

ROYAL ARTILLERY INSTITUTION LIMITED

England & Wales · Charity number 1122002

Details

Other names ROYAL ARTILLERY INSTITUTION

Status Registered

Legal form Charitable company

Company number [06446232](#)

Registered 2007-12-17

Register [View on the Charity Commission register](#)

Contact

Address Rhqra
Royal Artillery Barracks
Larkhill
Salisbury
Wiltshire
SP4 8QT

Phone 01980 845528

Website www.thegunners.org.uk

Activities

Objects: THE PROMOTION OF THE EFFICIENCY OF THE ROYAL REGIMENT OF ARTILLERY AND THE OFFICERS, WARRANT OFFICERS AND OTHER RANKS THEREOF.

Activities: The promotion of the efficiency of the Royal Regiment of Artillery and the Officers, Warrant Officers and Other Ranks thereof through making grants to regiments and individuals in support of regimental affairs.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations
- **What:** Education/training, Arts/culture/heritage/science, Amateur Sport, Armed Forces/emergency Service Efficiency, Other Charitable Purposes
- **Who:** Other Defined Groups

Geography

- **Area of benefit:** NATIONAL
- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£929,504	£1,108,513	£11,907,395	7
2023-12-31	£960,042	£1,054,174	£11,330,818	5
2022-12-31	£834,257	£922,285	£10,927,733	5
2021-12-31	£878,295	£832,480	£12,681,550	5
2020-12-31	£883,806	£214,070	£11,145,860	5

Trustees

Name	Role	Appointed
Major General David Cullen CB, OBE	Chair	2016-12-15
Brigadier Christopher Coton		2026-06-15
Colonel David Stuart Joyce		2026-06-15
Colonel Patrick James Farrell OBE ADC		2025-01-15
Colonel Philip Haigh		2025-04-23
Colonel Richard Andrew Forster		2023-10-09
Colonel Stuart Ian Hay		2024-04-22
LT COL JAMES RONALD MURRAY GOWER		2017-05-11
Lt Col Simon John Rhodes Halliday TD		2017-03-16
MARK GRAHAM WILLIAMS		2016-06-13
Owen James Adams		2025-11-26
RASM Keith Fisher		2026-06-15
Rupert James Hendry Burchett		2025-11-26

ROYAL ARTILLERY INSTITUTION LIMITED

England & Wales - Charity number 1122002

Accounts



THE ROYAL ARTILLERY INSTITUTION LIMITED
(A Company Limited by Guarantee)

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

Registered Charity No: 1122002

Registered Company No: 06446232

ROYAL ARTILLERY INSTITUTION LTD

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THE ROYAL ARTILLERY INSTITUTION LTD

TRUSTEES AND ADMINISTRATIVE INFORMATION

RAI Trustees During the year ended 31 December 2024, and up to date of approval of this report, the trustees were:

Chairman

Major General DM Cullen CB OBE - Chairman

Members

Brigadier RN Alston	
Brigadier NA Clissitt	(Retired 12 th June 2024)
Colonel DM Bishop MBE VR	(Retired 23 rd April 2025)
Colonel DA Butt	(Appointed 29 th July 2024)
Colonel CL Coton	(Retired 6 th May 24)
Colonel MAA Dornan	(Retired 26 th July 2024)
Colonel PJ Farrell ADC	(Appointed 15 th January 2025)
Colonel RA Forster	
Colonel P Haigh	(Appointed 23 rd April 2025)
Colonel RC Harmer ADC	(Retired 20 th January 2025)
Colonel S I Hay	(Appointed 22 nd April 2024)
Colonel BMD Ingham	
Lieutenant Colonel JRM Gower MBE VR	
Lieutenant Colonel SJR Halliday TD	
Major MG Williams	
WO1 (RASM) JL Lightfoot	(Appointed 31 st May 2024)
WO1 (RASM) L Sanders	(Retired 31 May 2024)

A number of trustees are also involved in the governance of other charities referred to in this report. All trustees have made a declaration listing any related parties and potential conflicts of interest.

Regimental Secretary	Colonel P Bates (Appointed 21 January 2025) Colonel (Retd) M G J Carter (Appointed 21 st January 2025)
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Bankers	Lloyds Bank PLC 39 Piccadilly London W1V 0AA
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Solicitors	Wilson's Solicitors Alexandra House, St John's Street Salisbury Wiltshire SP1 2SB
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Auditors	Saffery LLP 71 Queen Victoria Street London EC4V 4BE
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Investment Managers	Brewin Dolphin 12 Smithfield Street London EC1A 9BD
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THE ROYAL ARTILLERY INSTITUTION LTD

TRUSTEES AND ADMINISTRATIVE INFORMATION CONTAINED

Address Royal Artillery Barracks
Larkhill, Salisbury
Wiltshire SP4 8QT

Registered Charity No

1122002

Company No 06446232

THE ROYAL ARTILLERY INSTITUTION LTD

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

Introduction

The Board of Trustees of The Royal Artillery Institution Ltd¹ (RAI) present their report and accounts for the year ended 31 December 2024 as required under the Companies Act 2006. The accounts comply with the Companies Act 2006, the charity's governing document and the relevant Statement of Recommended Practice (the Charities SORP (FRS 102)). The RAI is a charitable company, limited by guarantee and not having share capital. It is governed by Articles of Association. The Trustees' Report incorporates the directors' report for Companies Act purposes.

Objects

The object of the charity, as described in its Articles of Association, is the promotion of the efficiency of the Royal Regiment of Artillery and the Officers, Warrant Officers and Other Ranks thereof. The charity meets that requirement by making grants to regiments, individuals and other regimental organisations in support of regimental affairs. Regimental affairs are those matters which are essential to the domestic life of the Regiment as a whole and which are controlled by the Regiment itself, subject to the requirements of prevailing legislation. The following activities are included: regimental property; regimental ceremonies, events and entertainment; educational, historical and heritage affairs; support to units and individuals, regimental sports and adventurous training, publications; supplementary support for Royal Artillery bands; policy for regimental matters such as dress, messes, heritage and ceremonial, all of which are supported by grants from the charity. Regimental welfare and the fostering of comradeship among all Gunners, serving and retired, are the responsibility of the Royal Artillery Charitable Fund (RACF) and Royal Artillery Association (RAA).

Organisation

The duties of the RAI Board of Trustees are laid down in the Articles of Association. The Board members provide a skills-based set of abilities and experience with some representing the serving officers and soldiers of the Regiment. The RAI works closely with a number of other charities, in particular the Royal Artillery General Charitable Trust (RAGCT), RACF and RAA, whose objects also support and promote efficiency within the Royal Artillery. The Board of Trustees meets at least twice a year as part of the Royal Artillery Board of Management alongside the trustees of the RACF / RAA. The RACF is the sole corporate trustee of the RAA. Subordinate to the Board of Trustees are the Investment Committee and a Finance and General Purposes Committee. These committees comprise trustees from both RAI and RACF, who have been co-opted for their skills and knowledge, so as to ensure that high quality advice may be provided to the RAI Board. The reports of these committees form part of the agenda of the meetings of the RAI Board of Trustees. The trustees form the membership of the RAI. The Master Gunner's Committee sets the strategic framework for the Regiment and acts as an advisory board to the RAI Board of Trustees as required. The Chairman of the RAI is a member of the Master Gunner's Committee and updates the committee biannually on business undertaken by the Royal Artillery Board of Management.

The RAI works closely with other Royal Artillery charities and organisations that support and promote the Royal Artillery's heritage and traditions, most notably the Royal Artillery Historical Trust, the Royal Artillery Historical Society and the Royal Artillery Museum.

1. While the Charity Commission and Companies House websites show the name of the company / charity as 'Royal Artillery Institution Limited', its correct title in accordance with its Articles of Association is 'The Royal Artillery Institution Ltd'.

THE ROYAL ARTILLERY INSTITUTION LTD

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Governance

In addition to the Articles of Association, the Investment and Finance & General-Purpose committees have their own directives, which are reviewed and agreed regularly by the trustees. Powers delegated to the Secretariat are contained in the directives. Secretariat policies, which are agreed by the trustees, are in place in order to ensure smooth and effective running of the charity. The charity's risk register is reviewed annually by the trustees. Identified risks are managed as laid down in the Risk Management Plan. For specific items, detailed briefs are sent to the trustees so they can consider issues in depth before meetings. Trustees also receive regular reports on the value and movement of the charity's investment portfolio. The Chairman of the trustees and the Regimental Secretary meet regularly (usually weekly) to discuss issues.

Charity Commission Governance Code

The RAI as one of the Royal Artillery charities, comes under the umbrella of the Confederation of Service Charities (Cobseo). Cobseo, in consultation with the Charity Commission, have produced a Service Charity toolkit based on the 2017 Charity Commission Governance guide. The trustees carried out a self-assessment process using the toolkit during 2019. This enabled the Board to identify a number of enhancements which can be considered to improve governance. This included a resolution to limit the tenure of trustees. The self assessment was repeated in 2022. Overall this showed an improvement since 2019 but identified some areas for further review. A further review will be conducted in 2025.

Selection of Members of the RAI Board of Management

The Articles of Association state the process for the appointment of trustees. New trustees are appointed by Resolution of the existing trustees. Trustees are normally serving and retired members of the Royal Artillery.

The Master Gunner St James's Park is the Head of the Regimental Family, but he is not a trustee. The Master Gunner proposes the Chairman, who will normally have been a Colonel Commandant. The appointment of the Chairman is then approved by resolution of the existing trustees. Trustees are selected for their skills and experience and their ability to understand and anticipate the needs of the serving and retired regiment. The trustees will normally include the Commandant, Royal School of Artillery, Commander 7 Air Defence Group, Deputy Commander 1st Deep Reconnaissance Strike Brigade Combat Team, and the Royal Artillery Sergeant Major, who between them represent the interests of serving Gunner soldiers and officers. Veterans and family beneficiaries are represented by both serving and retired trustees.

Key Management Personnel

The Regimental Secretary is the Chief Executive of the RAI and is responsible for: the day-to-day management of the charity's business; implementing policies agreed by the trustees and; the management of the charity's staff. The Finance Secretary is responsible to the Regimental Secretary for the accounting of funds and all financial records. The Assistant Regimental Secretary leads on day to day activities and acts as staff officer to the Master Gunner.

Review of Financial Activities

The charity's funds continue to be employed to promote efficiency within the Royal Artillery. The detailed results for the year under review are shown in the Statement of Financial Activities at page 16. In 2024 the charity had an excess of expenditure over income, before gains on investments, of £179,009. (2023: expenditure over income, before gains on investments, £94,132).

THE ROYAL ARTILLERY INSTITUTION LTD

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

Review of Financial Activities continued

After investment gains of £755,586 (2023: gains of £497,217) there was a net increase in funds of £576,577 (2023: net increase of £403,085).

Total income decreased by £30,538 in the last financial year to £929,504 **CEO Comment:** mainly due to a decrease in grants received.

- A large grant from the Army Sports Control Board 2024 for £45,000 to assist in the support to Gunner sport.
- Numerous Grants were received in support of RA Boxing for £20,591.
- Investment income from the portfolio achieved in excess of the budgeted £260,000, the total being £278,259 (the excess being retained in the portfolio). Despite the increase of investment value, investment income fell by £4,236 due to decrease in dividend payments from stock.
- There were no legacies received in 2024 but 176 donations totalling £9,028 (2023: 189 totalling-£9,621). The majority of donations arise from contributions from the Unity Lottery and from historic standing orders for Gunner Magazine, where recipients have requested to no longer receive the publication but have chosen not to cancel their standing orders.
- Income collected through the Service Pay Giving Scheme from serving members of the Regiment has increased by £3,672.

There are four main income streams. They are:

- Service Pay Giving Scheme (SPGS), where all serving personnel are encouraged to give part of their pay to the charity
- Investment income
- Grants
- Donations

The majority of funding comes from SPGS (38%) and the investment income (30%). The RAI drew down £260,000 of investment income, which was in line with the budget for 2024. The balance of income from investments (£18,259) was reinvested within the portfolio.

General charitable expenditure increased by £45,379 to £1,005,160 (2023: £932,082). Overall there was a general increase of expenditure and uplift in grants due to inflation and the cost of living crisis. There was increased support to regimental heritage, including the preservation and restoration of artefacts, support to the regimental archives and future museum. There were also increases to support costs due incremental pay awards, and the employment of a SO2 Pol.

The trustees approve the forecast of income and expenditure annually and monitor it regularly through the Finance & General Purpose Committee and at Board meetings.

Bids for major grants are called for annually and are scrutinised as part of the budgetary process. Grants made by the Chairman of the Board and Regimental Secretary under their delegated financial powers are subsequently reported to the trustees.

The RAI's object is the promotion of efficiency within the Royal Regiment of Artillery. This follows the Charity Commission's guidance on legitimate charitable purposes, one of which is *"The promotion of the efficiency of the armed forces of the Crown"*.

THE ROYAL ARTILLERY INSTITUTION LTD

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

Charitable Activities

The Charity Commission states: *“The armed forces exist for public defence and security. It is charitable to promote the efficiency of the armed forces of the Crown as a means of defending the country. That includes ensuring that those forces are properly trained and equipped during times of conflict. It also includes providing facilities and benefits for the armed forces”.*

The charity's principal activity during the year was the provision of grants to promote efficiency. During the year the RAI made the following major grants in support of regimental events and activities judged by the trustees as conducive to the promotion of efficiency within the Royal Artillery:

- Royal Artillery sports teams - £187,800 (Including £80,721 from RACF)
- Regimental heritage - £159,872
- Regimental grants - £74,125
- Gunner magazine & RA Journal within raising funds- £44,684
- Regimental Expenses (Regimental ceremonial and commemorative, other events and Dinners) - £39,176
- RA HQ Messes - £34,433
- Recruiting - £25,085

Details of additional grants can be found on page 22.

The RAI holds and maintains a collection of chattels comprising pictures, silver and furniture which have been acquired by bequest, by purchase through subscription of the officers of the Regiment and through property being held by the charity following the disbandment of regiments and the placing in suspended animation of individual Batteries (a process that has been on-going since the end of the 2nd World War). The charity loans items to regiments, headquarters and some individual officers in representational roles and these are accounted for annually. There are also a number of items on loan to regiments from the Royal Artillery Museum which are also monitored by the charity in order to ensure suitable insurance is in place.

Accounting for the Collection is the principal responsibility of the Assistant Regimental Secretary who continues to review the holdings and maintain the database as additional items are received or loaned out. Much of the Collection (which totals more than 13,000 artefacts) is held in the Royal Artillery Mess at Larkhill where it imbues a sense of historical continuity, ethos and tradition to members of the regiment, past and present, other items are loaned to other Royal Artillery messes, other military messes, museums and other public bodies, in all totalling some 120 different locations.

In addition to the above, the RAI continues to provide staff to support the Master Gunner, the Master Gunner's Committee and the Royal Artillery Board of Management in their representative and stewardship roles within the Royal Regiment.

Public Benefit

The Objects of the RAI are to promote efficiency within the serving Regiment Inextricably linked with this Object is the aim of contributing to the public good by service to the Sovereign, the Country and all its citizens. In addition, contributes a significant sum towards the preservation of regimental heritage, which in itself contributes to the history and heritage of the nation. The trustees have taken due regard of the Charity Commission's guidance on Public Benefit.

THE ROYAL ARTILLERY INSTITUTION LTD

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Future Plans

Based on an assessment that future income will remain steady in the long term, the trustees aim to maintain current expenditure in order that RACF continues to support efficiency and welfare in the Royal Regiment and to aid all members of the regimental family who are in need. Should income levels drop significantly, trustees could generate additional funds by liquidating investment assets, however this would need to be balanced by the requirement to maintain investment income for future generations. Alternatively, trustees could implement savings measures against forecasted expenditure which are presented to them annually.

The efforts of the Royal Artillery Association to promote its activities and objects has seen a significant increase in membership from both the serving and retired elements of the Regimental Family. There are now 86 Branches which include traditional geographical locations and newly formed national interest groups such as Motorcyclists, e-sports, Angling etc. Current active membership is circa 3500 which is an increase of 1500 over the past two years.

In 2024 the trustees agreed in principle to grant the Royal Artillery Museum Limited (RAML) £4M in support of the museum building project which is estimated to cost £13M. Funding for this will be split as follows: RAML – to provide £4M; RA Charities – to provide a grant of £4M; Fundraising – to deliver £5M. This is a 6-year project (2024-2029). While this a grant from the RA Charities, not a loan, it is conditions based and the funds will be released during the project timeline only if those conditions are met. At 31st December 2024 the terms of the funding had not been agreed.

Reserves Policy

The trustees' policy is to maintain a sufficient level of reserves to: provide a stable base and income generation for the charity's continuing activities; generate sufficient funds to cover routine management and administrative costs and; enable the charity to respond to any emergency applications for grants which may arise from time to time.

Total funds as at 31 December 2024 were £11,907,395 (2023: £11,330,818).

Unrestricted reserves were £10,832,004 (2023: £10,333,981) of which are all free reserves.

Restricted Funds were £1,075,391 (2023: £966,837) and comprises of Baxter Fund - £1,047,911; Regimental Church - £16,980 and RA Church Refurbishment - £10,500 of which a large proportion is represented by investments.

Our risk-based approach to determining our free reserves requirement is carried out, based on the anticipated future needs of the regimental family, and the management of financial risks, particularly the uncertainty of future income from other sources. The effect on the charity's investments as a result of the situation in Ukraine demonstrates the benefit of maintaining strong reserves in order to be able weather such market fluctuations while maintaining required levels of investment income.

Trustees review the level of reserves regularly to ensure funds are available to deliver the charities object, and to secure, as far as possible, future financial viability. Our annual review of reserves included assessing the impact of the invasion of Ukraine and the cost of living crisis on our business plans, projected income and expenditure, and on our investments.

Following that review, we determined that we should hold a minimum of £9,500,000 in free reserves to be assured that we are able to sustain the support we provide to the regimental family in the long term

THE ROYAL ARTILLERY INSTITUTION LTD

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

Reserves Policy continued

as well as meet other obligations, irrespective of fluctuations in income and without creating the need to actively fundraise. This sum, held as part of our investment portfolio, is judged to be capable of generating sufficient investment income to meet foreseeable needs. This sum, held as part of our investment portfolio, is judged to be capable of generating sufficient investment income to meet foreseeable needs. With free reserves of £10,832,004 currently exceed this requirement. The trustees are content that the additional funds we hold provide ability to disinvest in order to support major capital projects if and when required, but in the meantime are held as investments generating additional income.

In 2024 the investment portfolio generated £278,259 for the charity, of which RAI received £260,000 as in-year income. The balance of £18,259 was reinvested into the portfolio. The £260,000 was 30% of total income received.

Without this level of income the charity's activities would be significantly curtailed.

Trustees believe that investments should be maintained at the current levels, in order to generate income and provide for current needs whilst ensuring the charity remains well placed to meet future requirements. The trustees recognise that they have no long term mandated liability for any particular level of financial grants or activity. They therefore have the ability to reduce expenditure to match income in the event of income reducing.

Investment policy

The trustees' Investment Committee meets twice a year to consider the performance of the RAI's investments which are managed on a discretionary basis by Brewin Dolphin. The investment objective is to create sufficient income and capital growth to enable the charities to carry out their charitable objectives. The charity is expected to exist in perpetuity and investments are managed to meet the investment objective and ensure this sustainability.

The charity's funds are invested on an aliquot proportion in the same funds as the other Gunner welfare / efficiency charities. This is in order to achieve economies of scale in relation to investment costs. The trustees have given the fund managers discretion to manage the portfolio within an agreed risk profile and against agreed benchmarks. This is contained in a written directive.

At the bi-annual meeting with the investment managers the Investment Committee considers the state of the financial markets and measures the fund managers' on-going performance against specific agreed benchmarks, namely 25% FTSE All Share Index, 35% MSCI World ex UK Index, 10% MSCI Emerging Markets Index, 7.5% FTSE All Stocks Gilt Index, 5% iBoxx Sterling Non-Gilts Index, 10% IPD UK All Balanced Funds Index, 5% Alternative (IA Sector Targeted Absolute Return) and 2.5% Cash (Sterling Overnight Index Average). Having compared performances over the last 1, 3 and 5 years, the Investment Committee are of the view that the investments have done reasonably well in relation to the market and relevant benchmarks over the long term, and that there is currently no case to prompt a change of investment policy. The performance of the fund manager will be subject to annual review.

THE ROYAL ARTILLERY INSTITUTION LTD

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Environmental, Governance and Social Considerations

The RAI's investments are not managed with any specific environmental, social and governance (ESG) restrictions. However it is expected that the RA charities' investment managers have clearly defined ESG investment policies and that the investments are managed by an investment company which is a signatory to the UN Principles of Responsible Investment and which takes account of Environmental, Social and Governance (ESG) factors in their research and investment decision making process.

Fundraising

The trustees are very clear that all fundraising must be legal, open, honest and respectful. The charity does not actively engage in regular and organised fundraising, although it does receive donations and legacies. It receives the bulk of its income through investments and the Royal Artillery's 'service giving scheme'. The facility exists for individuals or organisations to make voluntary donations online. The charity does not work with any commercial partner or professional fundraisers except in order to operate an online donation facility such 'Enthuse' and 'Just Giving'. When donations are received they are mainly as a result of advertisements on the Gunner website and publications, and from open, group briefings to members of the serving Regiment. In addition, regiments and other Gunner organisations are encouraged to engage in sponsored activities to raise funds. The charity does not solicit funds through direct approaches to individuals via mailshots or online unless consent has been obtained.

No complaints were received in 2024.

Trustee Training

Trustee responsibilities and necessary training are taken very seriously. All new members of the trustee board are briefed by the Regimental Secretary on their roles and responsibilities. They are provided with the Charity Commissioners handbook "The Essential Trustee" as well as a copy of the Scheme. Recent RAI accounts, meeting, minutes and policy documents are also provided. Trustee briefings and training take place and members of the Board are encouraged to attend external trustee training and investment briefs.

Risk Management

The trustees maintain a continuous oversight of the principal areas of the charity's operations and the major risks, which may arise in these areas. In the opinion of the trustees the charity has established resources and review systems which, under normal conditions, should allow the risks identified to be mitigated to an acceptable level. A risk management plan is produced and approved by trustees each year and managed actively by the trustees, the Regimental Secretary and his staff. The main risks are:

- Insufficient income to meet the need: This is managed by careful budgeting, the investment and reserves policy and by controlling the level of support provided to beneficiaries.
- Fraud: This is guarded against by having policies in place to ensure regular checks are made and that all transactions are properly authorised by two signatories.
- Conflict of interest amongst trustees. A register of trustee interests is kept and updated annually. At the start of committee and Board of Management meetings, trustees are reminded to declare any conflict arising from the agenda so that appropriate action can be taken.
- Reputational damage arising from activities. This is mitigated by oversight of activities by the trustees and senior management.

THE ROYAL ARTILLERY INSTITUTION LTD

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

Remuneration Policy

No trustee is paid as an employee or for services as a trustee, though travel and subsistence costs incurred as a trustee are reimbursed. The trustees review staff salaries annually and take into account the MoD pay awards for similar grades, when recommending any pay increases.

