727	2,868	3,835	11,741	40,895
Other income	-	-	-	-	-	-	-	-	-	-
Total	<u>14,007</u>	<u>1,952</u>	<u>3,650</u>	<u>974</u>	<u>1,141</u>	<u>5,727</u>	<u>2,868</u>	<u>3,835</u>	<u>11,741</u>	<u>45,895</u>
EXPENDITURE ON										
Grants	53,418	1,119	2,092	558	654	370	1,688	2,199	6,732	68,829
Capital withdrawal	-	-	-	-	-	-	-	-	658,004	-
Investment management fees	3,409	474	887	237	277	177	697	932	2,853	9,941
Total	<u>56,826</u>	<u>1,594</u>	<u>2,978</u>	<u>795</u>	<u>931</u>	<u>547</u>	<u>2,385</u>	<u>3,130</u>	<u>667,588</u>	<u>736,775</u>
Net (losses)/gains on investments	(60,350)	(8,603)	(16,085)	(4,291)	(5,028)	(3,205)	(12,642)	(16,902)	(51,748)	(178,853)
Net (expenditure)/income	(103,169)	(8,244)	(15,413)	(4,113)	(4,819)	1,976	(12,159)	(16,196)	(707,595)	(869,733)
Net movement in funds	(103,169)	(8,244)	(15,413)	(4,113)	(4,819)	1,976	(12,159)	(16,196)	(707,595)	(869,733)
RECONCILIATION OF FUNDS										
Total funds brought forward	865,830	117,633	219,944	58,682	68,759	38,772	172,906	231,119	707,595	2,481,240
TOTAL FUNDS CARRIED FORWARD	<u>762,661</u>	<u>109,389</u>	<u>204,531</u>	<u>54,569</u>	<u>63,940</u>	<u>40,748</u>	<u>160,747</u>	<u>214,923</u>	<u>(0)</u>	<u>1,611,507</u>

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