Employees

The RAI aims to be an organisation for which employees enjoy working and where they feel supported, valued, empowered and developed. Employees are kept fully informed about the aims and objectives of the charity and how it is achieving them. Employees are encouraged to contribute suggestions to help improve working processes and to achieve best practice. The charity is an equal opportunities employer and is committed to training and developing its staff.

Trustees' Liability

The liability of RAI trustees for debts of The Royal Artillery Institution Ltd is limited to an amount not exceeding one pound.

Statement of Trustees' Responsibilities

The trustees (who are also directors of the RAI for the purposes of Company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable charity and company law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice (UK GAAP)).

The Company and Charity law applicable in England & Wales and UK GAAP requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company. This includes details of income and expenditure and the application of resources for the period. In preparing these financial statements, the trustee are required to:

- select suitable accounting policies and then apply them consistently;
- adhere to the methods and principles in the Charities Statement of Recommended Practice (Charities SORP (FRS 102));
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures which are to be disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the charity will continue in business.

The trustees are also responsible for safeguarding the assets of the charity, including taking reasonable steps to prevent and detect fraud and other irregularities.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with: the Companies Act 2006; the charity's governing document; the Charities Acts 2011 and; the SORP applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)).

THE ROYAL ARTILLERY INSTITUTION LTD

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

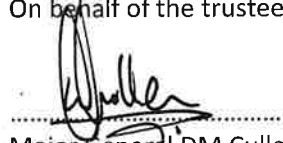
Statement as to Disclosure of Information to Auditors

In so far as the trustees are aware:

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

This report has been prepared under the special provisions of Part 15 of the Companies Act 2006.

On behalf of the trustees 11 June 2025



Major General DM Cullen CB OBE
Chairman RAI Board of Trustees

THE ROYAL ARTILLERY INSTITUTION LTD

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

Opinion

We have audited the financial statements of Royal Artillery Institution Ltd for the year ended 31 December 2024 which comprise the statement of financial activities, balance sheet, cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have

THE ROYAL ARTILLERY INSTITUTION LTD

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies exemption in preparing the Trustees' Annual Report and the Strategic Report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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

THE ROYAL ARTILLERY INSTITUTION LTD

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with informed management, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with informed management and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

THE ROYAL ARTILLERY INSTITUTION LTD

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Cara Turtington (Senior Statutory Auditor)
For and on behalf of Saffery LLP

Statutory Auditors
71 Queen Victoria Street
London
EC4 4BE

Date: 10 July 2025

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

THE ROYAL ARTILLERY INSTITUTION LTD

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) FOR THE YEAR ENDED 31 DECEMBER 2024

Income and Expenditure

		Unrestricted Funds	Restricted Funds	2024 Total	2023 Total
	Notes	£	£	£	£
Income					
Donations and legacies inc SPGS	2	457,924	-	457,924	449,209
Investment income		261,718	16,541	278,259	282,495
Charitable Activities	3	192,134	-	192,134	226,200
Other Income	4	1,187	-	1,187	2,138
Total income before Expenditure		912,963	16,541	929,504	960,042
Expenditure on:					
Raising funds		102,753	-	102,753	93,793
<u>Net funds available for charitable activities including raising funds</u>		810,210	16,541	826,751	866,249
Charitable Activities inc Grants paid and payable	5	1,005,160	-	1,005,160	932,082
Baxter Fund Grants		-	600	600	28,299
Total expenditure		1,005,160	600	1,005,760	960,381
Net (expenditure)/income for the year before gains on Investments		(194,950)	15,941	(179,009)	(94,132)
Net gains on investment assets		692,973	62,613	755,586	497,217
Net (expenditure)/income		498,023	78,554	576,577	403,085
Transfers	11	-	-	-	-
Net movement in funds		498,023	78,554	576,577	403,085
Total funds brought forward		10,333,981	996,837	11,330,818	10,927,733
Total funds carried forward		10,832,004	1,075,391	11,907,395	11,330,818

The notes on pages 19 to 26 form part of these financial statements

THE ROYAL ARTILLERY INSTITUTION LTD

BALANCE SHEET AT 31 DECEMBER 2024

		2024	2023
		£	£
<u>Fixed assets</u>			
Investments	6	11,728,448	11,353,057
		<u>11,728,448</u>	<u>11,353,057</u>
<u>Current assets</u>			
Stocks	7	12,700	14,570
Debtors	8	53,797	49,216
Prepayment		2,500	1,730
Cash at Bank and in hand	9	310,354	94,485
		<u>379,351</u>	<u>160,001</u>
<u>Current liabilities</u>			
Creditors: Amounts falling due within one year	10	(200,404)	(182,240)
Net current assets		178,947	(22,239)
Total assets less current liabilities		<u>11,907,395</u>	<u>11,330,818</u>
<u>Funds</u>			
Unrestricted Funds		10,832,004	10,333,981
Restricted Funds	11	1,075,391	996,837
		<u>11,907,395</u>	<u>11,330,818</u>

The notes on pages 19 - 26 form part of these financial statements.

Approved by the trustees on 11 June 2025

.....
Major General DM Cullen CB OBE

Chairman

The RAI Board of Trustees

Company number: 6446232

THE ROYAL ARTILLERY INSTITUTION LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	<u>2024</u> £	<u>2023</u> £
Net cash used in operating activities	1	(437,299)	(390,665)
<u>Cash flows from investing activities</u>			
Dividends, interest and rents from investments		278,259	282,495
Purchase of investments		(2,905,018)	(2,893,195)
Proceeds from sale of investments		3,267,338	2,807,250
Net cash used in investing activities		<u>640,579</u>	<u>196,550</u>
Net decrease in cash & cash equivalents		203,280	(194,115)
Cash & cash equivalents at the beginning of the year		201,843	395,958
Cash and cash equivalents at end of the year	2	<u><u>405,123</u></u>	<u><u>201,843</u></u>

Notes to the cash flow statement

1. Reconciliation of net movement in funds to net cash flow from operating activities		2024 £	2023 £
Net movement in funds		576,577	403,086
Loss/(gain) on investments		(755,586)	(497,217)
Investment income		(278,259)	(282,495)
Increase in investments due to changes in aliquot		5,286	5,111
(Increase)/Decrease in prepayments		(770)	(1,731)
(Increase)/Decrease in stock		1,870	870
(Increase)/decrease in debtors		(4,581)	(19,062)
(Decrease)/Increase in creditors		18,164	773
Net cash used in operating activities		<u>(437,299)</u>	<u>(390,665)</u>
2. Analysis of cash and cash equivalents and net debt			
	At 1 Jan 2024 £	Cash flow £	At 31 Dec 2024 £
Cash on short term deposit	94,485	215,869	310,354
Cash held in Investments	107,358	(12,591)	94,767
Net cash provided by operating activities	<u>201,843</u>	<u>185,714</u>	<u>405,121</u>

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

The Royal Artillery Institution is a company limited by guarantee incorporated in England and Wales. The registered office is Artillery House, Royal Artillery Barracks, Larkhill, Salisbury, SP4 8QT.

1.1 Basis of accounting

The financial statements have been prepared under the historic cost convention, with the exception of listed investments which are included at their market value. The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP(FRS102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The Royal Artillery Institution constitutes a public benefit entity as defined by FRS102.

1.2 Going Concern

The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

1.3 Investment income

Investment income is credited to the statement of financial activities when its receipt is probable and the amount receivable can be measured reliably. It is allocated to both restricted and unrestricted funds on the basis of an aliquot proportion across the whole portfolio.

1.4 Subscriptions, donations and legacies

Subscriptions and donations are recognised as income when the amounts are receivable.

Legacies are recognised when received or receipt is probable and the value can be measured with sufficient reliability.

1.5 Expenditure & support costs

Expenditure is recognised in the period in which it is incurred and includes attributable VAT which cannot be recovered.

Supports costs are those costs which have not been directly allocate to an activity of the charity but nevertheless support these activities.

1.6 Grant expenditure

Grants payable are payments made in furtherance of the charitable objects of the charity. These are accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the grant.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1.7 Fund accounting

Unrestricted funds are available to use to further any of the purposes of the charity.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or specific projects being undertaken by the charity.

1.8 Fixed asset investments

Fixed assets investments are stated at mid-market value. The unrealised movement in market value from one year to another is recognised in the statement of financial activities.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value.

1.10 Pensions

Staff are enrolled in a NEST pension scheme. Contributions are charged in the Statement of Financial Activities as they become payable.

1.11 Cash & cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.12 Assets not included within the balance sheet

The collection of chattels comprising of pictures, silver and furniture which have mainly been acquired through bequest, by purchase through subscription of the officers of the regiment and through property reverting to the charity upon disbandment of regiments is not included in the balance sheet as the historic cost of any assets purchased is not known and is considered likely to be immaterial.

The artefacts are largely held at the Royal Artillery Mess at Larkhill with others being held at other military messes, museums and other public bodies. The assets are held as part of the setting of the regiment for future generations.

The insurance value of these assets is £7.5 million.

1.13 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1.14 Critical estimate and judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are no critical estimates, judgements or key sources of estimation uncertainty in 2024 or 2023.

2 Donations and legacies inc SPGS

	2024	2023
	£	£
Officers' subscriptions (SPGS)	195,079	201,002
Soldiers' subscriptions (SPGS)	156,970	147,375
Donations	9,028	9,621
Intangible Income – Wages in Kind	96,847	91,211
	<u>457,924</u>	<u>449,209</u>

3 Charitable Activities Income.

	2024	2022
	£	£
RA Publications – Subscription	25,885	27,406
RA Publications – Advertising income	3,120	640
Grants (RAI & RACF)	95,721	101,580
Grants Received	65,991	95,000
Royalties	294	439
Investment Income	1,123	1,135
	<u>192,134</u>	<u>226,200</u>

4 Other Income

	2024	2023
	£	£
Sale of books	598	114
Receipts of Laid Down Wines	441	2,024
Bank Interest	148	-
	<u>1,187</u>	<u>2,138</u>

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2024

5. Charitable Activities - Grants Paid

	2024	2023
	£	£
Annual Allocations:		
The Gunner Magazine	6,137	6,128
Master Gunner's Expenses	7,177	9,335
RA Sports	187,800	207,010
RA HQ Mess	8,098	8,098
RA Central Sergeants Mess Fund	26,335	24,967
Support of Units - Unit Grants	74,125	71,596
Support to Senior/Commanding Officers and miscellaneous events	18,155	16,245
Recruiting	25,085	21,185
Regimental Expenses	39,176	36,778
Annual Contingency Reserve	18,801	22,890
	<u>410,889</u>	<u>424,232</u>
Other Grants:		
Adventurous Training	1,100	2,231
Regimental History VIII	-	1,596
Sandown Transport	13,871	12,576
Misc	1,081	(370)
Betterment Grants	23,954	1,523
	<u>40,006</u>	<u>17,556</u>
Grant to RAM	159,872	137,712
Total Grants Paid	<u>610,767</u>	<u>579,500</u>
Support Cost to Charitable Activities:		
Salaries	232,272	184,960
Employers Pension Contributions	19,977	12,009
Wages in Kind	96,847	91,211
	<u>349,096</u>	<u>288,180</u>
Presentation & Awards	5,512	5,830
Printing, postage & Stationery	3,473	2,984
Computer software/Hardware	5,741	9,011
Insurance	8,999	8,743
Chattels (maintenance)	9,190	8,027
Travelling & Entertainment	1,310	1,856
Miscellaneous	784	7,471
Audit Fees	9,294	10,411
Audit Fees Under Provision	-	82
Legal and Professional Fees	994	9,987
Total Support Costs	<u>45,297</u>	<u>64,402</u>
Total Charitable Activities	<u>1,005,160</u>	<u>932,082</u>

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2024

5 Charitable activities - Support Costs continued

The average number of persons employed by the Fund during the year was:

	2024 Number	2023 Number
Office and administration	7	6

There were no employees with emoluments above £60,000. The following payments were made to Key Management Personnel: £15,915 (2023: £16,021).

No trustees received out of pocket expenses in 2024 (2023: £46). No trustee received funds in respect of consultancy services to the charity (2023: NIL).

6 Investments

	2024 £	2023 £
<u>Quoted investments</u>		
Market value at 1 January	11,245,700	10,863,282
Purchases	2,905,018	2,893,195
Sales proceeds	(3,267,338)	(2,807,250)
Investment Management Fee	(54,639)	(52,013)
Net realised/unrealised Losses	755,586	497,217
Aliquot Changes	(5,286)	(5,111)
Cash movements	149,407	(36,263)
Market value at 31 December	11,728,448	11,353,057
Historical value at 31 December	9,990,647	10,0150,754

The following holdings exceeded 5% of the total portfolio value at 31 December 2024 and are considered material for the 2024 accounts.

Vanguard Fund PLC (7.08%)	£ 851,699
---------------------------	--------------

	2024 £	2023 £
<u>Investment/Cash Breakdown</u>		
Investments	11,633,681	11,245,699
Income Account	54,835	70,919
Dealing & Deposit Account	39,932	36,439
Market value at 31 December	11,728,448	11,353,057

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2024

7. Stocks

	2024	2023
	£	£
Medals and Swords	6,428	8,279
Books	6,272	6,291
	<u>12,700</u>	<u>14,570</u>

8. Debtors

	2024	2023
	£	£
Accrued Service Giving Income	29,704	29,749
Insurance on behalf of third parties	122	122
Investment Income	1,173	1,187
Sundry Debtors	19,473	18,158
CSM	3,325	-
	<u>53,797</u>	<u>49,216</u>

9. Cash at bank and in hand

	2024	2023
	£	£
Bank current accounts	310,354	94,485
	<u>310,354</u>	<u>94,485</u>

10. Creditors

	2024	2023
	£	£
Amounts falling due within one year:		
Gunner Investment Income	1,173	1,187
RAHT Investment Income	7,775	7,930
CSM Investment Income		4,803
Accrual - Audit and accountancy	9,852	10,410
Other Creditors	22,747	7,989
RHA Association	113,157	106,801
Red Cypher	45,700	43,120
	<u>200,404</u>	<u>182,240</u>

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2024

11. 2024 Restricted Fund

	Balance 1 January 24 £	Incoming Resources £	Outgoing Resources £	Net gains on Investment £	Balance at 31 December 24 £
Baxter Fund	969,357	16,541	(600)	62,613	1,047,911
Regimental Church	16,980	-	-	-	16,980
Royal Artillery Church Refurbishment	10,500	-	-	-	10,500
Total	996,837	16,541	(600)	62,613	1,075,391

2023 Restricted Fund

	Balance 1 January 23 £	Incoming Resources £	Outgoing Resources £	Net losses Gain on Investment £	Balance at 31 December 23 £
Baxter Fund	939,201	17,449	(28,299)	41,006	969,357
Regimental Church	16,980	-	-	-	16,980
Royal Artillery Church Refurbishment	10,500	-	-	-	10,500
Total	966,681	17,449	(28,299)	41,006	996,837

The Baxter Fund is restricted for the benefit of the King's Troop, Royal Horse Artillery. The Regimental Church Fund is restricted for the benefit of Regimental Church. The RA Church Refurbishment is restricted for the refurbishment of the RA Larkhill Garrison Church.

The transfer corrects the presentation of the balance due to the Royal Horse Artillery Association, which is included within creditors.

12. Analysis of net assets between funds

	2024		Net
	Investments	Current (liabilities)/ assets	Total
	£	£	£
Restricted funds:			
Baxter Fund	971,884	76,027	1,047,911
Regimental Church Fund	-	16,980	16,980
RA Church Refurb	-	10,500	10,500
	<u>971,884</u>	<u>103,507</u>	<u>1,075,391</u>
Unrestricted funds:			
General Fund	<u>10,756,564</u>	<u>75,440</u>	<u>10,832,004</u>
	<u>11,728,448</u>	<u>178,947</u>	<u>11,907,395</u>

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2024

Analysis of net assets between funds	2023		Net Total £
	Investments £	Current (liabilities)/ assets £	
Restricted funds:			
Baxter Fund	940,335	29,022	969,357
Regimental Church Fund	-	16,980	16,980
RA Church Refurb	-	10,500	10,500
	940,335	56,502	996,837
Unrestricted funds:			
General Fund	10,412,722	(78,741)	10,333,981
	11,353,057	(22,239)	11,330,818

14. Related party transactions

Income of £352,049 (2023: £348,377) was received from the Royal Artillery General Charitable Trust (RAGCT) of which both charities have a number of trustees in common. This Income relates to accrued Income from the Service Giving Scheme, which were voluntary contributions from service personnel.

Income of £7,775 (2023: £7,930) was received on behalf of Royal Artillery Historical Trust of which both charities have a number of trustees in common or who have the right to become a trustee of both. This Income relates to Interest earned on Investments.

Income of £15,596 (2023: £14,729) was received on behalf of the Central Sergeant Mess (CSM) of which the Royal Artillery Sergeant Major (RASM) is an member of the Royal Artillery Institution (RAI) and the Chair of the Central Sergeant Mess. This Income relates to Interest on Investments.

At the year end, balances due to and from related entities are disclosed in notes 8 and 10.

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2024

17. Prior Year Comparatives for the Statement of Financial Activities Income and Expenditure

	Notes	Unrestricted The RAI Funds £	Unrestricted Gunner Funds £	Restricted The RAI Funds £	2023 Combined Total
Income					
Donations and legacies inc SPGS	2	406,431	42,778	-	449,209
Investment income		263,911	1,135	17,449	282,495
Charitable Activities	3	182,019	44,181	-	226,200
Other Income	4	2,138	-	-	2,138
<u>Total income before Expenditure</u>		854,499	88,094	17,449	960,042
<u>Expenditure on:</u>					
Raising funds		52,652	41,141	-	93,793
<u>Net funds available for charitable activities</u>		801,847	46,953	17,449	866,249
Charitable Activities inc Grants paid and payable	5	887,036	45,046	-	932,082
Baxter Fund Grants		-	-	28,299	28,299
<u>Total expenditure</u>		887,036	45,046	28,299	960,381
Net (expenditure)/Income for the year before gains on		(85,189)	1,907	(10,850)	(94,132)
Investments					
Net (losses)/gains on investment assets		453,406	2,805	41,006	497,217
Net (expenditure)/Income		368,217	4,712	30,156	403,085
Transfers		-	-	-	-
Net Movement in Funds		368,217	4,712	30,156	403,085
Total funds brought forward		9,889,345	71,707	966,681	10,927,733
Total funds carried forward		10,257,562	76,419	996,837	11,330,818

ROYAL ARTILLERY INSTITUTION LIMITED

England & Wales - Charity number 1122002

Accounts



THE ROYAL ARTILLERY INSTITUTION LIMITED

(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Registered Charity No: 1122002

Registered Company No: 6446232

ROYAL ARTILLERY INSTITUTION LTD

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THE ROYAL ARTILLERY INSTITUTION LTD

TRUSTEES AND ADMINISTRATIVE INFORMATION

RAI Trustees During the year ended 31 December 2023, and up to date of approval of this report, the trustees were:

Chairman

Major General DM Cullen CB OBE - Chairman

Members

Brigadier NA Clissitt
Brigadier RN Alston (Appointed 26 August 2023)
Colonel DM Bishop MBE VR
Colonel RJ Christopher (Retired 4 September 2023)
Colonel CL Coton (Appointed 20 September 2023. Retired 6 May 24)
Colonel MAA Dornan
Colonel RA Forster (Appointed 9 October 2023)
Colonel RC Harmer ADC
Colonel S I Hay (Appointed 22 April 2024)
Colonel BMD Ingham (Appointed 22 November 2023)
Colonel C Palmer (Retired 17 October 2023)
Colonel G Taylor (Retired 28 July 2023)
Lieutenant Colonel JRM Gower MBE VR
Lieutenant Colonel SJR Halliday TD
Major MG Williams
WO1 (RASM) J Lightfoot (Appointed 31 May 2024)
WO1 (RASM) L Sanders (Retired 31 May 2024)

A number of trustees are also involved in the governance of other charities referred to in this report. All trustees have made a declaration listing any related parties and potential conflicts of interest.

Regimental Secretary	Colonel (Retd) M G J Carter	Bankers:
Bankers	Lloyds Bank PLC 39 Piccadilly London W1V 0AA	
Solicitors	Wilson's Solicitors Alexandra House, St John's Street Salisbury Wiltshire SP1 2SB	
Auditors	Saffery LLP 71 Queen Victoria Street London EC4V 4BE	
Investment Managers	Brewin Dolphin 12 Smithfield Street London EC1A 9BD	

THE ROYAL ARTILLERY INSTITUTION LTD

TRUSTEES AND ADMINISTRATIVE INFORMATION CONTAINED

Address Royal Artillery Barracks
Larkhill, Salisbury
Wiltshire SP4 8QT

Registered Charity No

1122002

Company No

6446232

THE ROYAL ARTILLERY INSTITUTION LTD

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Introduction

The Board of Trustees of The Royal Artillery Institution Ltd¹ (RAI) present their report and accounts for the year ended 31 December 2023 as required under the Companies Act 2006. The accounts comply with the Companies Act 2006, the charity's governing document and the relevant Statement of Recommended Practice (the Charities SORP (FRS 102)). The RAI is a charitable company, limited by guarantee and not having share capital. It is governed by Articles of Association. The Trustees' Report incorporates the directors' report for Companies Act purposes.

Objects

The object of the charity, as described in its Articles of Association, is the promotion of the efficiency of the Royal Regiment of Artillery and the Officers, Warrant Officers and Other Ranks thereof. The charity meets that requirement by making grants to regiments, individuals and other regimental organisations in support of regimental affairs. Regimental affairs are those matters which are essential to the domestic life of the Regiment as a whole and which are controlled by the Regiment itself, subject to the requirements of prevailing legislation. The following activities are included: regimental property; regimental ceremonies, events and entertainment; educational, historical and heritage affairs; support to units and individuals, regimental sports and adventurous training, publications; supplementary support for Royal Artillery bands; policy for regimental matters such as dress, messes, heritage and ceremonial, all of which are supported by grants from the charity. Regimental welfare and the fostering of comradeship among all Gunners, serving and retired, are the responsibility of the Royal Artillery Charitable Fund (RACF) and Royal Artillery Association (RAA).

Organisation

The duties of the RAI Board of Trustees are laid down in the Articles of Association. The Board members provide a skills-based set of abilities and experience with some representing the serving officers and soldiers of the Regiment. The RAI works closely with a number of other charities, in particular the Royal Artillery General Charitable Trust (RAGCT), RACF and RAA, whose objects also support and promote efficiency within the Royal Artillery. The Board of Trustees meets at least twice a year as part of the Royal Artillery Board of Management alongside the trustees of the RACF / RAA. The RACF is the sole corporate trustee of the RAA. Subordinate to the Board of Trustees are the Investment Committee and a Finance and General Purposes Committee. These committees comprise trustees from both RAI and RACF, who have been co-opted for their skills and knowledge, so as to ensure that high quality advice may be provided to the RAI Board. The reports of these committees form part of the agenda of the meetings of the RAI Board of Trustees. The trustees form the membership of the RAI. The Master Gunner's Committee sets the strategic framework for the Regiment and acts as an advisory board to the RAI Board of Trustees as required. The Chairman of the RAI is a member of the Master Gunner's Committee and updates the committee biannually on business undertaken by the Royal Artillery Board of Management.

The RAI works closely with other Royal Artillery charities and organisations that support and promote the Royal Artillery's heritage and traditions, most notably the Royal Artillery Historical Trust, the Royal Artillery Historical Society and the Royal Artillery Museum.

1. While the Charity Commission and Companies House websites show the name of the company / charity as 'Royal Artillery Institution Limited', its correct title in accordance with its Articles of Association is 'The Royal Artillery Institution Ltd'.

THE ROYAL ARTILLERY INSTITUTION LTD

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Governance

In addition to the Articles of Association, the Investment and Finance & General-Purpose committees have their own directives, which are reviewed and agreed regularly by the trustees. Powers delegated to the Secretariat are contained in the directives. Secretariat policies, which are agreed by the trustees, are in place in order to ensure smooth and effective running of the charity. The charity's risk register is reviewed annually by the trustees. Identified risks are managed as laid down in the Risk Management Plan. For specific items, detailed briefs are sent to the trustees so they can consider issues in depth before meetings. Trustees also receive regular reports on the value and movement of the charity's investment portfolio. The Chairman of the trustees and the Regimental Secretary meet regularly (usually weekly) to discuss issues.

Charity Commission Governance Code

The RAI as one of the Royal Artillery charities, comes under the umbrella of the Confederation of Service Charities (Cobseo). Cobseo, in consultation with the Charity Commission, have produced a Service Charity toolkit based on the 2017 Charity Commission Governance guide. The trustees carried out a self-assessment process using the toolkit during 2019. This enabled the Board to identify a number of enhancements which can be considered to improve governance. This included a resolution to limit the tenure of trustees. The self assessment was repeated in 2022. Overall this showed an improvement since 2019 but identified some areas for further review. A further review will be conducted in 2025.

Selection of Members of the RAI Board of Management

The Articles of Association state the process for the appointment of trustees. New trustees are appointed by Resolution of the existing trustees. Trustees are normally serving and retired members of the Royal Artillery.

The Master Gunner St James's Park is the Head of the Regimental Family, but he is not a trustee. The Master Gunner proposes the Chairman, who will normally have been a Colonel Commandant. The appointment of the Chairman is then approved by resolution of the existing trustees. Trustees are selected for their skills and experience and their ability to understand and anticipate the needs of the serving and retired regiment. The trustees will normally include the Commandant, Royal School of Artillery, Commander 7 Air Defence Group, , Deputy Commander 1st Deep Reconnaissance Strike Brigade Combat Team, and the Royal Artillery Sergeant Major, who between them represent the interests of serving Gunner soldiers and officers. Veterans and family beneficiaries are represented by both serving and retired trustees.

Key Management Personnel

The Regimental Secretary is the Chief Executive of the RAI and is responsible for: the day-to-day management of the charity's business; implementing policies agreed by the trustees and; the management of the charity's staff. The Finance Secretary is responsible to the Regimental Secretary for the accounting of funds and all financial records. The Assistant Regimental Secretary leads on day to day activities and acts as staff officer to the Master Gunner.

Review of Financial Activities

The charity's funds continue to be employed to promote efficiency within the Royal Artillery. The detailed results for the year under review are shown in the Statement of Financial Activities at page 15. In 2023 the charity had an excess of expenditure over income, before gains on investments, of £94,132 (2022: expenditure over income, before losses on investments, £88,028).

THE ROYAL ARTILLERY INSTITUTION LTD

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Review of Financial Activities continued

After investment gains of £497,217 (2022: losses of £1,665,789) there was a net increase in funds of £403,085 (2022: net decrease of £1,753,817).

Total income increased by £125,785 in the last financial year to £960,042 mainly due to an increase in grants received.

- A large grant from the Army Sports Control Board, covering 2022 and 2023, was received in 2023 for £95,000 to assist in the support to Gunner sport. There was also an increase in grants from the RACF for support to sport. Sporting activities has increased significantly in 2023.
- Investment income from the portfolio achieved in excess of the budgeted £260,000, the total being £282,495 (the excess being retained in the portfolio). Despite the increase of investment value, investment income fell by £19,461 due to decrease in dividend payments from stock.
- There were no legacies received in 2023 but 189 donations totalling £9,621 (2021: 202 totalling-£10,389). The majority of donations arise from contributions from the Unity Lottery and from historic standing orders for Gunner Magazine, where recipients have requested to no longer receive the publication but have chosen not to cancel their standing orders.
- Income collected through the Service Pay Giving Scheme from serving members of the Regiment has increased by £6,223.

There are four main income streams. They are:

- Service Pay Giving Scheme (SPGS), where all serving personnel are encouraged to give part of their pay to the charity
- Investment income
- Grants
- Donations

The majority of funding comes from SPGS (36%) and the investment income (29%). The RAI drew down £260,000 of investment income, which was in line with the budget for 2023. The balance of income from investments (£22,495) was reinvested within the portfolio.

General charitable expenditure increased by £127,043 to £932,082 (2022: £805,039). Overall there was a general increase of expenditure and uplift in grants due to inflation and the cost of living crisis. Sports expenditure increased in support of increased activity. There was increased support to regimental heritage, including the preservation and restoration of artefacts and support to the regimental archives. There were also increases to support costs due incremental pay awards, cost of living allowance and the employment of a Media & Comms director. and legal advice. The remainder is accounted by increased draw down on the Baxter Fund.

The trustees approve the forecast of income and expenditure annually and monitor it regularly through the Finance & General Purpose Committee and at Board meetings.

Bids for major grants are called for annually and are scrutinised as part of the budgetary process. Grants made by the Chairman of the Board and Regimental Secretary under their delegated financial powers are subsequently reported to the trustees.

The RAI's object is the promotion of efficiency within the Royal Regiment of Artillery. This follows the Charity Commission's guidance on legitimate charitable purposes, one of which is "*The promotion of the efficiency of the armed forces of the Crown*".

THE ROYAL ARTILLERY INSTITUTION LTD

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Charitable Activities

The Charity Commission states: *"The armed forces exist for public defence and security. It is charitable to promote the efficiency of the armed forces of the Crown as a means of defending the country. That includes ensuring that those forces are properly trained and equipped during times of conflict. It also includes providing facilities and benefits for the armed forces"*.

The charity's principal activity during the year was the provision of grants to promote efficiency. During the year the RAI made the following major grants in support of regimental events and activities judged by the trustees as conducive to the promotion of efficiency within the Royal Artillery:

- Royal Artillery sports teams - £207,010 (Including £86,580 from RACF)
- Regimental heritage - £137,712
- Regimental grants - £71,596
- Gunner magazine & RA Journal within raising funds- £41,141
- RA HQ Messes - £23,848
- Regimental Expenses (Regimental ceremonial and commemorative, other events and Dinners) - £23,059
- Recruiting - £21,185

Details of additional grants can be found on page 21.

The RAI holds and maintains a collection of chattels comprising pictures, silver and furniture which have been acquired by bequest, by purchase through subscription of the officers of the Regiment and through property being held by the charity following the disbandment of regiments and the placing in suspended animation of individual Batteries (a process that has been on-going since the end of the 2nd World War). The charity loans items to regiments, headquarters and some individual officers in representational roles and these are accounted for annually. There are also a number of items on loan to regiments from the Royal Artillery Museum which are also monitored by the charity in order to ensure suitable insurance is in place.

Accounting for the Collection is the principal responsibility of the Assistant Regimental Secretary who continues to review the holdings and maintain the database as additional items are received or loaned out. Much of the Collection (which totals more than 13,000 artefacts) is held in the Royal Artillery Mess at Larkhill where it imbues a sense of historical continuity, ethos and tradition to members of the regiment, past and present, other items are loaned to other Royal Artillery messes, other military messes, museums and other public bodies, in all totalling some 120 different locations.

In addition to the above, the RAI continues to provide staff to support the Master Gunner, the Master Gunner's Committee and the Royal Artillery Board of Management in their representative and stewardship roles within the Royal Regiment.

Public Benefit

The Objects of the RAI are to promote efficiency within the serving Regiment Inextricably linked with this Object is the aim of contributing to the public good by service to the Sovereign, the Country and all its citizens. In addition contributes a significant sum towards the preservation of regimental heritage, which in itself contributes to the history and heritage of the nation. The trustees have taken due regard of the Charity Commission's guidance on Public Benefit.

Future Plans

The charity has a sound financial base for future operations. The trustees will continue to support the evolving needs of the Royal Artillery and in particular the outcome of the Master Gunner St James's Park's Strategic Review which has six workstreams. The trustees will continue to respond to changes brought about under the workstreams, which are: Governance; People & Ethos; Operational Purpose & Distinctive Competencies; Heritage and; Charities & Veterans.

In 2020 the trustees agreed to earmark £1.5M of capital funds for future transfer to the Royal Artillery Museum (RAM). Of this £500K was to have been in the form of a grant and £1.0M in the form of a loan. Although the offer of this sum has now been withdrawn following the retraction of the offer of a suitable site for the museum, the trustees are likely to consider making a similar level of funding available in the future once the conditions upon which the original offer was made are met. The current situation is that a revised plan has been approved in principle by the Master Gunner's Committee and a new site approved by the Chief of the General Staff. Trustees will be invited to reconsider a revised bid for funding in 2024 .

Reserves Policy

The trustees' policy is to maintain a sufficient level of reserves to: provide a stable base and income generation for the charity's continuing activities; generate sufficient funds to cover routine management and administrative costs and; enable the charity to respond to any emergency applications for grants which may arise from time to time.

Total funds as at 31 December 2023 were £11,330,818 (2022: £10,927,733).

Unrestricted reserves were £10,333,981 (2022: £9,961,052) of which are all free reserves.

Restricted Funds were £996,837 (2022: £966,681) and comprises of Baxter Fund - £969,357; Regimental Church - £16,980 and RA Church Refurbishment - £10,500 of which a large proportion is represented by investments.

Our risk-based approach to determining our free reserves requirement is carried out, based on the anticipated future needs of the regimental family, and the management of financial risks, particularly the uncertainty of future income from other sources. The effect on the charity's investments as a result of the situation in Ukraine demonstrates the benefit of maintaining strong reserves in order to be able weather such market fluctuations while maintaining required levels of investment income.

Trustees review the level of reserves regularly to ensure funds are available to deliver the charities object, and to secure, as far as possible, future financial viability. Our annual review of reserves included assessing the impact of the invasion of Ukraine and the cost of living crisis on our business plans, projected income and expenditure, and on our investments.

Following that review, we determined that we should hold a minimum of £9,500,000 in free reserves to be assured that we are able to sustain the support we provide to the regimental family in the long term as well as meet other obligations, irrespective of fluctuations in income and without creating the need to actively fundraise. This sum, held as part of our investment portfolio, is judged to be capable of generating sufficient investment income to meet foreseeable needs. This sum, held as part of our investment portfolio, is judged to be capable of generating sufficient investment income to meet foreseeable needs. With free reserves of £10,333,981 currently exceed this requirement. The trustees are content that the additional funds we hold provide ability to disinvest in order to support major capital projects if and when required, but in the meantime are held as investments generating additional income.

THE ROYAL ARTILLERY INSTITUTION LTD

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Reserves Policy continued

In 2023 the investment portfolio generated £282,495 for the charity, of which RAI received £260,000 as in-year income. The balance of £22,495 was reinvested into the portfolio. The £260,000 was 29% of total income received.

Without this level of income the charity's activities would be significantly curtailed.

Trustees believe that investments should be maintained at the current levels, in order to generate income and provide for current needs whilst ensuring the charity remains well placed to meet future requirements. The trustees recognise that they have no long term mandated liability for any particular level of financial grants or activity. They therefore have the ability to reduce expenditure to match income in the event of income reducing.

Investment policy

The trustees' Investment Committee meets twice a year to consider the performance of the RAI's investments which are managed on a discretionary basis by Brewin Dolphin. The investment objective is to create sufficient income and capital growth to enable the charities to carry out their charitable objectives. The charity is expected to exist in perpetuity and investments are managed to meet the investment objective and ensure this sustainability.

The charity's funds are invested on an aliquot proportion in the same funds as the other Gunner welfare / efficiency charities. This is in order to achieve economies of scale in relation to investment costs. The trustees have given the fund managers discretion to manage the portfolio within an agreed risk profile and against agreed benchmarks. This is contained in a written directive.

At the bi-annual meeting with the investment managers the Investment Committee considers the state of the financial markets and measures the fund managers' on-going performance against specific agreed benchmarks, namely 25% FTSE All Share Index, 35% MSCI World ex UK Index, 10% MSCI Emerging Markets Index, 7.5% FTSE All Stocks Gilt Index, 5% iBoxx Sterling Non-Gilts Index, 10% IPD UK All Balanced Funds Index, 5% Alternative (IA Sector Targeted Absolute Return) and 2.5% Cash (Sterling Overnight Index Average). Having compared performances over the last 1, 3 and 5 years, the Investment Committee are of the view that the investments have done reasonably well in relation to the market and relevant benchmarks over the long term, and that there is currently no case to prompt a change of investment policy. The performance of the fund manager will be subject to annual review.

Environmental Governance and Social Considerations

The RAI's investments are not managed with any specific environmental, social and governance (ESG) restrictions. However it is expected that the RA charities' investment managers have clearly defined ESG investment policies and that the investments are managed by an investment company which is a signatory the UN Principles of Responsible Investment and which takes account of Environmental, Social and Governance (ESG) factors in their research and investment decision making process.

Fundraising

The trustees are very clear that all fundraising must be legal, open, honest and respectful. The charity does not actively engage in regular and organised fundraising, although it does receive donations and legacies. It receives the bulk of its income through investments and the Royal Artillery's 'service giving scheme'. The facility exists for individuals or organisations to make voluntary donations online. The charity does not work with any commercial partner or professional fundraisers except in order to operate an online donation facility such 'Enthuse' and 'Just Giving'. When donations are received they

Fundraising continued

are mainly as a result of advertisements on the Gunner website and publications, and from open, group briefings to members of the serving Regiment. In addition, regiments and other Gunner organisations are encouraged to engage in sponsored activities to raise funds. The charity does not solicit funds through direct approaches to individuals via mailshots or online unless consent has been obtained.

No complaints were received in 2023.

Trustee Training

Trustee responsibilities and necessary training are taken very seriously. All new members of the trustee board are briefed by the Regimental Secretary on their roles and responsibilities. They are provided with the Charity Commissioners handbook "The Essential Trustee" as well as a copy of the Scheme. Recent RAI accounts, meeting, minutes and policy documents are also provided. Trustee briefings and training take place and members of the Board are encouraged to attend external trustee training and investment briefs.

Risk Management

The trustees maintain a continuous oversight of the principal areas of the charity's operations and the major risks, which may arise in these areas. In the opinion of the trustees the charity has established resources and review systems which, under normal conditions, should allow the risks identified to be mitigated to an acceptable level. A risk management plan is produced and approved by trustees each year and managed actively by the trustees, the Regimental Secretary and his staff. The main risks are:

- Insufficient income to meet the need: This is managed by careful budgeting, the investment and reserves policy and by controlling the level of support provided to beneficiaries.
- Fraud: This is guarded against by having policies in place to ensure regular checks are made and that all transactions are properly authorised by two signatories.
- Conflict of interest amongst trustees. A register of trustee interests is kept and updated annually. At the start of committee and Board of Management meetings, trustees are reminded to declare any conflict arising from the agenda so that appropriate action can be taken.
- Reputational damage arising from activities. This is mitigated by oversight of activities by the trustees and senior management.

Remuneration Policy

No trustee is paid as an employee or for services as a trustee, though travel and subsistence costs incurred as a trustee are reimbursed. The trustees review staff salaries annually and take into account the MoD pay awards for similar grades, when recommending any pay increases.

Employees

The RAI aims to be an organisation for which employees enjoy working and where they feel supported, valued, empowered and developed. Employees are kept fully informed about the aims and objectives of the charity and how it is achieving them. Employees are encouraged to contribute suggestions to help improve working processes and to achieve best practice. The charity is an equal opportunities employer and is committed to training and developing its staff.

THE ROYAL ARTILLERY INSTITUTION LTD

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Trustees' Liability

The liability of RAI trustees for debts of The Royal Artillery Institution Ltd is limited to an amount not exceeding one pound.

Statement of Trustees' Responsibilities

The trustees (who are also directors of the RAI for the purposes of Company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable charity and company law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice (UK GAAP)).

The Company and Charity law applicable in England & Wales and UK GAAP requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company. This includes details of income and expenditure and the application of resources for the period. In preparing these financial statements, the trustee are required to:

- select suitable accounting policies and then apply them consistently;
- adhere to the methods and principles in the Charities Statement of Recommended Practice (Charities SORP (FRS 102));
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures which are to be disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the charity will continue in business.

The trustees are also responsible for safeguarding the assets of the charity, including taking reasonable steps to prevent and detect fraud and other irregularities.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with: the Companies Act 2006; the charity's governing document; the Charities Acts 2011 and; the SORP applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)).

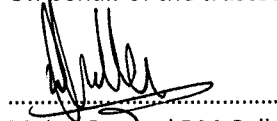
Statement as to Disclosure of Information to Auditors

In so far as the trustees are aware:

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

This report has been prepared under the special provisions of Part 15 of the Companies Act 2006.

On behalf of the trustees **12 June 2024**



Major General DM Cullen CB OBE
Chairman RAI Board of Trustees

THE ROYAL ARTILLERY INSTITUTION LTD

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

Opinion

We have audited the financial statements of Royal Artillery Institution Ltd for the year ended 31 December 2023 which comprise the statement of financial activities, balance sheet, cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The 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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have

THE ROYAL ARTILLERY INSTITUTION LTD

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies exemption in preparing the Trustees' Annual Report and the Strategic Report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 3-10, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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

THE ROYAL ARTILLERY INSTITUTION LTD

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with informed management, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with informed management and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

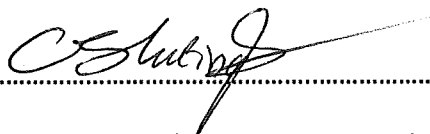
A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

THE ROYAL ARTILLERY INSTITUTION LTD

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Cara Turtington (Senior Statutory Auditor)
For and on behalf of Saffery LLP

Chartered Accountants
Statutory Auditors
71 Queen Victoria Street
London
EC4 4BE

Date: 12 June 2024

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

THE ROYAL ARTILLERY INSTITUTION LTD

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) FOR THE YEAR ENDED 31 DECEMBER 2023

<u>Income and Expenditure</u>	Notes	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
Income					
Donations and legacies inc SPGS	2	449,209	-	449,209	439,042
Investment income		265,046	17,449	282,495	301,956
Charitable Activities	3	226,200	-	226,200	92,952
Other Income	4	2,138	-	2,138	307
Total income before Expenditure		942,593	17,449	960,042	834,257
<u>Expenditure on:</u>					
Raising funds		93,793	-	93,793	93,090
Net funds available for charitable activities		848,800	17,449	866,249	741,167
Charitable Activities inc Grants paid and payable	5	932,082	-	932,082	805,039
Baxter Fund Grants		-	28,299	28,299	24,156
Total expenditure		932,082	28,299	960,381	829,195
Net (expenditure)/income for the year before gains on		(83,282)	(10,850)	(94,132)	(88,028)
Investments					
Net (losses)/gains on investment assets		456,211	41,006	497,217	(1,665,789)
Net (expenditure)/income		372,929	30,156	403,085	(1,753,817)
Transfers	11	-	-	-	-
Net movement in funds		372,929	30,156	403,085	(1,753,817)
Total funds brought forward		9,961,052	966,681	10,927,733	12,681,550
Total funds carried forward		10,333,981	996,837	11,330,818	10,927,733

The notes on pages 18 to 25 form part of these financial statements

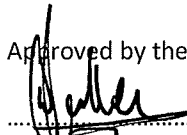
THE ROYAL ARTILLERY INSTITUTION LTD

BALANCE SHEET AT 31 DECEMBER 2023

		2023	2022
		£	£
<u>Fixed assets</u>			
Investments	6	11,353,057	10,863,279
		<u>11,353,057</u>	<u>10,863,279</u>
<u>Current assets</u>			
Stocks	7	14,570	15,440
Debtors	8	49,216	30,249
Prepayment		1,730	-
Cash at Bank and in hand	9	94,485	200,232
		<u>160,001</u>	<u>245,921</u>
<u>Current liabilities</u>			
Creditors: Amounts falling due within one year	10	(182,240)	(181,467)
Net current assets		(22,239)	64,454
Total assets less current liabilities		<u>11,330,818</u>	<u>10,927,733</u>
<u>Funds</u>			
Unrestricted Funds		10,333,981	9,961,052
Restricted Funds	11	996,837	966,681
		<u>11,330,818</u>	<u>10,927,733</u>

The notes on pages 18 to 25 form part of these financial statements.

Approved by the trustees on **12 June** 2024


Major General DM Cullen CB OBE

Chairman

The RAI Board of Trustees

Company number: 6446232

THE ROYAL ARTILLERY INSTITUTION LTD

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	<u>2023</u> £	<u>2022</u> £
Net cash used in operating activities	1	(390,665)	(464,707)
<u>Cash flows from investing activities</u>			
Dividends, interest and rents from investments		282,495	301,956
Purchase of investments		(2,893,195)	(3,479,788)
Proceeds from sale of investments		2,807,250	3,266,535
Net cash used in investing activities		<u>196,550</u>	<u>88,703</u>
Net decrease in cash & cash equivalents		(194,115)	(376,004)
Cash & cash equivalents at the beginning of the year		395,958	771,962
Cash and cash equivalents at end of the year	2	<u><u>201,843</u></u>	<u><u>395,958</u></u>

Notes to the cash flow statement

1.	Reconciliation of net movement in funds to net cash flow from operating activities	2023 £	2022 £	
	Net movement in funds	403,086	(1,753,817)	
	Loss/(gain) on investments	(497,217)	1,665,789	
	Investment income	(282,495)	(301,956)	
	Increase in investments due to changes in aliquot	5,111	(735)	
	(Increase)/Decrease in prepayments	(1,731)	-	
	(Increase)/Decrease in stock	870	(397)	
	(Increase)/decrease in debtors	(19,062)	(154)	
	(Decrease)/Increase in creditors	773	(73,437)	
	Net cash used in operating activities	<u>(390,665)</u>	<u>(464,707)</u>	
2.	Analysis of cash and cash equivalents and net debt	At 1 Jan 2023 £	Cash flow £	At 31 Dec 2023 £
	COIF Charities Deposit	-	-	-
	Cash on short term deposit	200,232	(105,747)	94,485
	Cash held in Investments	195,726	(88,368)	107,358
	Net cash provided by operating activities	<u>395,958</u>	<u>(194,115)</u>	<u>201,843</u>

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

The Royal Artillery Institution is a company limited by guarantee incorporated in England and Wales. The registered office is Artillery House, Royal Artillery Barracks, Larkhill, Salisbury, SP4 8QT.

1.1 Basis of accounting

The financial statements have been prepared under the historic cost convention, with the exception of listed investments which are included at their market value. The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP(FRS102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The Royal Artillery Institution constitutes a public benefit entity as defined by FRS102.

1.2 Going Concern

The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

1.3 Investment income

Investment income is credited to the statement of financial activities when its receipt is probable and the amount receivable can be measured reliably. It is allocated to both restricted and unrestricted funds on the basis of an aliquot proportion across the whole portfolio.

1.4 Subscriptions, donations and legacies

Subscriptions and donations are recognised as income when the amounts are receivable.

Legacies are recognised when received or receipt is probable and the value can be measured with sufficient reliability.

1.5 Expenditure & support costs

Expenditure is recognised in the period in which it is incurred and includes attributable VAT which cannot be recovered.

Supports costs are those costs which have not been directly allocate to an activity of the charity but nevertheless support these activities.

1.6 Grant expenditure

Grants payable are payments made in furtherance of the charitable objects of the charity. These are accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the grant.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1.7 Fund accounting

Unrestricted funds are available to use to further any of the purposes of the charity.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or specific projects being undertaken by the charity.

1.8 Fixed asset investments

Fixed assets investments are stated at mid-market value. The unrealised movement in market value from one year to another is recognised in the statement of financial activities.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value.

1.10 Pensions

Staff are enrolled in a NEST pension scheme. Contributions are charged in the Statement of Financial Activities as they become payable.

1.11 Cash & cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.12 Assets not included within the balance sheet

The collection of chattels comprising of pictures, silver and furniture which have mainly been acquired through bequest, by purchase through subscription of the officers of the regiment and through property reverting to the charity upon disbandment of regiments is not included in the balance sheet as the historic cost of any assets purchased is not known and is considered likely to be immaterial.

The artefacts are largely held at the Royal Artillery Mess at Larkhill with others being held at other military messes, museums and other public bodies. The assets are held as part of the setting of the regiment for future generations.

The insurance value of these assets is £7.5 million.

1.13 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1.14 Critical estimate and judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision effects both current and future periods.

There are no critical estimates, judgements or key sources of estimation uncertainty in 2023 or 2022.

2 Donations and legacies inc SPGS

	2023	2022
	£	£
Officers' subscriptions (SPGS)	201,002	195,770
Soldiers' subscriptions (SPGS)	147,375	146,384
Donations	9,621	10,389
Intangible Income – Wages in Kind	91,211	86,499
	<u>449,209</u>	<u>439,042</u>

3 Charitable Activities Income.

	2023	2022
	£	£
RA Publications – Subscription	27,406	30,037
RA Publications – Advertising income	640	1,100
Grants (RAI & RACF)	101,580	60,377
Grants Received	95,000	-
Royalties	439	310
Investment Income	1,135	1,128
	<u>226,200</u>	<u>92,952</u>

4 Other Income

	2023	2022
	£	£
Sale of books	114	293
Receipts of Laid Down Wines	2,024	14
	<u>2,138</u>	<u>307</u>

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2023

5. Charitable Activities - Grants Paid

	2023	2022
	£	£
Annual Allocations:		
The Gunner Magazine	6,128 ✓	6,125
Master Gunner's Expenses	9,335 ✓	7,068
RA Sports	207,010 ✓	153,665
RA HQ Mess	8,098 ✓	12,313
RA Central Sergeants Mess Fund	24,967 ✓	22,190
Support of Units - Unit Grants	71,596 ✓	65,980
Support to Senior/Commanding Officers and miscellaneous events	16,245 ✓	14,858
Recruiting	21,185 ✓	24,105
Regimental Expenses	36,778 ✓	36,613
Annual Contingency Reserve	22,890 ✓	22,535
	<u>424,232</u>	<u>365,452</u>
Other Grants:		
Adventurous Training	2,231	550
Regimental History VIII	1,596	36
Sandown Transport	12,576 ✓	11,700
Misc	(370)	1,718
Betterment Grants	1,523 ✓	-
	<u>17,556</u>	<u>14,004</u>
Grant to RAM	137,712 ✓	122,211
Total Grants Paid	<u>579,500</u>	<u>501,667</u>
Support Cost to Charitable Activities:		
Salaries	184,960	153,461
Employers Pension Contributions	12,009	10,039
Wages in Kind	91,211	86,499
	<u>288,180</u>	<u>249,999</u>
Presentation & Awards	5,830	7,148
Printing, postage & Stationery	2,984	2,999
Computer software/Hardware	9,011	3,651
Insurance	8,743	4,797
Chattels (maintenance)	8,027	10,462
Travelling & Entertainment	1,856	409
Miscellaneous	7,471	1,116
Audit Fees	10,411	10,448
Audit Fees Under Provision	82	216
Legal and Professional Fees	9,987	12,127
Total Support Costs	<u>64,402</u>	<u>53,373</u>
Total Charitable Activities	<u>932,082</u>	<u>805,039</u>

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2023

5 Charitable activities - Support Costs continued

The average number of persons employed by the Fund during the year was:

	2023 Number	2022 Number
Office and administration	6	5

There were no employees with emoluments above £60,000. The following payments were made to Key Management Personnel: £16,021 (2022: £13,894).

One trustee received out of pocket expenses of £46 in 2023 (2022: NIL). No trustee received funds in respect of consultancy services to the charity (2022: NIL).

6 Investments

	2023 £	2022 £
<u>Quoted investments</u>		
Market value at 1 January	10,863,282	12,514,425
Purchases	2,893,195	3,479,788
Sales proceeds	(2,807,250)	(3,266,535)
Investment Management Fee	(52,013)	(53,842)
Net realised/unrealised Losses	497,217	(1,665,789)
Aliquot Changes	(5,111)	735
Cash movements	(36,263)	(145,503)
Market value at 31 December	11,353,057	10,863,279
Historical value at 31 December	10,015,754	9,639,755

There was no holding exceeded 5% of the total portfolio value at the 31st December 2023.

	2023 £	2022 £
<u>Investment/Cash Breakdown</u>		
Investments	11,245,699	10,667,553
Income Account	70,919	32,601
Dealing & Deposit Account	36,439	163,125
Market value at 31 December	11,353,057	10,863,279

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2023

7. Stocks

	2023	2022
	£	£
Medals and Swords	8,279	9,146
Books	6,291	6,294
	<u>14,570</u>	<u>15,440</u>

8. Debtors

	2023	2022
	£	£
Accrued Service Giving Income	29,749	28,947
Insurance on behalf of third parties	122	122
Investment Income	1,187	1,180
Sundry Debtors	18,158	-
	<u>49,216</u>	<u>30,249</u>

9. Cash at bank and in hand

	2023	2022
	£	£
Bank current accounts	<u>94,485</u>	<u>200,232</u>
	<u>94,485</u>	<u>200,232</u>

10. Creditors

	2023	2022
	£	£
Amounts falling due within one year:		
Gunner Investment Income	1,187	1,180
RAHT Investment Income	7,930	8,192
CSM Investment Income	4,803	13,086
Accrual - Audit and accountancy	10,410	10,388
Other Creditors	7,989	7,649
RHA Association	106,801	100,436
Red Cypher	43,120	40,536
	<u>182,240</u>	<u>181,447</u>

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2023

11. 2023 Restricted Fund

	Balance 1 January 23 £	Incoming Resources £	Outgoing Resources £	Net gains on Investment £	Balance at 31 December 23 £
Baxter Fund	939,201	17,449	(28,299)	41,006	969,357
Regimental Church	16,980	-	-	-	16,980
Royal Artillery Church Refurbishment	10,500	-	-	-	10,500
Total	966,681	17,449	(28,299)	41,006	996,837

2022 Restricted Fund

	Balance 1 January 22 £	Incoming Resources £	Outgoing Resources £	Net losses Gain on Investment £	Balance at 31 December 22 £
Baxter Fund	1,097,965	17,397	(24,156)	(152,005)	939,201
Regimental Church	16,980	-	-	-	16,980
Royal Artillery Church Refurbishment	10,500	-	-	-	10,500
Total	1,125,445	17,397	(24,156)	(152,005)	966,681

The Baxter Fund is restricted for the benefit of the King's Troop, Royal Horse Artillery. The Regimental Church Fund is restricted for the benefit of Regimental Church. The RA Church Refurbishment is restricted for the refurbishment of the RA Larkhill Garrison Church.

The transfer corrects the presentation of the balance due to the Royal Horse Artillery Association, which is included within creditors.

12. Analysis of net assets between funds

	2023		Net
	Investments	Current (liabilities)/ assets	Total
	£	£	£
Restricted funds:			
Baxter Fund	940,335	29,022	969,357
Regimental Church Fund	-	16,980	16,980
RA Church Refurb	-	10,500	10,500
	<u>940,335</u>	<u>56,502</u>	<u>996,837</u>
Unrestricted funds:			
General Fund	<u>10,412,722</u>	<u>(78,741)</u>	<u>10,333,981</u>
	<u>11,353,057</u>	<u>(22,239)</u>	<u>11,330,818</u>

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2023

Analysis of net assets between funds	2022		Net Total £
	Investments	Current (liabilities)/ assets	
	£	£	
Restricted funds:			
Baxter Fund	926,410	12,791	939,201
Regimental Church Fund	-	16,980	16,980
RA Church Refurb	-	10,500	10,500
	926,410	40,271	966,681
Unrestricted funds:			
General Fund	9,936,869	24,183	9,961,052
	10,863,279	64,454	10,927,733

14. Related party transactions

Income of £348,377 (2022: £342,154) was received from the Royal Artillery General Charitable Trust (RAGCT) of which both charities have a number of trustees in common. This Income relates to accrued Income from the Service Giving Scheme, which were voluntary contributions from service personnel.

Income of £7,930 (2022: £8,192) was received on behalf of Royal Artillery Historical Trust of which both charities have a number of trustees in common or who have the right to become a trustee of both. This Income relates to Interest earned on Investments.

Income of £14,729 (2022: £14,729) was received on behalf of the Central Sergeant Mess (CSM) of which the Royal Artillery Sergeant Major (RASM) is a member of the Royal Artillery Institution (RAI) and the Chair of the Central Sergeant Mess. This Income relates to Interest on Investments.

At the year end, balances due to and from related entities are disclosed in notes 8 and 10.

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2023

17. Prior Year Comparatives for the Statement of Financial Activities – needs updating Income and Expenditure

Income	Notes	Unrestricted The RAI Funds £	Unrestricted Gunner Funds £	Restricted The RAI Funds £	2022 Combined Total
Donations and legacies inc SPGS	2	398,108	40,934	-	439,042
Investment income		283,431	1,128	17,397	301,956
Charitable Activities	3	50,687	42,265	-	92,952
Other Income	4	307	-	-	307
Total income before Expenditure		732,533	84,327	17,397	834,257
<u>Expenditure on:</u>					
Raising funds		50,632	42,458	-	93,090
Net funds available for charitable activities		681,901	41,870	17,397	741,168
Charitable Activities inc Grants paid and payable	5	761,968	43,072	-	805,039
Baxter Fund Grants		-	-	24,156	24,156
Total expenditure		761,968	43,072	24,156	829,195
Net (expenditure)/Income for the year before gains on		(80,067)	(1,202)	(6,759)	(88,028)
Investments					
Net (losses)/gains on investment assets		(1,504,391)	(9,393)	(152,005)	(1,665,789)
Net (expenditure)/Income		(1,584,458)	(10,595)	(158,764)	(1,753,817)
Transfers		-	-	-	-
Net Movement in Funds		(1,584,458)	(10,595)	(158,764)	(1,753,817)
Total funds brought forward		11,473,803	82,302	1,125,445	12,681,550
Total funds carried forward		9,889,345	71,707	966,681	10,927,733

ROYAL ARTILLERY INSTITUTION LIMITED

England & Wales - Charity number 1122002

Accounts



THE ROYAL ARTILLERY INSTITUTION LIMITED
(A Company Limited by Guarantee)

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Registered Charity No: 1122002

Registered Company No: 6446232

ROYAL ARTILLERY INSTITUTION LTD

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THE ROYAL ARTILLERY INSTITUTION LTD

TRUSTEES AND ADMINISTRATIVE INFORMATION

Patron Her Late Majesty Queen Elizabeth II (Until 8th September 2022)

RAI Trustees During the year ended 31 December 2022, and up to date of approval of this report, the trustees were:

Chairman

Major General DM Cullen CB OBE - Chairman

Members

Brigadier NA Clissitt
Colonel DM Bishop MBE VR (Appointed 7th June 2022)
Colonel RJ Christopher (Appointed 7th June 2022)
Colonel MAA Dornan
Colonel LM Forbes TD VR (Retired 7th June 2022)
Colonel RC Harmer ADC (Appointed 7th June 2022)
Colonel C Palmer
Colonel G Taylor
Lieutenant Colonel JRM Gower MBE VR
Lieutenant Colonel SJR Halliday TD
Major MG Williams
WO1 (RASM) L Sanders (Appointed 7th June 2022)

A number of trustees are also involved in the governance of other charities referred to in this report. All trustees have made a declaration listing any related parties and potential conflicts of interest.

Regimental Secretary Colonel (Retd) M G J Carter

Finance Secretary Mrs B Hoblyn

Bankers Lloyds Bank PLC
39 Piccadilly
London W1V 0AA

Solicitors Wilsons Solicitors
Alexandra House, St John's Street
Salisbury
Wiltshire SP1 2SB

Auditors Saffery Champness LLP
71 Queen Victoria Street
London EC4V 4BE

Investment Managers Brewin Dolphin
12 Smithfield Street
London EC1A 9BD

Address Royal Artillery Barracks
Larkhill
Salisbury
Wiltshire SP4 8QT

Registered Charity No

1122002

Company No

6446232

THE ROYAL ARTILLERY INSTITUTION LTD

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The Board of Trustees of The Royal Artillery Institution Ltd¹ (RAI) present their report and accounts for the year ended 31 December 2022 as required under the Companies Act 2006. The accounts comply with the Companies Act 2006, the charity's governing document and the relevant Statement of Recommended Practice (the Charities SORP (FRS 102)). The RAI is a charitable company, limited by guarantee and not having share capital. It is governed by Articles of Association. The Trustees' Report incorporates the directors' report for Companies Act purposes.

Objects

The object of the charity, as described in its Articles of Association, is the promotion of the efficiency of the Royal Regiment of Artillery and the Officers, Warrant Officers and Other Ranks thereof. The charity meets that requirement by making grants to regiments, individuals and other regimental organisations in support of regimental affairs. Regimental affairs are those matters which are essential to the domestic life of the Regiment as a whole and which are controlled by the Regiment itself, subject to the requirements of prevailing legislation. The following activities are included: regimental property; regimental ceremonies, events and entertainment; educational, historical and heritage affairs; support to units and individuals, regimental sports and adventurous training, publications; supplementary support for Royal Artillery bands; policy for regimental matters such as dress, messes, heritage and ceremonial, all of which are supported by grants from the charity. Regimental welfare and the fostering of comradeship among all Gunners, serving and retired, are the responsibility of the Royal Artillery Charitable Fund (RACF) and Royal Artillery Association (RAA).

Organisation

The duties of the RAI Board of Trustees are laid down in the Articles of Association. The Board members provide a skills-based set of abilities and experience with some representing the serving officers and soldiers of the Regiment. The RAI works closely with a number of other charities, in particular the Royal Artillery General Charitable Trust (RAGCT), RACF and RAA, whose objects also support and promote efficiency within the Royal Artillery. The Board of Trustees meets at least twice a year as part of the Royal Artillery Board of Management alongside the trustees of the RACF / RAA. The RACF is the sole corporate trustee of the RAA. Subordinate to the Board of Trustees are the Investment Committee and a Finance and General Purposes Committee. These committees comprise trustees from both RAI and RACF, who have been co-opted for their skills and knowledge, so as to ensure that high quality advice may be provided to the RAI Board. The reports of these committees form part of the agenda of the meetings of the RAI Board of Trustees. The trustees form the membership of the RAI. The Master Gunner's Committee sets the strategic framework for the Regiment and acts as an advisory board to the RAI Board of Trustees as required. The Chairman of the RAI is a member of the Master Gunner's Committee and updates the committee biannually on business undertaken by the Royal Artillery Board of Management.

The RAI works closely with other Royal Artillery charities and organisations that support and promote the Royal Artillery's heritage and traditions, most notably the Royal Artillery Historical Trust, the Royal Artillery Historical Society and the Royal Artillery Museum.

1. While the Charity Commission and Companies House websites show the name of the company / charity as 'Royal Artillery Institution Limited', its correct title in accordance with its Articles of Association is 'The Royal Artillery Institution Ltd'.

Governance

In addition to the Articles of Association, the Investment and Finance & General-Purpose committees have their own directives, which are reviewed and agreed regularly by the trustees. Powers delegated to the Secretariat are contained in the directives. Secretariat policies, which are agreed by the trustees, are in place in order to ensure smooth and effective running of the charity. The charity's risk register is reviewed annually by the trustees. Identified risks are managed as laid down in the Risk Management Plan. For specific items, detailed briefs are sent to the trustees so they can consider issues in depth before meetings. Trustees also receive regular reports on the value and movement of the charity's investment portfolio. The Chairman of the trustees and the Regimental Secretary meet regularly (usually weekly) to discuss issues.

Charity Commission Governance Code

The RAI as one of the Royal Artillery charities, comes under the umbrella of the Confederation of Service Charities (Cobseo). Cobseo, in consultation with the Charity Commission, have produced a Service Charity toolkit based on the 2017 Charity Commission Governance guide. The trustees carried out a self-assessment process using the toolkit during 2019. This enabled the Board to identify a number of enhancements which can be considered to improve governance. This included a resolution to limit the tenure of trustees. The self assessment was repeated in 2022. Overall this showed an improvement since 2019 but identified some areas for further review.

Selection of Members of the RAI Board of Management

The Articles of Association state the process for the appointment of trustees. New trustees are appointed by Resolution of the existing trustees. Trustees are normally serving and retired members of the Royal Artillery.

The Master Gunner St James's Park is the Head of the Regimental Family, but he is not a trustee. The Master Gunner proposes the Chairman, who will normally have been a Colonel Commandant. The appointment of the Chairman is then approved by resolution of the existing trustees. Trustees are selected for their skills and experience and their ability to understand and anticipate the needs of the serving and retired regiment. The trustees will normally include the Commandant, Royal School of Artillery, Commander 7 Air Defence Group, Commander Surveillance Field Army Troops, Deputy Commander 1st Deep Reconnaissance Strike Brigade Combat Team, and the Royal Artillery Sergeant Major, who between them represent the interests of serving Gunner soldiers and officers. Veterans and family beneficiaries are represented by both serving and retired trustees.

Key Management Personnel

The Regimental Secretary is the Chief Executive of the RAI and is responsible for: the day-to-day management of the charity's business; implementing policies agreed by the trustees and; the management of the charity's staff. The Finance Secretary is responsible to the Regimental Secretary for the accounting of funds and all financial records. The Assistant Regimental Secretary leads on day to day activities and acts as staff officer to the Master Gunner.

Review of Financial Activities

The charity's funds continue to be employed to promote efficiency within the Royal Artillery. The detailed results for the year under review are shown in the Statement of Financial Activities at page 14. In 2022 the charity had an excess of expenditure over income before losses on investments of £88,028 (2021: Income over expenditure before losses on investments £45,815).

Review of Financial Activities continued

After investment losses of £1,665,789 (2021: gains of £1,489,875) there was a net decrease in funds of £1,753,817 (2021: Net increase in funds of £1,535,690). Investment losses were directly attributable to market movements following the invasion of Ukraine.

Total income decreased by £44,038 in the last financial year to £834,257 mainly due to a decrease in grants received. A large grant from the Army Sports Control Board received in 2021 was not replicated in 2022 (It has subsequently been allocated for payment in 2023). Investment income from the portfolio achieved in excess of the budgeted £260,000 (the excess being retained in the portfolio) and the total £301,956 was, despite the loss of investment value, £6,727 more than 2021. There were no legacies received in 2022 but 202 donations totalling £10,389 (2021: 218 - £10,544). The majority of donations arise from historic standing orders for Gunner Magazine, where recipients have requested to no longer receive the publication but have chosen not to cancel their standing orders. Income collected through the Service Pay Giving Scheme from serving members of the Regiment has decreased by £3,673.

General charitable expenditure increased by £104,034 to £805,039 (2021: £701,005). This was mainly due to increased expenditure on some of the activities funded by the charity following the lifting of the remaining COVID restriction. These included regimental sporting events, dinners and other regimental ceremonial and commemorative events. There was increased support to regimental heritage, including the preservation and restoration of artefacts and support to the regimental archives. In addition there was a general increase in costs due to inflation and the cost of living crisis. There were also increases to support costs due incremental pay awards and legal advice. The remaining decrease is accounted for by decreased draw down on the Baxter Fund.

There are four main income streams. They are:

- Service Pay Giving Scheme (SPGS), where all serving personnel are encouraged to give part of their pay to the charity
- Investment income
- Grants
- Donations

The majority of funding comes from investment income (31%) and the SPGS (41%). The RAI drew down £260,000 of investment income, which was in line with the budget for 2022. The balance of income from investments (£41,956) was reinvested within the portfolio.

The trustees approve the forecast of income and expenditure annually and monitor it regularly through the Finance & General Purpose Committee and at Board meetings.

Bids for major grants are called for annually and are scrutinised as part of the budgetary process. Grants made by the Chairman of the Board and Regimental Secretary under their delegated financial powers are subsequently reported to the trustees.

Charitable Activities

The RAI's object is the promotion of efficiency within the Royal Regiment of Artillery. This follows the Charity Commission's guidance on legitimate charitable purposes, one of which is *"The promotion of the efficiency of the armed forces of the Crown"*.

The Charity Commission states: *"The armed forces exist for public defence and security. It is charitable to promote the efficiency of the armed forces of the Crown as a means of defending the country. That*

Charitable Activities continued

includes ensuring that those forces are properly trained and equipped during times of conflict. It also includes providing facilities and benefits for the armed forces”.

The charity's principal activity during the year was the provision of grants to promote efficiency. During the year the RAI made the following major grants in support of regimental events and activities judged by the trustees as conducive to the promotion of efficiency within the Royal Artillery:

- Royal Artillery sports teams - £153,665 (Including £50,377 from RACF)
- Regimental heritage - £122,211
- Regimental grants - £65,980
- Gunner magazine & RA Journal within raising funds- £42,457
- RA HQ Messes - £34,503
- Recruiting - £24,105

Details of additional grants can be found on page 20.

The RAI holds and maintains a collection of chattels comprising pictures, silver and furniture which have been acquired by bequest, by purchase through subscription of the officers of the Regiment and through property being held by the charity following the disbandment of regiments and the placing in suspended animation of individual Batteries (a process that has been on-going since the end of the 2nd World War). The charity loans items to regiments, headquarters and some individual officers in representational roles and these are accounted for annually. There are also a number of items on loan to regiments from the Royal Artillery Museum which are also monitored by the charity in order to ensure suitable insurance is in place.

Accounting for the Collection is the principal responsibility of the Assistant Regimental Secretary who continues to review the holdings and maintain the database as additional items are received or loaned out. Much of the Collection (which totals more than 13,000 artefacts) is held in the Royal Artillery Mess at Larkhill where it imbues a sense of historical continuity, ethos and tradition to members of the regiment, past and present, other items are loaned to other Royal Artillery messes, other military messes, museums and other public bodies, in all totalling some 120 different locations.

In addition to the above, the RAI continues to provide staff to support the Master Gunner, the Master Gunner's Committee and the Royal Artillery Board of Management in their representative and stewardship roles within the Royal Regiment.

Public Benefit

The Objects of the RAI are to promote efficiency within the serving Regiment inextricably linked with this Object is the aim of contributing to the public good by service to the Sovereign, the Country and all its citizens. In addition contributes a significant sum towards the preservation of regimental heritage, which in itself contributes to the history and heritage of the nation. The trustees have taken due regard of the Charity Commission's guidance on Public Benefit.

Future Plans

The charity has a sound financial base for future operations. The trustees will continue to support the evolving needs of the Royal Artillery and in particular the outcome of the Master Gunner St James's Park's Strategic Review which has six workstreams. The trustees will continue to respond to changes

Future Plans continued

brought about under the workstreams, which are: Governance; People & Ethos; Operational Purpose & Distinctive Competencies; Heritage and; Charities & Veterans.

In 2020 the trustees agreed to earmark £1.5M of capital funds for future transfer to the Royal Artillery Museum (RAM). Of this £500K was to have been in the form of a grant and £1.0M in the form of a loan. Although the offer of this sum has now been withdrawn following the retraction of the offer of a suitable site for the museum, the trustees are likely to consider making a similar level of funding available in the future once the conditions upon which the original offer was made are met. The current situation is that a revised plan has been approved in principle by the Master Gunner's Committee and a new site approved by the Chief of the General Staff. Trustees will be invited to reconsider a revised bid for funding in 2023.

Reserves Policy

The trustees' policy is to maintain a sufficient level of reserves to: provide a stable base and income generation for the charity's continuing activities; generate sufficient funds to cover routine management and administrative costs and; enable the charity to respond to any emergency applications for grants which may arise from time to time.

Total funds as at 31 December 2022 were £10,927,733 (2021: £12,681,550).

Unrestricted reserves were £9,961,052 (2021: £11,556,105) of which are all free reserves.

Restricted Funds were £996,681 (2021: £1,125,445) and comprises of Baxter Fund - £939,201; Regimental Church - £16,980 and RA Church Refurbishment - £10,500 of which a large proportion is represented by investments.

Our risk-based approach to determining our free reserves requirement is carried out, based on the anticipated future needs of the regimental family, and the management of financial risks, particularly the uncertainty of future income from other sources. The effect on the charity's investments as a result of the situation in Ukraine demonstrates the benefit of maintaining strong reserves in order to be able to weather such market fluctuations while maintaining required levels of investment income.

Trustees review the level of reserves regularly to ensure funds are available to deliver the charities object, and to secure, as far as possible, future financial viability. Our annual review of reserves included assessing the impact of the invasion of Ukraine and the cost of living crisis on our business plans, projected income and expenditure, and on our investments.

Following that review, we determined that we should hold a minimum of £9,000,000 in free reserves to be assured that we are able to sustain the support we provide to the regimental family in the long term as well as meet other obligations, irrespective of fluctuations in income and without creating the need to actively fundraise. This sum, held as part of our investment portfolio, is judged to be capable of generating sufficient investment income to meet foreseeable needs. This sum, held as part of our investment portfolio, is judged to be capable of generating sufficient investment income to meet foreseeable needs. With free reserves of £9,961,052 currently exceed this requirement. The trustees are content that the additional funds we hold provide ability to disinvest in order to support major capital projects if and when required, but in the meantime are held as investments generating additional income.

In 2022 the investment portfolio generated £301,956 for the charity, of which RAI received £260,000 as in year income. The balance of £41,956 was reinvested into the portfolio. The £260,000 was 31% of total income received.

Reserves Policy continued

Without this level of income the charity's activities would be significantly curtailed.

Trustees believe that investments should be maintained at the current levels, in order to generate income and provide for current needs whilst ensuring the charity remains well placed to meet future requirements. The trustees recognise that they have no long term mandated liability for any particular level of financial grants or activity. They therefore have the ability to reduce expenditure to match income in the event of income reducing.

Investment policy

The trustees' Investment Committee meets twice a year to consider the performance of the RAI's investments which are managed on a discretionary basis by Brewin Dolphin. The investment objective is to create sufficient income and capital growth to enable the charities to carry out their charitable objectives. The charity is expected to exist in perpetuity and investments are managed to meet the investment objective and ensure this sustainability.

The charity's funds are invested on an aliquot proportion in the same funds as the other Gunner welfare / efficiency charities. This is in order to achieve economies of scale in relation to investment costs. The trustees have given the fund managers discretion to manage the portfolio within an agreed risk profile and against agreed benchmarks. This is contained in a written directive.

At the bi-annual meeting with the investment managers the Investment Committee considers the state of the financial markets and measures the fund managers' on-going performance against specific agreed benchmarks, namely 25% FTSE All Share Index, 35% MSCI World ex UK Index, 10% MSCI Emerging Markets Index, 7.5% FTSE All Stocks Gilt Index, 5% iBoxx Sterling Non-Gilts Index, 10% IPD UK All Balanced Funds Index, 5% Alternative (IA Sector Targeted Absolute Return) and 2.5% Cash (Sterling Overnight Index Average). Having compared performances over the last 1, 3 and 5 years, the Investment Committee are of the view that the investments have done reasonably well in relation to the market and relevant benchmarks over the long term, and that there is currently no case to prompt a change of investment policy. The performance of the fund manager will be subject to annual review.

Environmental Governance and Social Considerations

The RAI's investments are not managed with any specific environmental, social and governance (ESG) restrictions. However it is expected that the RA charities' investment managers have clearly defined ESG investment policies and that the investments are managed by an investment company which is a signatory the UN Principles of Responsible Investment and which takes account of Environmental, Social and Governance (ESG) factors in their research and investment decision making process.

Fundraising

The trustees are very clear that all fundraising must be legal, open, honest and respectful. The charity does not actively engage in regular and organised fundraising, although it does receive donations and legacies. It receives the bulk of its income through investments and the Royal Artillery's 'service giving scheme'. The facility exists for individuals or organisations to make voluntary donations online. The charity does not work with any commercial partner or professional fundraisers except in order to operate an online donation facility such 'Enthuse' and 'Just Giving'. When donations are received they are mainly as a result of advertisements on the Gunner website and publications, and from open, group briefings to members of the serving Regiment. In addition, regiments and other Gunner organisations

Fundraising continued

are encouraged to engage in sponsored activities to raise funds. The charity does not solicit funds through direct approaches to individuals via mailshots or online unless consent has been obtained.

No complaints were received in 2022.

Trustee Training

Trustee responsibilities and necessary training are taken very seriously. All new members of the trustee board are briefed by the Regimental Secretary on their roles and responsibilities. They are provided with the Charity Commissioners handbook "The Essential Trustee" as well as a copy of the Scheme. Recent RAI accounts, meeting, minutes and policy documents are also provided. Trustee briefings and training take place and members of the Board are encouraged to attend external trustee training and investment briefs.

Risk Management

The trustees maintain a continuous oversight of the principal areas of the charity's operations and the major risks, which may arise in these areas. In the opinion of the trustees the charity has established resources and review systems which, under normal conditions, should allow the risks identified to be mitigated to an acceptable level. A risk management plan is produced and approved by trustees each year and managed actively by the trustees, the Regimental Secretary and his staff. The main risks are:

- Insufficient income to meet the need: This is managed by careful budgeting, the investment and reserves policy and by controlling the level of support provided to beneficiaries.
- Fraud: This is guarded against by having policies in place to ensure regular checks are made and that all transactions are properly authorised by two signatories.
- Conflict of interest amongst trustees. A register of trustee interests is kept and updated annually. At the start of committee and Board of Management meetings, trustees are reminded to declare any conflict arising from the agenda so that appropriate action can be taken.
- Reputational damage arising from activities. This is mitigated by oversight of activities by the trustees and senior management.

Remuneration Policy

No trustee is paid as an employee or for services as a trustee, though travel and subsistence costs incurred as a trustee are reimbursed. The trustees review staff salaries annually and take into account the MoD pay awards for similar grades, when recommending any pay increases.

Employees

The RAI aims to be an organisation for which employees enjoy working and where they feel supported, valued, empowered and developed. Employees are kept fully informed about the aims and objectives of the charity and how it is achieving them. Employees are encouraged to contribute suggestions to help improve working processes and to achieve best practice. The charity is an equal opportunities employer and is committed to training and developing its staff.

Trustees' Liability

The liability of RAI trustees for debts of The Royal Artillery Institution Ltd is limited to an amount not exceeding one pound.

Statement of Trustees' Responsibilities

The trustees (who are also directors of the RAI for the purposes of Company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable charity and company law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice (UK GAAP)).

The Company and Charity law applicable in England & Wales and UK GAAP requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company. This includes details of income and expenditure and the application of resources for the period. In preparing these financial statements, the trustee are required to:

- select suitable accounting policies and then apply them consistently;
- adhere to the methods and principles in the Charities Statement of Recommended Practice (Charities SORP (FRS 102));
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures which are to be disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the charity will continue in business.

The trustees are also responsible for safeguarding the assets of the charity, including taking reasonable steps to prevent and detect fraud and other irregularities.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with: the Companies Act 2006; the charity's governing document; the Charities Acts 2011 and; the SORP applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)).

Statement as to Disclosure of Information to Auditors

In so far as the trustees are aware:

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

This report has been prepared under the special provisions of Part 15 of the Companies Act 2006.

On behalf of the trustees

 2023

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Major General DM Cullen CB OBE
Chairman RAI Board of Trustees

Opinion

We have audited the financial statements of Royal Artillery Institution Limited for the year ended 31 December 2022 which comprise the statement of financial activities, balance sheet, cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The 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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have

THE ROYAL ARTILLERY INSTITUTION LTD

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies exemption in preparing the Trustees' Annual Report and the Strategic Report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 9, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with informed management, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with informed management and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

THE ROYAL ARTILLERY INSTITUTION LTD

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Cara Turtington (Senior Statutory Auditor)
For and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors
71 Queen Victoria Street
London
EC4V 4BE

Date: 8 June 2023

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE ROYAL ARTILLERY INSTITUTION LTD

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) FOR THE YEAR ENDED 31 DECEMBER 2022

<u>Income and Expenditure</u>	Notes	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Income					
Donations and legacies inc SPGS	2	439,042	-	439,042	440,608
Investment income		284,559	17,397	301,956	295,229
Charitable Activities	3	92,952	-	92,952	140,480
Other Income	4	307	-	307	1,978
Total income before Expenditure		816,860	17,397	834,257	878,295
<u>Expenditure on:</u>					
Raising funds		93,090	-	93,090	97,487
Net funds available for charitable activities		723,770	17,397	741,167	780,808
Charitable Activities inc Grants paid and payable	5	805,039	-	805,039	701,005
Baxter Fund Grants		-	24,156	24,156	33,988
Total expenditure		805,039	24,156	829,195	734,993
Net (expenditure)/income for the year before gains on Investments		(81,269)	(6,759)	(88,028)	45,815
Net (losses)/gains on investment assets		(1,513,784)	(152,005)	(1,665,789)	1,489,875
Net (expenditure)/income		(1,595,053)	(158,764)	(1,753,817)	1,535,690
Transfers	11	-	-	-	-
Net movement in funds		(1,595,053)	(158,764)	(1,753,817)	1,535,690
Total funds brought forward		11,556,105	1,125,445	12,681,550	11,145,860
Total funds carried forward		9,961,052	966,681	10,927,733	12,681,550


The notes on pages 17 to 24 form part of these financial statements

THE ROYAL ARTILLERY INSTITUTION LTD

BALANCE SHEET AT 31 DECEMBER 2022

2021		2022	
		£	£
<u>Fixed assets</u>			
Investments	6	10,863,279	12,514,425
		<u>10,863,279</u>	<u>12,514,425</u>
<u>Current assets</u>			
Stocks	7	15,440	15,043
Debtors	8	30,249	30,095
Cash at Bank and in hand	9	200,232	376,891
		<u>245,921</u>	<u>422,0229</u>
<u>Current liabilities</u>			
Creditors: Amounts falling due within one year	10	(181,467)	(254,904)
Net current assets		64,454	167,125
Total assets less current liabilities		<u>10,927,733</u>	<u>12,681,550</u>
<u>Funds</u>			
Unrestricted Funds		9,961,052	11,556,105
Restricted Funds	11	966,681	1,125,445
		<u>10,927,733</u>	<u>12,681,550</u>

The notes on pages 17 to 24 form part of these financial statements.

Approved by the trustees on  2023

.....
Major General DM Cullen CB OBE

Chairman

The RAI Board of Trustees

Company number: 6446232

THE ROYAL ARTILLERY INSTITUTION LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	<u>2022</u> £	<u>2021</u> £
Net cash used in operating activities	1	(464,707)	(144,688)
<u>Cash flows from investing activities</u>			
Dividends, interest and rents from investments		301,956	295,229
Purchase of investments		(3,479,788)	(2,975,547)
Proceeds from sale of investments		3,266,535	2,949,779
Net cash used in investing activities		<u>88,703</u>	<u>269,461</u>
Net decrease in cash & cash equivalents		(376,004)	124,773
Cash & cash equivalents at the beginning of the year		771,962	647,189
Cash and cash equivalents at end of the year	2	<u><u>395,958</u></u>	<u><u>771,962</u></u>

Notes to the cash flow statement

1.	Reconciliation of net movement in funds to net cash flow from operating activities	2022 £	2021 £
	Net movement in funds	(1,753,817)	1,535,690
	Loss/(gain) on investments	1,665,789	(1,489,875)
	Investment income	(301,956)	(295,229)
	Increase in investments due to changes in aliquot (Increase)/Decrease in stock	(735)	-
	(Increase)/decrease in debtors	(397)	914
	(Decrease)/Increase in creditors	(154)	502
	Net cash used in operating activities	<u>(464,707)</u>	<u>(144,688)</u>
2.	Analysis of cash and cash equivalents and net debt	At 1 Jan 2022 £	Cash flow £
	COIF Charities Deposit	-	-
	Cash on short term deposit	376,891	(176,659)
	Cash held in Investments	395,071	(199,345)
	Net cash provided by operating activities	<u>771,962</u>	<u>(376,004)</u>
		<u><u>771,962</u></u>	<u><u>395,958</u></u>

1 Accounting policies

The Royal Artillery Institution is a company limited by guarantee incorporated in England and Wales. The registered office is Artillery House, Royal Artillery Barracks, Larkhill, Salisbury, SP4 8QT.

1.1 Basis of accounting

The financial statements have been prepared under the historic cost convention, with the exception of listed investments which are included at their market value. The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP(FRS102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The Royal Artillery Institution constitutes a public benefit entity as defined by FRS102.

1.2 Going Concern

The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

1.3 Investment income

Investment income is credited to the statement of financial activities when its receipt is probable and the amount receivable can be measured reliably. It is allocated to both restricted and unrestricted funds on the basis of an aliquot proportion across the whole portfolio.

1.4 Subscriptions, donations and legacies

Subscriptions and donations are recognised as income when the amounts are receivable.

Legacies are recognised when received or receipt is probable and the value can be measured with sufficient reliability.

1.5 Expenditure & support costs

Expenditure is recognised in the period in which it is incurred and includes attributable VAT which cannot be recovered.

Supports costs are those costs which have not been directly allocate to an activity of the charity but nevertheless support these activities.

1.6 Grant expenditure

Grants payable are payments made in furtherance of the charitable objects of the charity. These are accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the grant.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

1.7 Fund accounting

Unrestricted funds are available to use to further any of the purposes of the charity.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or specific projects being undertaken by the charity.

1.8 Fixed asset investments

Fixed assets investments are stated at mid-market value. The unrealised movement in market value from one year to another is recognised in the statement of financial activities.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value.

1.10 Pensions

Staff are enrolled in a NEST pension scheme. Contributions are charged in the Statement of Financial Activities as they become payable.

1.11 Cash & cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.12 Assets not included within the balance sheet

The collection of chattels comprising of pictures, silver and furniture which have mainly been acquired through bequest, by purchase through subscription of the officers of the regiment and through property reverting to the charity upon disbandment of regiments is not included in the balance sheet as the historic cost of any assets purchased is not known and is considered likely to be immaterial.

The artefacts are largely held at the Royal Artillery Mess at Larkhill with others being held at other military messes, museums and other public bodies. The assets are held as part of the setting of the regiment for future generations.

The insurance value of these assets is £7.5 million.

1.13 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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

1.14 Critical estimate and judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision effects both current and future periods.

There are no critical estimates, judgements or key sources of estimation uncertainty in 2022 or 2021.

2 Donations and legacies inc SPGS

	2022	2021
	£	£
Officers' subscriptions (SPGS)	195,770	196,378
Soldiers' subscriptions (SPGS)	146,384	149,449
Donations	10,389	10,544
Intangible Income – Wages in Kind	86,499	84,237
	<u>439,042</u>	<u>440,608</u>

3 Charitable Activities Income.

	2022	2021
	£	£
RA Publications – Subscription	30,037	32,309
RA Publications – Advertising income	1,100	686
Grants (RAI & RACF)	60,377	55,742
Grants Received	-	50,000
Royalties	310	618
Investment Income	1,128	1,125
	<u>92,952</u>	<u>140,480</u>

4 Other Income

	2022	2021
	£	£
Sale of books	293	219
Receipts of Laid Down Wines	14	1,757
Bank Interest	-	2
	<u>307</u>	<u>1,978</u>

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2022

5. Charitable Activities - Grants Paid

	2022	2021
	£	£
Annual Allocations:		
The Gunner Magazine	6,125	1,160
The Master Gunner's Fund	7,068	3,376
RA Sports	153,665	143,617
RA HQ Mess	12,313	15,494
RA Central Sergeants Mess Fund	22,190	6,500
Support of Units - Unit Grants	65,980	66,390
Support to Units – Senior/Commanding Officers	14,858	8,142
Recruiting	24,105	21,800
Regimental Expenses	36,613	26,817
Annual Contingency Reserve	22,535	17,420
	<u>365,452</u>	<u>310,716</u>
Other Grants:		
Adventurous Training	550	1,758
Regimental History VIII	36	423
Sandown Transport	11,700	-
Misc	1,718	-
	<u>14,004</u>	<u>2,181</u>
Grant to RAM	122,211	101,687
Total Grants Paid	<u>501,667</u>	<u>414,584</u>
Support Cost to Charitable Activities:		
Salaries	153,461	145,879
Employers Pension Contributions	10,039	10,877
Wages in Kind	86,499	84,237
	<u>249,999</u>	<u>240,993</u>
Presentation & Awards	7,148	7,921
Printing, postage & Stationery	2,999	3,505
Computer software/Hardware	3,651	4,370
Insurance	4,797	3,313
Chattels (maintenance)	10,462	12,540
Travelling & Entertainment	409	176
Miscellaneous	1,116	899
Audit Fees	10,448	8,718
Audit Fees Under Provision	216	-
Legal and Professional Fees	12,127	3,986
	<u>53,373</u>	<u>45,428</u>
Total Charitable Activities	<u>805,039</u>	<u>701,005</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

5 Charitable activities - Support Costs continued

The average number of persons employed by the Fund during the year was:

	2022 Number	2021 Number
Office and administration	5	5

There were no employees with emoluments above £60,000. The following payments were made to Key Management Personnel: £13,894 (2021: £13,592).

No trustees received any out of pocket expenses in 2022 (2021: NIL). No trustee received funds in respect of consultancy services to the charity (2021: £468).

6 Investments

	2022 £	2021 £
Quoted investments		
Market value at 1 January	12,514,425	10,755,035
Purchases	3,479,788	2,975,547
Sales proceeds	(3,266,535)	(2,949,779)
Investment Management Fee	(53,842)	(50,464)
Net realised/unrealised Losses	(1,665,789)	1,489,875
Aliquot Changes	735	-
Cash movements	(145,503)	294,211
Market value at 31 December	10,863,279	12,514,425
Historical value at 31 December	9,639,755	8,808,917

There was no holding exceeded 5% of the total portfolio value at the 31st December 2022

	2022 £	2021 £
Investment/Cash Breakdown		
Investments	10,667,553	12,119,354
Income Account	32,601	27,241
Dealing & Deposit Account	163,125	367,830
Market value at 31 December	10,863,279	12,514,425

7. Stocks

	2022 £	2021 £
Medals and Swords	9,146	8,652
Books	6,294	6,391
	<u>15,440</u>	<u>15,043</u>

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2022

8. Debtors

	2022	2021
	£	£
Accrued Service Giving Income	28,947	28,638
Insurance on behalf of third parties	122	122
Investment Income	1,180	1,177
Gift Aid	-	158
	<u>30,249</u>	<u>30,095</u>

9. Cash at bank and in hand

	2022	2021
	£	£
COIF Charities Deposit Fund	-	-
Bank current accounts	200,232	376,891
	<u>200,232</u>	<u>376,891</u>

10. Creditors

	2022	2021
	£	£
Amounts falling due within one year:		
Gunner Investment Income	1,180	1,177
RAHT Investment Income	8,192	8,007
CSM Investment Income	13,086	19,547
Accrual - Audit and accountancy	10,388	9,444
RAM	-	48,000
Other Creditors	7,649	32,191
RHA Association	100,436	113,372
Red Cypher	40,536	23,166
	<u>181,422</u>	<u>254,904</u>

11. 2022 Restricted Fund

	Balance 1 January 22	Incoming Resources	Outgoing Resources	Net loss on Investment	Balance at 31 December 22
	£	£	£	£	£
Baxter Fund	1,097,965	17,397	24,156	(152,005)	939,201
Regimental Church	16,980	-	-	-	16,980
Royal Artillery Church Refurbishment	10,500	-	-	-	10,500
Total	<u>1,125,445</u>	<u>17,397</u>	<u>24,156</u>	<u>(152,005)</u>	<u>966,681</u>

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2022

2021 Restricted Fund

	Balance 1 January 21 £	Incoming Resources £	Outgoing Resources £	Net Gain on Investment £	Transfers £	Balance at 31 December 21 £
Baxter Fund	960,510	33,988	33,988	137,455	-	1,097,965
Royal Horse Artillery Assoc	97,939				(97,939)	-
Regimental Church	16,980	-	-	-	-	16,980
Royal Artillery Church Refurbishment	10,500	-	-	-	-	10,500
Total	1,085,929	33,988	33,988	137,455	(97,939)	1,125,445

The Baxter Fund is restricted for the benefit of the King's Troop, Royal Horse Artillery. The Regimental Church Fund is restricted for the benefit of Regimental Church. The RA Church Refurbishment is restricted for the refurbishment of the RA Larkhill Garrison Church.

The transfer corrects the presentation of the balance due to the Royal Horse Artillery Association, which is included within creditors.

12. Analysis of net assets between funds

	2022		Net
	Investments £	Current (liabilities)/ assets £	Total £
Restricted funds:			
Baxter Fund	926,410	12,791	939,201
Regimental Church Fund	-	16,980	16,980
RA Church Refurb	-	10,500	10,500
	<u>926,410</u>	<u>40,271</u>	<u>966,681</u>
Unrestricted funds:			
General Fund	<u>9,936,869</u>	<u>24,183</u>	<u>9,961,052</u>
	<u>10,863,279</u>	<u>64,454</u>	<u>10,927,733</u>

Analysis of net assets between funds	2021		Net Total £
	Investments £	Current (liabilities)/ assets £	
Restricted funds:			
Baxter Fund	1,095,113	2,852	1,097,965
Regimental Church Fund	-	16,980	16,980
RA Church Refurb	-	10,500	10,500
	<u>1,095,113</u>	<u>30,332</u>	<u>1,125,445</u>
Unrestricted funds:			
General Fund	<u>11,419,312</u>	<u>136,793</u>	<u>11,556,105</u>
	<u>12,514,425</u>	<u>167,125</u>	<u>12,681,550</u>

14. Related party transactions

Income of £342,154 (2021: £345,837) was received from the Royal Artillery General Charitable Trust (RAGCT) of which both charities have a number of trustees in common. This Income relates to accrued Income from the Service Giving Scheme, which were voluntary contributions from service personnel.

Income of £8,192 (2012: £8,007) was received on behalf of Royal Artillery Historical Trust of which both charities have a number of trustees in common or who have the right to become a trustee of both. This Income relates to Interest earned on Investments.

Income of £14,729 (2021: £14,396) was received on behalf of the Central Sergeant Mess (CSM) of which the Royal Artillery Sergeant Major (RASM) is an member of the Royal Artillery Institution (RAI) and the Chair of the Central Sergeant Mess. This Income relates to Interest on Investments.

At the year end, balances due to and from related entities are disclosed in notes 8 and 10.

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2022

17. Prior Year Comparatives for the Statement of Financial Activities.

Income and Expenditure

	Notes	Unrestricted The RAI Funds £	Unrestricted Gunner Funds £	Restricted The RAI Funds £	2021 Combined Total
Income					
Donations and legacies inc SPGS	2	400,819	39,789	-	440,608
Investment income		260,116	1,125	33,988	295,229
Charitable Activities	3	102,520	37,960	-	140,480
Other Income	4	1,978	-	-	1,978
Total income before Expenditure		765,433	78,874	33,988	878,295
Expenditure on:					
Raising funds		53,948	43,539	-	97,487
Net funds available for charitable activities		711,485	35,335	33,988	780,808
Charitable Activities inc Grants paid and payable	5	658,483	42,522	-	701,005
Baxter Fund Grants		-	-	33,988	33,988
Total expenditure		658,483	42,522	33,988	734,993
Net (expenditure)/Income for the year before gains on		53,002	(7,187)	-	45,815
Investments					
Net gains/(loss) on investment assets		1,343,740	8,680	137,455	1,489,875
Net Income		1,396,742	1,493	137,455	1,535,690
Transfers	11	97,939	-	(97,939)	-
Net Movement in Funds		1,494,681	1,493	39,516	1,535,690
Total funds brought forward		9,979,122	80,809	1,085,929	11,145,860
Total funds carried forward		11,473,803	82,302	1,125,445	12,681,550

ROYAL ARTILLERY INSTITUTION LIMITED

England & Wales - Charity number 1122002

Accounts



THE ROYAL ARTILLERY INSTITUTION LIMITED

(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Registered Charity No: 1122002

Registered Company No: 6446232

ROYAL ARTILLERY INSTITUTION LTD

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THE ROYAL ARTILLERY INSTITUTION LTD

TRUSTEES AND ADMINISTRATIVE INFORMATION

Patron Her Majesty Queen Elizabeth II

RAI Trustees During the year ended 31 December 2021, and up to date of approval of this report, the trustees were:

Chairman

Major General DM Cullen CB OBE - Chairman

Members

Brigadier NA Clissitt	
Colonel LM Forbes TD VR	Colonel RA Reserves
Col C Palmer	Deputy Commander 1 st ISR Brigade
Colonel G Taylor	Commander 7 th Air Defence Group
Colonel RST Murphy TD VR QVRM	Deputy Commander 1 st Artillery Brigade (Retired 7 Feb 22)
Colonel MAA Dornan	Comdt Royal School of Artillery (Appointed 26 July 21)
Colonel AB Phillips	Comdt Royal School of Artillery (Retired 23 Jul 21))
Lieutenant Colonel JRM Gower MBE VR	
Lieutenant Colonel SJR Halliday TD	
Major MG Williams	
WO1 (RASM) L Sanders	Royal Artillery Sergeant Major (Appointed 7 Jun 22)
WO1 (RASM) RR Mealand	Royal Artillery Sergeant Major (Retired 29 Apr 22)

A number of trustees are also involved in the governance of other charities referred to in this report. All trustees have made a declaration listing any related parties and potential conflicts of interest.

Regimental Secretary Colonel M G J Carter

Finance Secretary Mrs B Hoblyn

Bankers Lloyds Bank PLC
39 Piccadilly
London W1V 0AA

Solicitors Wilsons Solicitors
Alexandra House, St John's Street
Salisbury
Wiltshire SP1 2SB

Auditors Saffery Champness LLP
71 Queen Victoria Street
London EC4V 4BE

Investment Managers Brewin Dolphin
12 Smithfield Street
London EC1A 9BD

Address Royal Artillery Barracks
Larkhill
Salisbury
Wiltshire SP4 8QT

Registered Charity No

1122002

Company No

6446232

THE ROYAL ARTILLERY INSTITUTION LTD

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The Board of Trustees of The Royal Artillery Institution Ltd¹ (RAI) present their report and accounts for the year ended 31 December 2021 as required under the Companies Act 2006. The accounts comply with the Companies Act 2006, the charity's governing document and the relevant Statement of Recommended Practice (the Charities SORP (FRS 102)). The RAI is a charitable company, limited by guarantee and not having share capital. It is governed by Articles of Association. The Trustees' Report incorporates the directors' report for Companies Act purposes.

Objects

The object of the charity, as described in its Articles of Association, is the promotion of the efficiency of the Royal Regiment of Artillery and the Officers, Warrant Officers and Other Ranks thereof. The charity meets that requirement by making grants to regiments, individuals and other regimental organisations in support of regimental affairs. Regimental affairs are those matters which are essential to the domestic life of the Regiment as a whole and which are controlled by the Regiment itself, subject to the requirements of prevailing legislation. The following activities are included: regimental property; regimental ceremonies, events and entertainment; educational, historical and heritage affairs; support to units and individuals, regimental sports and adventurous training, publications; supplementary support for Royal Artillery bands; policy for regimental matters such as dress, messes, heritage and ceremonial, all of which are supported by grants from the charity. Regimental welfare and the fostering of comradeship among all Gunners, serving and retired, are the responsibility of the Royal Artillery Charitable Fund (RACF) and Royal Artillery Association (RAA).

Organisation

The duties of the RAI Board of Trustees are laid down in the Articles of Association. The Board members provide a skills-based set of abilities and experience with some representing the serving officers and soldiers of the Regiment. The RAI works closely with a number of other charities, in particular the Royal Artillery General Charitable Trust (RAGCT), RACF and RAA, whose objects also support and promote efficiency within the Royal Artillery. The Board of Trustees meets at least twice a year as part of the Royal Artillery Board of Management alongside the trustees of the RACF / RAA. The RACF is the sole corporate trustee of the RAA. Subordinate to the Board of Trustees are the Investment Committee and a Finance and General Purposes Committee. These committees comprise trustees from both RAI and RACF, who have been co-opted for their skills and knowledge, so as to ensure that high quality advice may be provided to the RAI Board. The reports of these committees form part of the agenda of the meetings of the RAI Board of Trustees. The trustees form the membership of the RAI. The Master Gunner's Committee sets the strategic framework for the Regiment and acts as an advisory board to the RAI Board of Trustees as required. The Chairman of the RAI is a member of the Master Gunner's Committee and updates the committee biannually on business undertaken by the Royal Artillery Board of Management.

The RAI works closely with other Royal Artillery charities and organisations that support and promote the Royal Artillery's heritage and traditions, most notably the Royal Artillery Historical Trust, the Royal Artillery Historical Society and the Royal Artillery Museum.

1. While the Charity Commission and Companies House websites show the name of the company / charity as 'Royal Artillery Institution Ltd', its correct title in accordance with its Articles of Association is 'The Royal Artillery Institution Ltd'.

Governance

In addition to the Articles of Association, the Investment and Finance & General-Purpose committees have their own directives, which are reviewed and agreed regularly by the trustees. Powers delegated to the Secretariat are contained in the directives. Secretariat policies, which are agreed by the trustees, are in place in order to ensure smooth and effective running of the charity. The charity's risk register is reviewed annually by the trustees. Identified risks are managed as laid down in the Risk Management Plan. For specific items, detailed briefs are sent to the trustees so they can consider issues in depth before meetings. Trustees also receive regular reports on the value and movement of the charity's investment portfolio. The Chairman of the trustees and the Regimental Secretary meet regularly (usually weekly) to discuss issues.

Charity Commission Governance Code

The RAI as one of the Royal Artillery charities, comes under the umbrella of the Confederation of Service Charities (Cobseo). Cobseo, in consultation with the Charity Commission, have produced a Service Charity toolkit based on the 2017 Charity Commission Governance guide. The trustees carried out a self-assessment process using the toolkit during 2019. This enabled the Board to identify a number of enhancements which can be considered to improve governance. This included a resolution to limit the tenure of trustees. It is planned to repeat self-assessment process in 2022.

Selection of Members of the RAI Board of Management

The Articles of Association state the process for the appointment of trustees. New trustees are appointed by Resolution of the existing trustees. Trustees are normally serving and retired members of the Royal Artillery.

The Master Gunner St James's Park is the Head of the Regimental Family, but he is not a trustee. The Master Gunner proposes the Chairman, who will normally have been a Colonel Commandant. The appointment of the Chairman is then approved by resolution of the existing trustees. Trustees are selected for their skills and experience and their ability to understand and anticipate the needs of the serving and retired regiment. The trustees will normally include the Commandant, Royal School of Artillery, Commander 7 AD Group and Deputy Commanders from 1 Arty Bde and 1 ISR Bde, who between them represent a large proportion of serving Gunner soldiers and officers.

Key Management Personnel

The Regimental Secretary is the Chief Executive of the RAI and is responsible for: the day-to-day management of the charity's business; implementing policies agreed by the trustees and; the management of the charity's staff. The Finance Secretary is responsible to the Regimental Secretary for the accounting of funds and all financial records. The Assistant Regimental Secretary leads on day to day activities and acts as staff officer to the Master Gunner.

Review of Financial Activities

The charity's funds continue to be employed to promote efficiency within the Royal Artillery. The detailed results for the year under review are shown in the Statement of Financial Activities at page 14. In 2021 the charity had an excess of income over expenditure before gains on investments of £45,815 (2020: Income over expenditure before gains on investments £669,736. After investment gains of £1,489,875 (2020: gains of £226,286) there was a net increase in funds of £1,535,690 (2020: £896,022).

Review of Financial Activities continued

Total income decreased by £5,511 in the last financial year to £878,295 mainly due to a decrease in the grant received from RACF for Gunner. This was not required due to a decrease in publications and hence expenditure. Investment income from the portfolio achieved in excess of the budgeted £260,000 (the excess being retained in the portfolio) but the total £295,229 was £371 less than 2020. There were no legacies received in 2021 but 217 donations totalling £10,544 (2020: 218 - £7,418). The majority of donations arise from historic standing orders for Gunner Magazine, where recipients have requested to no longer receive the publication but have chosen not to cancel their standing orders. Income collected through the Service Pay Giving Scheme from serving members of the Regiment has increased by £6,266.

General charitable expenditure before the 2020 £500K reversal grant to RAM increased by £110,390 to £701,005 (2020: £590,616). This was mainly due to increased expenditure on some of the activities funded by the charity following the lifting of some COVID19 restrictions. The overall expenditure figure is shown as increasing by £610,389, however, the 2020 account included a significant decrease in expenditure as a result of reversing the proposed 2020 £500K grant award to the Royal Artillery Museum. The remaining increase is accounted for by increased draw down on the Baxter Fund.

There are four main income streams. They are:

- Investment income
- Service Pay Giving Scheme (SPGS), where all serving personnel are encouraged to give part of their pay to the charity
- Grants
- Donations

The majority of funding comes from investment income (34%) and the SPGS (40%). The RAI drew down £260,000 of investment income, which was in line with the budget for 2021. The balance of income from investments (£35,229) was reinvested within the portfolio.

The trustees approve the forecast of income and expenditure annually and monitor it regularly through the Finance & General Purpose Committee and at Board meetings.

Bids for major grants are called for annually and are scrutinised as part of the budgetary process. Grants made by the Chairman of the Board and Regimental Secretary under their delegated financial powers are subsequently reported to the trustees.

Charitable Activities

The RAI's object is the promotion of efficiency within the Royal Regiment of Artillery. This follows the Charity Commission's guidance on legitimate charitable purposes, one of which is *"The promotion of the efficiency of the armed forces of the Crown"*.

The Charity Commission states: *"The armed forces exist for public defence and security. It is charitable to promote the efficiency of the armed forces of the Crown as a means of defending the country. That includes ensuring that those forces are properly trained and equipped during times of conflict. It also includes providing facilities and benefits for the armed forces"*.

The charity's principal activity during the year was the provision of grants to promote efficiency. During the year the RAI made the following major grants in support of regimental events and activities judged by the trustees as conducive to the promotion of efficiency within the Royal Artillery:

Charitable Activities continued

- Royal Artillery sports teams - £143,618 (Including £51,902 from RACF)
- Regimental heritage - £101,687
- Regimental grants - £66,390
- Gunner magazine & RA Journal within raising funds- £43,539
- Recruiting - £21,800
- RA HQ Mess - £15,494

Details of additional grants can be found on page 20.

The RAI holds and maintains a collection of chattels comprising pictures, silver and furniture which have been acquired by bequest, by purchase through subscription of the officers of the Regiment and through property being held by the charity following the disbandment of regiments and the placing in suspended animation of individual Batteries (a process that has been on-going since the end of the 2nd World War). The charity loans items to regiments, headquarters and some individual officers in representational roles and these are accounted for annually. There are also a number of items on loan to regiments from the Royal Artillery Museum which are also monitored by the charity in order to ensure suitable insurance is in place.

Public Benefit

Accounting for the Collection is the principal responsibility of the Assistant Regimental Secretary who continues to review the holdings and maintain the database as additional items are received or loaned out. Much of the Collection (which totals more than 13,000 artefacts) is held in the Royal Artillery Mess at Larkhill where it imbues a sense of historical continuity, ethos and tradition to members of the regiment, past and present. Other items are loaned to other Royal Artillery messes, other military messes, museums and other public bodies, in all totalling some 120 different locations.

In addition to the above, the RAI continues to provide staff to support the Master Gunner, the Master Gunner's Committee and the Royal Artillery Board of Management in their representative and stewardship roles within the Royal Regiment.

The Objects of the RAI are to promote efficiency and welfare within the serving Regiment and to assist those in need who are serving or who have served their country through service in the Royal Regiment of Artillery, and their dependants. Inextricably linked with this Object is the aim of contributing to the public good by service to Her Majesty, the Country and all its citizens. The RAI contributes considerable public benefit to the local and national community by relieving need among members of the regimental family. This in turn maximises the likelihood of the charity's beneficiaries maintaining their place as valuable, self-sufficient members of the community who are able to make a positive contribution to society. The charity works in tandem with the SSAFA, ABF (the Soldiers Charity) and the Royal British Legion (RBL). The trustees have taken due regard of the Charity Commission's guidance on Public Benefit.

Future Plans

The charity has a sound financial base for future operations. The trustees will continue to support the evolving needs of the Royal Artillery and in particular the outcome of the Master Gunner St James's Park's Strategic Review which has six workstreams. The trustees will continue to respond to changes brought about under the workstreams, which are: Governance; People & Ethos; Operational Purpose & Distinctive Competencies; Heritage and; Charities & Veterans. In particular they will seek to further the concept of "One Regiment".

Future Plans continued

In 2020 the trustees agreed to earmark £1.5M of capital funds for future transfer to the Royal Artillery Museum (RAM). Of this £500K was to have been in the form of a grant and £1.0M in the form of a loan. Although the offer of this sum has now been withdrawn following the retraction of the offer of a suitable site for the museum, the trustees are likely to consider making a similar level of funding available in the future once the conditions upon which the original offer was made are met. It is understood that a revised plan will be presented to the Master Gunners Committee in July 2022. It is assessed that, following the removal of legally enforced Covid precautions, levels of activity will continue to return to near normal during 2022. The trustee has budgeted accordingly for the current year.

Reserves Policy

The trustees' policy is to maintain a sufficient level of reserves to: provide a stable base and income generation for the charity's continuing activities; generate sufficient funds to cover routine management and administrative costs and; enable the charity to respond to any emergency applications for grants which may arise from time to time.

Total funds as at 31 December 2021 were £12,681,550 (2020: £11,145,860).

Unrestricted reserves were £11,556,105 (2020: £10,059,931) of which are all free reserves.

Restricted Funds were £1,125,445 (2020: £1,085,929) and comprises of Baxter Fund - £1,097,965; Regimental Church - £16,980 and RA Church Refurbishment - £10,500 of which a large proportion is represented by investments.

Our risk-based approach to determining our free reserves requirement is carried out, based on the anticipated future needs of the regimental family, and the management of financial risks, particularly the uncertainty of future income from other sources.

Trustees review the level of reserves regularly to ensure funds are available to deliver welfare services and programmes, and to secure, as far as possible, future financial viability. Our annual review of reserves included assessing the impact of Covid-19 on our business plans, projected income and expenditure, and on our investments.

Following that review, we determined that we should hold a minimum of £10,000,000 in free reserves to be assured that we are able to sustain the support we provide to the regimental family in the long term as well as meet other obligations, irrespective of fluctuations in income and without creating the need to actively fundraise. This sum, held as part of our investment portfolio, is judged to be capable of generating sufficient investment income to meet foreseeable needs. This sum, held as part of our investment portfolio, is judged to be capable of generating sufficient investment income to meet foreseeable needs. With free reserves of £11,556,105 currently exceed this requirement. The trustees are content that the additional funds we hold provide ability to disinvest in order to support major capital projects if and when required, but in the meantime are held as investments generating additional income.

In 2021 the investment portfolio generated £295,229 for the charity, of which RAI received £260,000 as in year income. The balance of £35,229 was reinvested into the portfolio. The £260,000 was 34% of total income received.

Without this level of income the charity's activities would be significantly curtailed.

Reserves Policy continued

Trustees believe that investments should be maintained at the current levels, in order to generate income and provide for current needs whilst ensuring the charity remains well placed to meet future requirements. The trustees recognise that they have no long term mandated liability for any particular level of financial grants or activity. They therefore have the ability to reduce expenditure to match income in the event of income reducing.

Investment policy

The trustees' Investment Committee meets twice a year to consider the performance of the RAI's investments which are managed on a discretionary basis by Brewin Dolphin. The investment objective is to create sufficient income and capital growth to enable the charities to carry out their charitable objectives. The charity is expected to exist in perpetuity and investments are managed to meet the investment objective and ensure this sustainability.

The charity's funds are invested on an aliquot proportion in the same funds as the other Gunner welfare / efficiency charities. This is in order to achieve economies of scale in relation to investment costs. The trustees have given the fund managers discretion to manage the portfolio within an agreed risk profile and against agreed benchmarks. This is contained in a written directive.

At the bi-annual meeting with the investment managers the Investment Committee considers the state of the financial markets and measures the fund managers' on-going performance against specific agreed benchmarks, namely 30% FTSE All Share Index, 30% MSCI World ex UK Index, 10% MSCI Emerging Markets Index, 7.5% FTSE All Stocks Gilt Index, 5% iBoxx Sterling Non-Gilts Index, 10% IPD UK All Balanced Funds Index, 5% Alternative (IA Sector Targeted Absolute Return) and 2.5% Cash (Sterling Overnight Index Average). Having compared performances over the last 1, 3 and 5 years, the Investment Committee are of the view that the investments have done reasonably well in relation to the market and relevant benchmarks, and that there is currently no case to prompt a change of investment policy.

Environmental Governance and Social Considerations

The RAI's investments are not managed with any specific environmental, social and governance (ESG) restrictions. However it is expected that the RA charities' investment managers have clearly defined ESG investment policies and that the investments are managed by an investment company which is a signatory the UN Principles of Responsible Investment and which takes account of Environmental, Social and Governance (ESG) factors in their research and investment decision making process.

Fundraising

The trustees are very clear that all fundraising must be legal, open, honest and respectful. The charity does not actively engage in regular and organised fundraising, although it does receive donations and legacies. It receives the bulk of its income through investments and the Royal Artillery's 'service giving scheme'. The facility exists for individuals or organisations to make voluntary donations online. The charity does not work with any commercial partner or professional fundraisers except in order to operate an online donation facility such 'Enthuse' and 'Just Giving'. When donations are received they are mainly as a result of advertisements on the Gunner website and publications, and from open, group briefings to members of the serving Regiment. In addition, regiments and other Gunner organisations are encouraged to engage in sponsored activities to raise funds. The charity does not solicit funds through direct approaches to individuals via mailshots or online unless consent has been obtained.

No complaints were received in 2021.

Trustee Training

Trustee responsibilities and necessary training are taken very seriously. All new members of the trustee board are briefed by the Regimental Secretary on their roles and responsibilities. They are provided with the Charity Commissioners handbook "The Essential Trustee" as well as a copy of the Scheme. Recent RAI accounts, meeting, minutes and policy documents are also provided. Trustee briefings and training take place and members of the Board are encouraged to attend external trustee training and investment briefs.

Risk Management

The trustees maintain a continuous oversight of the principal areas of the charity's operations and the major risks, which may arise in these areas. In the opinion of the trustees the charity has established resources and review systems which, under normal conditions, should allow the risks identified to be mitigated to an acceptable level. A risk management plan is produced and approved by trustees each year and managed actively by the trustees, the Regimental Secretary and his staff. The main risks are:

- Insufficient income to meet the need: This is managed by careful budgeting, the investment and reserves policy and by controlling the level of support provided to beneficiaries.
- Fraud: This is guarded against by having policies in place to ensure regular checks are made and that all transactions are properly authorised by two signatories.
- Conflict of interest amongst trustees. A register of trustee interests is kept and updated annually. At the start of committee and Board of Management meetings, trustees are reminded to declare any conflict arising from the agenda so that appropriate action can be taken.
- Reputational damage arising from activities. This is mitigated by oversight of activities by the trustees and senior management.

Remuneration Policy

No trustee is paid as an employee or for services as a trustee, though travel and subsistence costs incurred as a trustee are reimbursed. One trustee was engaged through his Company, under contract to supply consultancy services to the charity. This was in line with Clause 6.3 of the Scheme. The trustees review staff salaries annually and take into account the MoD pay awards for similar grades, when recommending any pay increases.

Employees

The RAI aims to be an organisation for which employees enjoy working and where they feel supported, valued, empowered and developed. Employees are kept fully informed about the aims and objectives of the charity and how it is achieving them. Employees are encouraged to contribute suggestions to help improve working processes and to achieve best practice. The charity is an equal opportunities employer and is committed to training and developing its staff.

Trustees' Liability

The liability of RAI trustees for debts of The Royal Artillery Institution Ltd is limited to an amount not exceeding one pound.

Statement of Trustees' Responsibilities

The trustees (who are also directors of the RAI for the purposes of Company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable charity and company law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice (UK GAAP)).

The Company and Charity law applicable in England & Wales and UK GAAP requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company. This includes details of income and expenditure and the application of resources for the period. In preparing these financial statements, the trustee are required to:

- select suitable accounting policies and then apply them consistently;
- adhere to the methods and principles in the Charities Statement of Recommended Practice (Charities SORP (FRS 102));
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures which are to be disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the charity will continue in business.

The trustees are also responsible for safeguarding the assets of the charity, including taking reasonable steps to prevent and detect fraud and other irregularities.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with: the Companies Act 2006; the charity's governing document; the Charities Acts 2011 and; the SORP applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)).

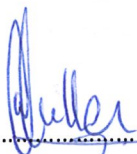
Statement as to Disclosure of Information to Auditors

In so far as the trustees are aware:

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

This report has been prepared under the special provisions of Part 15 of the Companies Act 2006.

On behalf of the trustees *DM Cullen* 7th June 2022



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Major General DM Cullen CB OBE
Chairman RAI Board of Trustees

THE ROYAL ARTILLERY INSTITUTION LTD

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

Opinion

We have audited the financial statements of Royal Artillery Institution Limited for the year ended 31 December 2021 which comprise the statement of financial activities, balance sheet, cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The 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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have

performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies exemption in preparing the Trustees' Annual Report and the Strategic Report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 9, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with informed management, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with informed management and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

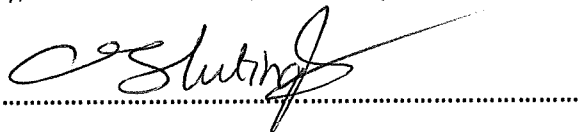
A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

THE ROYAL ARTILLERY INSTITUTION LTD

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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Cara Turtington (Senior Statutory Auditor)
For and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors
71 Queen Victoria Street
London
EC4 4BE

Date: 27 June 2022

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE ROYAL ARTILLERY INSTITUTION LTD

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) FOR THE YEAR ENDED 31 DECEMBER 2021

<u>Income and Expenditure</u>	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Income					
Donations and legacies inc SPGS	2	440,608	-	440,608	434,342
Investment income		261,241	33,988	295,229	295,600
Charitable Activities	3	140,480	-	140,480	152,480
Other Income	4	1,978	-	1,978	1,384
Total income before Expenditure		844,307	33,988	878,295	883,806
Expenditure on:					
Raising funds		97,487	-	97,487	86,925
Net funds available for charitable activities		746,820	33,988	780,808	796,881
Charitable Activities inc Grants paid and payable	5	701,005	-	701,005	108,171
Baxter Fund Grants		-	33,988	33,988	18,974
Total expenditure		701,005	33,988	734,993	127,145
Net income for the year before gains on Investments		45,815	-	45,815	669,736
Net gains on investment assets		1,352,420	137,455	1,489,875	226,286
Net income		1,398,235	137,455	1,535,690	896,022
Transfers	11	97,939	(97,939)	-	-
Net movement in funds		1,496,174	39,516	1,535,690	896,022
Total funds brought forward		10,059,931	1,085,929	11,145,860	10,249,838
Total funds carried forward		11,556,105	1,125,445	12,681,550	11,145,860

The notes on pages 17 to 24 form part of these financial statements

THE ROYAL ARTILLERY INSTITUTION LTD

BALANCE SHEET AT 31 DECEMBER 2021

2020	2021		
	£	£	
Fixed assets			
Investments	6	12,514,425	10,755,035
		<u>12,514,425</u>	<u>10,755,035</u>
Current assets			
Stocks	7	15,043	15,957
Debtors	8	30,095	30,597
Cash at Bank and in hand	9	376,891	495,865
		<u>422,029</u>	<u>542,419</u>
Current liabilities			
Creditors: Amounts falling due within one year	10	(254,904)	(151,594)
Net current assets /(liabilities)		167,125	390,825
Total assets less current liabilities		<u>12,681,550</u>	<u>11,145,860</u>
Funds			
Unrestricted Funds		11,556,105	10,059,931
Restricted Funds	11	1,125,445	1,085,929
		<u>12,681,550</u>	<u>11,145,860</u>

The notes on pages 17 – 24 form part of these financial statements.

Approved by the trustees on 7th June 2022


Major General DM Cullen CB OBE
6446232

Chairman

The RAI Board of Trustees

Company number:

THE ROYAL ARTILLERY INSTITUTION LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	<u>2021</u> £	<u>2020</u> £
Net cash used in operating activities	1	(144,688)	(117,392)
<u>Cash flows from investing activities</u>			
Dividends, interest and rents from investments		295,229	295,600
Purchase of investments		(2,975,547)	(1,143,114)
Proceeds from sale of investments		2,949,779	1,126,261
Net cash used in investing activities		<u>269,461</u>	<u>278,747</u>
Net increase in cash & cash equivalents		124,773	161,355
Cash & cash equivalents at the beginning of the year		647,189	485,834
Cash and cash equivalents at end of the year	2	<u><u>771,962</u></u>	<u><u>647,189</u></u>

Notes to the cash flow statement

1. Reconciliation of net movement in funds to net cash flow from operating activities		2021 £	2020 £
Net movement in funds		1,535,690	896,022
(Gain)/loss on investments		(1,489,875)	(226,286)
Investment income		(295,229)	(295,600)
Increase in investments due to changes in aliquot		-	5,096
Decrease in stock		914	982
Decrease in debtors		502	11,491
Increase/(Decrease) in creditors		103,310	(509,097)
Net cash used in operating activities		<u>(144,688)</u>	<u>(117,392)</u>
2. Analysis of cash and cash equivalents and net debt			
	At 1 Jan 2021 £	Cash flow £	At 31 Dec 2021 £
COIF Charities Deposit	19,622	(19,622)	-
Cash on short term deposit	476,243	(99,352)	376,891
Cash held in Investments	151,324	243,747	395,071
Net cash provided by operating activities	<u>647,189</u>	<u>124,773</u>	<u>771,962</u>

1 Accounting policies

The Royal Artillery Institution is a company limited by guarantee incorporated in England and Wales. The registered office is Artillery House, Royal Artillery Barracks, Larkhill, Salisbury, SP4 8QT.

1.1 Basis of accounting

The financial statements have been prepared under the historic cost convention, with the exception of listed investments which are included at their market value. The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP(FRS102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The Royal Artillery Institution constitutes a public benefit entity as defined by FRS102.

1.2 Going Concern

The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

1.3 Investment income

Investment income is credited to the statement of financial activities when its receipt is probable and the amount receivable can be measured reliably. It is allocated to both restricted and unrestricted funds on the basis of an aliquot proportion across the whole portfolio.

1.4 Subscriptions, donations and legacies

Subscriptions and donations are recognised as income when the amounts are receivable.

Legacies are recognised when received or receipt is probable and the value can be measured with sufficient reliability.

1.5 Expenditure & support costs

Expenditure is recognised in the period in which it is incurred and includes attributable VAT which cannot be recovered.

Supports costs are those costs which have not been directly allocate to an activity of the charity but nevertheless support these activities.

1.6 Grant expenditure

Grants payable are payments made in furtherance of the charitable objects of the charity. These are accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the grant.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

1.7 Fund accounting

Unrestricted funds are available to use to further any of the purposes of the charity.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or specific projects being undertaken by the charity.

1.8 Fixed asset investments

Fixed assets investments are stated at mid-market value. The unrealised movement in market value from one year to another is recognised in the statement of financial activities.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value.

1.10 Pensions

Staff are enrolled in a NEST pension scheme. Contributions are charged in the Statement of Financial Activities as they become payable.

1.11 Cash & cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.12 Assets not included within the balance sheet

The collection of chattels comprising of pictures, silver and furniture which have mainly been acquired through bequest, by purchase through subscription of the officers of the regiment and through property reverting to the charity upon disbandment of regiments is not included in the balance sheet as the historic cost of any assets purchased is not known and is considered likely to be immaterial.

The artefacts are largely held at the Royal Artillery Mess at Larkhill with others being held at other military messes, museums and other public bodies. The assets are held as part of the setting of the regiment for future generations.

The insurance value of these assets is £7.5 million.

1.13 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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

1.14 Critical estimate and judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision effects both current and future periods.

There are no critical estimates, judgements or key sources of estimation uncertainty in 2021 or 2020.

2 Donations and legacies inc SPGS

	2021	2020
	£	£
Officers' subscriptions (SPGS)	196,378	193,004
Soldiers' subscriptions (SPGS)	149,449	146,557
Reserve Regiments	-	800
Donations	10,544	9,995
Intangible Income – Wages in Kind	84,237	83,986
	<u>440,608</u>	<u>434,342</u>

3 Charitable Activities Income.

	2021	2020
	£	£
RA Publications - Subscription	32,309	39,244
RA Publications – Advertising income	686	600
Grants (RAI & RACF)	55,742	82,000
Grants Received	50,000	-
Government Grant – Furlough	-	11,014
Officers Mess Fund (Writeback)	-	19,622
Royalties	618	-
Investment Income	1,125	-
	<u>140,480</u>	<u>152,480</u>

4 Other Income

	2021	2020
	£	£
Sale of books	219	362
Receipts of Laid Down Wines	1,757	47
Bank Interest	2	-
Sandown Food	-	975
	<u>1,978</u>	<u>1,384</u>

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

5. Charitable Activities - Grants Paid

	2021	2020
	£	£
Annual Allocations:		
The Gunner Magazine	1,160	5,000
The Master Gunner's Fund	3,376	622
RA Sports	143,617	127,477
RA HQ Mess	15,494	6,967
RA Central Sergeants Mess Fund	6,500	13,000
Support of Units - Unit Grants	66,390	65,190
Support to Units – Senior/Commanding Officers	8,142	2,750
Recruiting	21,800	19,561
Regimental Expenses	26,817	742
Annual Contingency Reserve	17,420	4,894
	<u>310,716</u>	<u>246,203</u>
Other Grants:		
Adventurous Training	1,758	1,025
Regimental History VIII	423	10,000
Sandown Transport	-	5,713
Misc	-	521
	<u>2,181</u>	<u>17,259</u>
Grants in Year to RAM	101,687	38,250
Grants Payable to RAM (Cancelled)	-	(500,000)
Total Grants Paid	<u><u>414,584</u></u>	<u><u>(198,288)</u></u>
Support Cost to Charitable Activities:		
Salaries	145,879	145,961
Employers Pension Contributions	10,877	10,805
Wages in Kind	84,237	83,987
	<u>240,993</u>	<u>240,753</u>
Presentation & Awards	7,921	(869)
Printing, postage & Stationery	3,505	3,524
Computer software/Hardware	4,370	2,121
Insurance	3,313	3,831
Chattels (maintenance)	12,540	16,056
Travelling & Entertainment	176	232
Miscellaneous	899	2,994
Audit Fees	8,718	10,170
Audit Fees Under Provision	-	2,250
Legal and Professional Fees	3,986	7,842
	<u>45,428</u>	<u>48,151</u>
Total Charitable Activities	<u><u>701,005</u></u>	<u><u>90,616</u></u>

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

5 Charitable activities - Support Costs continued

The average number of persons employed by the Fund during the year was:

	2021 Number	2020 Number
Office and administration	5	3

There were no employees with emoluments above £60,000. The following payments were made to Key Management Personnel: £13,592 (2020: £14,076).

No trustees received any out of pocket expenses in 2021 (2020: NIL). One trustee received £468 in respect of consultancy services to the charity (2020: £2,728).

6 Investments

	2021 £	2020 £
<u>Quoted investments</u>		
Market value at 1 January	10,755,035	10,516,573
Purchases	2,975,547	1,143,114
Sales proceeds	(2,949,779)	(1,126,261)
Investment Management Fee	(50,464)	(43,259)
Net realised/unrealised Losses	1,489,875	226,286
Aliquot Changes	-	(5,096)
Cash movements	294,211	43,678
Market value at 31 December	12,514,425	10,755,035
Historical value at 31 December	8,808,917	7,278,707

The following holding exceeded 5% of the total portfolio value at the 31st December 2021 and are considered material.

	£
Vanguard Funds	1,053,713

	2021 £	2020 £
<u>Investment/Cash Breakdown</u>		
Investments	12,119,354	10,603,729
Income Account	27,241	23,882
Dealing & Deposit Account	367,830	127,424
Market value at 31 December	12,514,425	10,755,035

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

7. Stocks

	2021	2020
	£	£
Medals and Swords	8,652	9,566
Books	6,391	6,391
	<u>15,043</u>	<u>15,957</u>

8. Debtors

	2021	2020
	£	£
Accrued Service Giving Income	28,638	29,098
Insurance on behalf of third parties	122	122
Investment Income	1,177	1,212
Gift Aid	158	165
	<u>30,095</u>	<u>30,597</u>

9. Cash at bank and in hand

	2021	2020
	£	£
COIF Charities Deposit Fund	-	19,622
Bank current accounts	376,891	476,243
	<u>376,891</u>	<u>495,865</u>

10. Creditors

	2021	2020
	£	£
Amounts falling due within one year:		
Gunner Investment Income	1,177	1,212
RAHT Investment Income	8,007	7,582
CSM Investment Income	19,547	17,151
Accrual - Audit and accountancy	9,444	10,170
RAM	48,000	-
Other Creditors	32,191	17,540
RHA Association	113,372	97,939
Red Cypher	23,166	-
	<u>254,904</u>	<u>151,594</u>

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

11. 2021 Restricted Fund

	Balance 1 January 21 £	Incoming Resources £	Outgoing Resources £	Net Gain on Investment £	Transfers £	Balance at 31 December 21 £
Baxter Fund	960,510	33,988	33,988	137,455	-	1,097,965
Royal Horse Artillery Assoc	97,939				(97,939)	-
Regimental Church	16,980	-	-	-	-	16,980
Royal Artillery Church Refurbishment	10,500	-	-	-	-	10,500
Total	1,085,929	33,988	33,988	137,455	(97,939)	1,125,445

The transfer corrects the presentation of the balance due to the Royal Horse Artillery Association, which is included within creditors.

2020 Restricted Fund

	Balance 1 January 20 £	Incoming Resources £	Outgoing Resources £	Net Gain on Investment £	Transfers £	Balance at 31 December 20 £
Baxter Fund	938,468	18,989	(18,974)	22,027	-	960,510
Royal Horse Artillery Assoc	111,159	1,816	(17,555)	2,519	-	97,939
Regimental Church	16,980	-	-	-	-	16,980
Royal Artillery Church Refurbishment	10,500	-	-	-	-	10,500
Total	1,077,107	20,805	(36,529)	24,546	-	1,085,929

The Baxter Fund is restricted for the benefit of the King's Troop, Royal Horse Artillery. The Regimental Church Fund is restricted for the benefit of Regimental Church. The RA Church Refurbishment is restricted for the refurbishment of the RA Larkhill Garrison Church.

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

12. Analysis of net assets between funds

	2021		Net Total £
	Investments £	Current (liabilities)/ assets £	
Restricted funds:			
Baxter Fund	1,095,113	2,852	1,097,965
Regimental Church Fund	-	16,980	16,980
RA Church Refurb	-	10,500	10,500
	<u>1,095,113</u>	<u>30,332</u>	<u>1,125,445</u>
Unrestricted funds:			
General Fund	<u>11,419,312</u>	<u>136,793</u>	<u>11,556,105</u>
	<u>12,514,425</u>	<u>167,125</u>	<u>12,681,550</u>

Analysis of net assets between funds

	2020		Net Total £
	Investments £	Current (liabilities)/ assets £	
Restricted funds:			
Baxter Fund	972,659	(12,149)	960,510
Royal Horse Artillery	69,123	1,816	97,939
Regimental Church Fund	-	16,980	16,980
RA Church Refurb	-	10,500	10,500
	<u>1,068,782</u>	<u>17,147</u>	<u>1,085,929</u>
Unrestricted funds:			
General Fund	<u>9,686,253</u>	<u>373,678</u>	<u>10,059,931</u>
	<u>10,755,035</u>	<u>390,825</u>	<u>11,145,860</u>

14. Related party transactions

Income of £345,827 (2020: £339,561) was received from the Royal Artillery General Charitable Trust (RAGCT) of which both charities have a number of trustees in common. This Income relates to accrued Income from the Service Giving Scheme, which were voluntary contributions from service personnel.

Income of £8,007 (2020: £8,027) was received on behalf of Royal Artillery Historical Trust of which both charities have a number of trustees in common or who have the right to become a trustee of both. This Income relates to Interest earned on Investments.

Income of £14,396 (2020: £14,433) was received on behalf of the Central Sergeant Mess (CSM) of which the Royal Artillery Sergeant Major (RASM) is a member of the Royal Artillery Institution (RAI) and the Chair of the Central Sergeant Mess. This Income relates to Interest on Investments.

At the year end, balances due to and from related entities are disclosed in notes 8 and 10.

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

17. Prior Year Comparatives for the Statement of Financial Activities and Balance Sheet

Income and Expenditure

Income	Notes	Unrestricted The RAI Funds £	Unrestricted Gunner Funds £	Restricted The RAI Funds £	2020 Combined Total
Donations and legacies inc SPGS	2	394,597	39,745	-	434,342
Investment income		273,583	1,212	20,805	295,600
Charitable Activities	3	97,636	54,844	-	152,480
Other Income	4	1,384	-	-	1,384
<u>Total income before Expenditure</u>		<u>767,199</u>	<u>95,802</u>	<u>20,805</u>	<u>883,806</u>
<u>Expenditure on:</u>					
Raising funds		46,328	40,597	-	86,925
<u>Net funds available for charitable activities</u>		<u>720,872</u>	<u>55,204</u>	<u>20,805</u>	<u>796,881</u>
Charitable Activities inc Grants paid and payable	5	48,054	42,562	17,555	108,171
Baxter Fund Grants		-	-	18,974	18,974
<u>Total expenditure</u>		<u>48,054</u>	<u>42,562</u>	<u>36,529</u>	<u>127,145</u>
<u>Net (expenditure)/income for the year before gains on</u>		<u>672,818</u>	<u>12,642</u>	<u>(15,724)</u>	<u>669,736</u>
<u>Investments</u>					
Net gains/(loss) on investment assets		200,439	1,301	24,546	226,286
Transfer between Funds		-	-	-	-
<u>Net movement in funds</u>		<u>873,257</u>	<u>13,943</u>	<u>8,822</u>	<u>896,022</u>
Total funds brought forward		9,105,865	66,866	1,077,107	10,249,838
<u>Total funds carried forward</u>		<u>9,979,122</u>	<u>80,809</u>	<u>1,085,929</u>	<u>11,145,860</u>

ROYAL ARTILLERY INSTITUTION LIMITED

England & Wales - Charity number 1122002

Accounts



THE ROYAL ARTILLERY INSTITUTION LIMITED

(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Registered Charity No: 1122002

Registered Company No: 6446232

ROYAL ARTILLERY INSTITUTION LTD

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THE ROYAL ARTILLERY INSTITUTION LTD

TRUSTEES AND ADMINISTRATIVE INFORMATION

Patron Her Majesty Queen Elizabeth II

RAI Trustees

During the year ended 31 December 2020, and up to date of approval of this report, the trustees were:

Chairman Major General DM Cullen CB OBE - Chairman

Members

Brigadier NA Clissitt	
Colonel LM Forbes TD VR	Colonel RA Reserves (Appointed 1 Jul 20)
Col C Palmer	Deputy Commander 1 st ISR Brigade (Appointed 10 Feb 20)
Colonel G Taylor	Commander 7 th Air Defence Group (Appointed 24 Nov 20)
Colonel GH Malec	Commander 7 th Air Defence group (Resigned 16 Oct 20)
Colonel RST Murphy TD VR QVRM	Deputy Commander 1 st Artillery Brigade
Colonel AB Phillips	Commandant Royal School of Artillery
Colonel RA Winchester	Colonel RA Reserves (Resigned 15 May 20)
Lieutenant Colonel JRM Gower MBE VR	
Lieutenant Colonel SJR Halliday TD	
Major MG Williams	
WO1 (RASM) RR Mealand	Royal Artillery Sergeant Major (Appointed 4 Jun 20)
WO1 (RASM) BA Pugh	Royal Artillery Sergeant Major (Resigned 22 Mar 20)

A number of trustees are also involved in the governance of other charities referred to in this report. All trustees have made a declaration listing any related parties and potential conflicts of interest.

Regimental Secretary Colonel M G J Carter

Finance Secretary Mrs B Hoblyn

Bankers Lloyds Bank PLC
39 Piccadilly
London W1V 0AA

Solicitors Wilsons Solicitors
Alexandra House
St John's Street
Salisbury
Wiltshire SP1 2SB

Auditors Saffery Champness LLP
71 Queen Victoria Street
London EC4V 4BE

Investment Managers Brewin Dolphin
12 Smithfield Street
London EC1A 9BD

Address Royal Artillery Barracks
Larkhill
Salisbury
Wiltshire SP4 8QT

Registered Charity No 1122002

Company No

6446232

THE ROYAL ARTILLERY INSTITUTION LTD

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Introduction

The Board of Trustees of The Royal Artillery Institution Ltd¹ (RAI) present their report and accounts for the year ended 31 December 2020 as required under the Companies Act 2006. The accounts comply with the Companies Act 2006, the charity's governing document and the relevant Statement of Recommended Practice (the Charities SORP (FRS 102)). The RAI is a charitable company, limited by guarantee and not having share capital. It is governed by Articles of Association. The Trustees' Report incorporates the directors' report for Companies Act purposes.

Objects

The object of the charity, as described in its Articles of Association, is the promotion of the efficiency of the Royal Regiment of Artillery and the Officers, Warrant Officers and Other Ranks thereof. The charity meets that requirement by making grants to regiments, individuals and other regimental organisations in support of regimental affairs. Regimental affairs are those matters which are essential to the domestic life of the Regiment as a whole and which are controlled by the Regiment itself, subject to the requirements of prevailing legislation. The following activities are included: regimental property; regimental ceremonies, events and entertainment; educational, historical and heritage affairs; support to units and individuals, regimental sports and adventurous training, publications; supplementary support for Royal Artillery bands; policy for regimental matters such as dress, messes, heritage and ceremonial, all of which are supported by grants from the charity. Regimental welfare and the fostering of comradeship among all Gunners, serving and retired, are the responsibility of the Royal Artillery Charitable Fund (RACF) and Royal Artillery Association (RAA).

Organisation

The duties of the RAI Board of Trustees are laid down in the Articles of Association. The Board members provide a skills-based set of abilities and experience with some representing the serving officers and soldiers. The RAI works closely with a number of other charities, in particular the Royal Artillery General Charitable Trust (RAGCT), RACF and RAA, whose objects also support and promote efficiency within the Royal Artillery. The Board of Trustees meets twice a year as part of the Royal Artillery Board of Management alongside the trustees of the RACF / RAA. The RACF is the sole corporate trustee of the RAA. Subordinate to the Board of Trustees are the Investment Committee and a Finance and General Purposes Committee. These committees comprise trustees from both RAI and RACF, who have been co-opted for their skills and knowledge so as to ensure that high quality advice may be provided to the RAI Board. The reports of these committees form part of the agenda of the meetings of the RAI Board of Trustees. The trustees form the membership of the RAI. The Master Gunner's Committee sets the strategic framework for the Regiment and acts as an advisory board to the RAI Board of Trustees as required. The Chairman of the RAI is a member of the Master Gunner's Committee and updates the committee biannually on business undertaken by the Royal Artillery Board of Management. The RAI works closely with other Royal Artillery charities and organisations that support and promote the Royal Artillery's heritage and traditions, most notably the Royal Artillery Historical Trust, the Royal Artillery Historical Society and the Royal Artillery Museum.

Governance

In addition to the Articles of Association, the Investment and Finance & General-Purpose committees have their own directives, which are reviewed and agreed regularly by the trustees. Powers delegated to the Secretariat are contained in the directives. Secretariat policies, which are agreed by the trustees, are in place in order to ensure smooth and effective running of the charity. The charity's risk register is reviewed annually by the trustees. Identified risks are managed as laid down in the Risk Management Plan. For specific items, detailed briefs are sent to the trustees so they can consider issues in depth before meetings. Trustees also receive regular reports on the value and movement of the charity's investment portfolio. The Chairman of the trustees and the Regimental Secretary meet regularly (usually weekly) to discuss issues.

1. While the Charity Commission and Companies House websites show the name of the company / charity as 'Royal Artillery Institution Ltd', its correct title in accordance with its Articles of Association is 'The Royal Artillery Institution Ltd'.

Charity Commission Governance Code

The RAI as one of the Royal Artillery charities, comes under the umbrella of the Confederation of Service Charities (Cobseo). Cobseo, in consultation with the Charity Commission, have produced a Service Charity toolkit based on the 2017 Charity Commission Governance guide. The trustees carried out a self-assessment process using the toolkit during 2019. This enabled the Board to identify a number of enhancements which can be considered to improve governance. This included a resolution to limit the tenure of trustees. It is planned to repeat self-assessment process in 2022.

Selection of Members of the RAI Board of Management

The Articles of Association state the process for the appointment of trustees. New trustees are appointed by Resolution of the existing trustees. Trustees are normally serving and retired members of the Royal Artillery.

The Master Gunner St James's Park is the Head of the Regimental Family, but he is not a trustee. The Master Gunner proposes the Chairman, who will normally have been a Colonel Commandant. The appointment of the Chairman is then approved by resolution of the existing trustees. Trustees are selected for their skills and experience and their ability to understand and anticipate the needs of the serving and retired regiment. The trustees will normally include the Commandant, Royal School of Artillery, Commander 7 AD Group and Deputy Commanders from 1 Arty Bde and 1 ISR Bde, who between them represent a large proportion of serving Gunner soldiers and officers.

Key Management Personnel

The Regimental Secretary is the Chief Executive of the RAI and is responsible for: the day-to-day management of the charity's business; implementing policies agreed by the trustees and; the management of the charity's staff. The Finance Secretary is responsible to the Regimental Secretary for the accounting of funds and all financial records. The Assistant Regimental Secretary leads on day to day activities and acts as staff officer to the Master Gunner.

Review of Financial Activities

The charity's funds continue to be employed to promote efficiency within the Royal Artillery. The detailed results for the year under review are shown in the Statement of Financial Activities at page 14. In 2020 the charity had an excess of Income over expenditure before gains on investments of £669,736 (2019: expenditure over income £442,353). After investment gains of £226,286 (2019: gains of £1,326,903) there was a net increase in funds of £896,022 (2019: £884,550).

Total income decreased by £3,267 in the last financial year to £883,806 mainly due to a decrease in the grant received from RACF for Gunner. This was not required due a decrease in publications and hence expenditure. There was a reduction in income for regimental events. The reversal of COIF Officers Mess fund creditor (£19,622), increased the income as the funds were brought back into RAI, as agreed at RA BoM in November 2020. In addition investment income from the portfolio achieved in excess of the budgeted £260,000 (the excess being retained in the portfolio) but the total (£295,600) was £12,932 less than 2019. There were no legacies received in 2020 but 218 donations totalling £7,418 (2019: 234 - £5,202). The majority of donations arise from historic standing orders for Gunner Magazine, where recipients have requested to no longer receive the publication but have chosen not to cancel their standing orders. Income collected through the Service Pay Giving Scheme from serving members of the Regiment has increased by £7,258.

General charitable expenditure decreased by £78,751 to £590,616 (2019: £669,367). This was mainly due to a reduction in activities funded by the charity due to COVID19 restrictions. However, this does not include the cancellation of proposed 2019 £500K grant award to the Royal Artillery Museum. When this is taken into account, overall expenditure decreased by £1,082,928 to £127,145.

Review of Financial Activities continued

There are four main income streams. They are:

- Investment income
- Service Pay Giving Scheme (SPGS), where all serving personnel are encouraged to give part of their pay to the charity
- Grants
- Donations

The majority of funding comes from investment income and the SPGS. Despite a significant drop in the value of investments due to reaction to COVID19 in the Spring, our portfolio recovered well and, at year end was 2.2% above its 31 December 2019 value. The RAI requested a drawdown of £260,000 which was the budget for 2020. The balance of income from investments (£35,600) was reinvested within the portfolio. Income from the SPGS was unaffected by COVID19.

The trustees approve the forecast of income and expenditure annually and monitor it regularly through the Finance & General Purpose Committee and at Board meetings.

Bids for major grants are called for annually and are scrutinised as part of the budgetary process. Grants made by the Chairman of the Board and Regimental Secretary under their delegated financial powers are subsequently reported to the trustees.

Charitable Activities

The RAI's object is the promotion of efficiency within the Royal Regiment of Artillery. This follows the Charity Commission's guidance on legitimate charitable purposes, one of which is *"The promotion of the efficiency of the armed forces of the Crown"*.

The Charity Commission states: *"The armed forces exist for public defence and security. It is charitable to promote the efficiency of the armed forces of the Crown as a means of defending the country. That includes ensuring that those forces are properly trained and equipped during times of conflict. It also includes providing facilities and benefits for the armed forces"*.

The charity's principal activity during the year was the provision of grants to promote efficiency. During the year the RAI made the following major grants in support of regimental events and activities judged by the trustees as conducive to the promotion of efficiency within the Royal Artillery:

- Royal Artillery sports teams - £127,477 (Including £65,000 from RACF)
- Gunner magazine & RA Journal - £40,597
- Regimental grants - £65,190
- Regimental heritage - £38,250
- Recruiting - £19,561
- Regimental History publication - £10,000

Details of additional grants can be found on page 21.

The RAI holds and maintains a collection of chattels comprising pictures, silver and furniture which have been acquired by bequest, by purchase through subscription of the officers of the Regiment and through property being held by the charity following the disbandment of regiments and the placing in suspended animation of individual Batteries (a process that has been on-going since the end of the 2nd World War). The charity loans items to regiments, headquarters and some individual officers in representational roles and these are accounted for annually. There are

Charitable Activities continued

also a number of items on loan to regiments from the Royal Artillery Museum which are also monitored by the charity in order to ensure suitable insurance is in place.

Public Benefit

Accounting for the Collection is the principal responsibility of the Assistant Regimental Secretary who continues to review the holdings and maintain the database as additional items are received or loaned out. Much of the Collection (which totals more than 13,000 artefacts) is held in the Royal Artillery Mess at Larkhill where it imbues a sense of historical continuity, ethos and tradition to members of the regiment, past and present. Other items are loaned to other Royal Artillery messes, other military messes, museums and other public bodies, in all totalling some 120 different locations.

In addition to the above, the RAI continues to provide staff to support the Master Gunner, the Master Gunner's Committee and the Royal Artillery Board of Management in their representative and stewardship roles within the Royal Regiment.

The Objects of the RAI are to promote efficiency and welfare within the serving Regiment and to assist those in need who are serving or who have served their country through service in the Royal Regiment of Artillery, and their dependants. Inextricably linked with this Object is the aim of contributing to the public good by service to Her Majesty, the Country and all its citizens. The RAI contributes considerable public benefit to the local and national community by relieving need among members of the regimental family. This in turn maximises the likelihood of the charity's beneficiaries maintaining their place as valuable, self-sufficient members of the community who are able to make a positive contribution to society. The charity works in tandem with the SSAFA, ABF (the Soldiers Charity) and the Royal British Legion (RBL). The trustees have taken due regard of the Charity Commission's guidance on Public Benefit.

Future Plans

The charity has a sound financial base for future operations. The trustees will continue to support the evolving needs of the Royal Artillery and in particular the outcome of the Master Gunner St James's Park's Strategic Review which has six workstreams. The trustees will continue to respond to changes brought about under the workstreams, which are: Governance; People & Ethos; Operational Purpose & Distinctive Competencies; Heritage and; Charities & Veterans. In particular they will seek to further the concept of "One Regiment".

In 2019 the trustees agreed to earmark £1.5M of capital funds for future transfer to the Royal Artillery Museum (RAM). Of this £500K was to have been in the form of a grant and £1.0M in the form of a loan. Although the offer of this sum has now been withdrawn following the retraction of the offer of a suitable site for the museum, the trustees are likely to consider making a similar level of funding available in the future once the conditions upon which the original offer was made are met. There is currently no timeframe for this.

Reserves Policy

The trustees' policy is to maintain a sufficient level of reserves to: provide a stable base and income generation for the charity's continuing activities; generate sufficient funds to cover routine management and administrative costs and; enable the charity to respond to any emergency applications for grants which may arise from time to time. In 2020 the investment portfolio generated £295,600 for the charity, of which RAI received £260,000 as in year income. The balance of £35,600 was reinvested into the portfolio. The £260,000 was 30% of total income received.

Without this level of income the charity's activities would be significantly curtailed. The trustees review the reserves policy on a regular basis to ensure that excessive funds are not accumulated. The reserve level is £10,057,473 of Unrestricted funds and £1,085,929 of Restricted funds (£960,510 – Baxter Fund; £16,980 – Regimental Church; £10,500

Reserve Policy continued.

- RA Church Refurbishment; £97,939 - Royal Horse Artillery Association of which a large proportion is represented by investments.)

Trustees believe that investments should be maintained at the current levels, in order to generate income and provide for current needs whilst ensuring the charity remains well placed to meet future requirements. The trustees recognise that they have no long term mandated liability for any particular level of financial grants or activity. They therefore have the ability to reduce expenditure to match income in the event of income reducing.

Investment policy

The trustees' Investment Committee meets twice a year to consider the performance of the RAI's investments which are managed on a discretionary basis by Brewin Dolphin. The investment objective is to create sufficient income and capital growth to enable the charities to carry out their charitable objectives. The charity is expected to exist in perpetuity and investments are managed to meet the investment objective and ensure this sustainability.

The charity's funds are invested on an aliquot proportion in the same funds as the other Gunner welfare / efficiency charities. This is in order to achieve economies of scale in relation to investment costs. The trustees have given the fund managers discretion to manage the portfolio within an agreed risk profile and against agreed benchmarks. This is contained in a written directive.

At the bi-annual meeting with the investment managers the Investment Committee considers the state of the financial markets and measures the fund managers' on-going performance against specific agreed benchmarks, namely 30% FTSE All Share Index, 30% MSCI World ex UK Index, 10% MSCI Emerging Markets Index, 7.5% FTSE All Stocks Gilt Index, 5% iBoxx Sterling Non-Gilts Index, 10% IPD UK All Balanced Funds Index, 5% Alternative (IA Sector Targeted Absolute Return) and 2.5% Cash (7 Day Sterling LIBOR). Having compared performances over the last 1, 3 and 5 years, the Investment Committee are of the view that the investments have done reasonably well in relation to the market and relevant benchmarks, and that there is currently no case to prompt a change of investment policy.

Environmental Governance and Social Considerations

The RAI's investments are not managed with any specific environmental, social and governance (ESG) restrictions. However it is expected that the RA charities' investment managers have clearly defined ESG investment policies and that the investments are managed by an investment company which is a signatory the UN Principles of Responsible Investment and which takes account of Environmental, Social and Governance (ESG) factors in their research and investment decision making process.

Fundraising

The trustees are very clear that all fundraising must be legal, open, honest and respectful. The charity does not actively engage in regular and organised fundraising, although it does receive donations and legacies. It receives the bulk of its income through investments and the Royal Artillery's 'service giving scheme'. The facility exists for individuals or organisations to make voluntary donations online. The charity does not work with any commercial partner or professional fundraisers except in order to operate an online donation facility such 'Charity Checkout'. When donations are received they are mainly as a result of advertisements on the Gunner website and publications, and from open, group briefings to members of the serving Regiment. In addition, regiments and other Gunner organisations are encouraged to engage in sponsored activities to raise funds. The charity does not solicit funds through direct approaches to individuals via mailshots or online unless consent has been obtained.

No complaints were received in 2020.

Trustee Training

Trustee responsibilities and necessary training are taken very seriously. All new members of the trustee board are briefed by the Regimental Secretary on their roles and responsibilities. They are provided with the charity Commissioners handbook "The Essential Trustee" as well as a copy of the Scheme. Recent RAI accounts, meeting minutes and policy documents are also provided. Trustee briefings and training take place and members of the Board are encouraged to attend external trustee training and investment briefs.

Risk Management

The trustees maintain a continuous oversight of the principal areas of the charity's operations and the major risks, which may arise in these areas. In the opinion of the trustees the charity has established resources and review systems which, under normal conditions, should allow the risks identified to be mitigated to an acceptable level. A risk management plan is produced and approved by trustees each year and managed actively by the trustees, the Regimental Secretary and his staff. The main risks are:

- Insufficient income to meet the need: This is managed by careful budgeting, the investment and reserves policy and by controlling the level of support provided to beneficiaries.
- Fraud: This is guarded against by having policies in place to ensure regular checks are made and that all transactions are properly authorised by two signatories.
- Conflict of interest amongst trustees. A register of trustee interests is kept and updated annually. At the start of committee and Board of Management meetings, trustees are reminded to declare any conflict arising from the agenda so that appropriate action can be taken.
- Reputational damage arising from activities. This is mitigated by oversight of activities by the trustees and senior management.

COVID19 Impact Assessment

The economic impact of the current COVID19 situation inevitably had an adverse effect on our financial position, particularly our investments, during the year. As at 6 April 2020 our investment portfolio had lost some £2,349,497 (22.34%) reducing in value to £8,167,076 from £10,516,573. The Investment Committee reviewed the situation and took the view that our funds were invested for the long term and that we should not make changes to our investment policy or asset weighting. It was anticipated that capital value and investment income would be adversely affected. As at 31 December 2020 capital investment values had regained £1,484,605 to £11,029,929 which is 2.2% above the 31 December 2019 figure. Despite capital losses in Q2, the total income from investments was £260,000, which was the RAI budget. Our fund managers assess that we expect to see: muted economic growth (especially during the first half of the year); inflation to remain at reasonably depressed levels (albeit slowly rising) and; returns from main asset classes to be lower than we have seen historically, although without the degree of turbulence that we saw in 2020. Importantly, we believe that it is highly unlikely that markets will suffer such an exaggerated fall as that which was seen in March 2020. The outlook for income is still very uncertain and is very much dependent on the speed at which corporate profits can recover. For 2021 we expect some improvement and it would not be unreasonable to expect a c.5% pickup.

Our second main source of income is through the Service Giving Scheme. This has been unaffected by the COVID19 position. Trustees recognise however that some individuals may withdraw from the scheme in the event of a drop in household income later this year if and when furlough schemes are due to finish. We anticipate a reduction in donations raised through sponsored activities but that standing orders and direct debits will be relatively unaffected. We have not taken a view on the possible effect on legacies. We do not believe any loss of income will materially affect the ability to deliver our charitable outputs, largely because many of the events and activities funded by the charity have been or are likely to be cancelled or postponed while restrictions remain in place.

THE ROYAL ARTILLERY INSTITUTION LTD

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

COVID19 Impact Assessment continued

One of the benefits of holding reasonably large and diversified investments is that we are well placed to weather any future economic downturn, however once again, in order to mitigate the expected in-year loss of income we conducted a review of planned expenditure and were able to identify compensating measures to potentially offset this loss if required. The majority of possible savings were deemed to be either inevitable (due to cancellation of activity) or acceptable (ie minimal impact on efficiency within the serving regiment).

The trustees are confident that the charity remains a going concern for the foreseeable future and at least for the next 12 months.

Remuneration Policy

No trustee is paid as an employee or for services as a trustee, though travel and subsistence costs incurred as a trustee are reimbursed. One trustee was engaged through his Company, under contract to supply consultancy services to the charity. This was in line with Clause 6.3 of the Scheme. The trustees review staff salaries annually and take into account the MoD pay awards for similar grades, when recommending any pay increases.

Employees

The RAI aims to be an organisation for which employees enjoy working and where they feel supported, valued, empowered and developed. Employees are kept fully informed about the aims and objectives of the charity and how it is achieving them. Employees are encouraged to contribute suggestions to help improve working processes and to achieve best practice. The charity is an equal opportunities employer and is committed to training and developing its staff.

Trustees' Liability

The liability of RAI trustees for debts of The Royal Artillery Institution Ltd is limited to an amount not exceeding one pound.

Statement of Trustees' Responsibilities

The trustees (who are also directors of the RAI for the purposes of Company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable charity and company law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice (UK GAAP)).

The Company and Charity law applicable in England & Wales and UK GAAP requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company. This includes details of income and expenditure and the application of resources for the period. In preparing these financial statements, the trustee are required to:

- select suitable accounting policies and then apply them consistently;
- adhere to the methods and principles in the Charities Statement of Recommended Practice (Charities SORP (FRS 102));
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures which are to be disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the charity will continue in business.

Statement of Trustees' Responsibilities continued

The trustees are also responsible for safeguarding the assets of the charity, including taking reasonable steps to prevent and detect fraud and other irregularities.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with: the Companies Act 2006; the charity's governing document; the Charities Acts 2011 and; the SORP applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)).

Statement as to Disclosure of Information to Auditors

In so far as the trustees are aware:

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

This report has been prepared under the special provisions of Part 15 of the Companies Act 2006.

On behalf of the trustees



June 2021



Major General DM Cullen CB OBE
Chairman RAI Board of Trustees

THE ROYAL ARTILLERY INSTITUTION LTD

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Opinion

We have audited the financial statements of Royal Artillery Institution for the year ended 31 December 2020 which comprise the statement of financial activities, balance sheet, cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The 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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies exemption in preparing the Trustees' Annual Report and the Strategic Report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 8-9, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with informed management, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with informed management and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

INDEPENDENT AUDITORS REPORT TO THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

Liz Hazell

Liz Hazell (Senior Statutory Auditor)
For and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors
71 Queen Victoria Street
London
EC4A 3BE

Date: *22 June 2021.*

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE ROYAL ARTILLERY INSTITUTION LTD

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) FOR THE YEAR ENDED 31 DECEMBER 2020

<u>Income and Expenditure</u>	Notes	Unrestricted The RAI Funds £	Unrestricted Gunner Funds £	Restricted The RAI Funds £	2020 Combined Total £	2019 Combined Total £
Income						
Donations and legacies inc SPGS	2	394,597	39,745	-	434,342	445,424
Investment income		273,583	1,212	20,805	295,600	308,532
Charitable Activities	3	97,636	54,844	-	152,480	131,081
Other Income	4	1,384	-	-	1,384	2,036
Total income before Expenditure		767,200	95,801	20,805	883,806	887,073
<u>Expenditure on:</u>						
Raising funds		46,328	40,597	-	86,925	119,353
Net funds available for charitable activities		720,872	55,204	20,805	796,881	767,720
Charitable Activities inc Grants paid and payable	5	48,054	42,562	17,555	108,171	1,169,367
Baxter Fund Grants		-	-	18,974	18,974	40,706
Total expenditure		48,054	42,562	36,529	127,145	1,210,073
Net (expenditure)/Income for the year before gains on Investments		672,818	12,642	(15,724)	669,736	(442,353)
Net gains/(loss) on investment assets		200,439	1,301	24,546	226,286	1,326,903
Transfer between Funds		-	-	-	-	-
Net movement in funds		873,257	13,943	8,822	896,022	884,550
Total funds brought forward		9,105,865	66,866	1,077,107	10,249,838	9,365,288
Total funds carried forward		9,979,122	80,809	1,085,929	11,145,860	10,249,838

The notes on pages 17 to 29 form part of these financial statements

THE ROYAL ARTILLERY INSTITUTION LTD

**BALANCE SHEET
AT 31 DECEMBER 2020**

	Notes	Unrestricted 2020		2019	
		The RAI Funds £	Gunner Funds £	Combined Total £	Combined Total £
Fixed assets					
Investments	6	10,693,205	61,830	10,755,035	10,516,573
		10,693,205	61,830	10,755,035	10,516,573
Current assets					
Stocks	7	15,957	-	15,957	16,939
Debtors	8	29,385	1,212	30,597	42,088
Cash at Bank and in hand	9	478,098	17,767	495,865	334,857
		523,440	18,979	542,419	393,884
Current liabilities					
Creditors: Amounts falling due within one year	10	(151,594)	-	(151,594)	(660,619)
Net current assets / (liabilities)		371,846	18,979	390,825	(266,735)
Total assets less current liabilities		11,065,051	80,809	11,145,860	10,249,838
Funds					
Unrestricted Funds		9,979,122	80,809	10,059,931	9,172,731
Restricted Funds	11	1,085,929	-	1,085,929	1,077,107
		11,065,051	80,809	11,145,860	10,249,838

The notes on pages 17 – 29 form part of these financial statements.

Approved by the trustees on

1st June 2021



Major General DM Cullen CB OBE
Chairman

The RAI Board of Trustees Company number: 6446232

THE ROYAL ARTILLERY INSTITUTION LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Net cash used in operating activities	1	(117,392)	(896,373)
<u>Cash flows from investing activities</u>			
Dividends, interest and rents from investments		295,600	308,532
Purchase of investments		(1,143,114)	(1,504,633)
Proceeds from sale of investments		1,126,261	1,759,424
Net cash used in investing activities		278,747	563,323
Net (decrease)/ increase in cash & cash equivalents		161,355	(333,050)
Cash & cash equivalents at the beginning of the year		485,834	818,884
Cash and cash equivalents at end of the year	2	647,189	485,834

Notes to the cash flow statement

1.	Reconciliation of net movement in funds to net cash flow from operating activities		2020		2019
			£		£
	Net movement in funds		896,022		884,550
	(Gain)/loss on investments		(226,286)		(1,326,903)
	Investment income		(295,600)		(308,532)
	Increase in investments due to changes in aliquot		5,096		14,244
	(Increase)/decrease in stock		982		(5,491)
	(Increase)/Decrease in debtors		11,491		30,525
	(Decrease)/increase in creditors		(509,097)		(184,766)
	Net cash used in operating activities		(117,392)		(896,373)
2.	Analysis of cash and cash equivalents and net debt	At 1 Jan 2020	Cash flow	At 31 Dec 2020	
		£	£	£	
	COIF Charities Deposit	19,571	51	19,622	
	Cash on short term deposit	315,242	161,001	476,243	
	Cash current account	44	(44)	-	
	Cash balance before investments	334,857	161,008	495,865	
	Cash held in Investments	150,977	347	151,324	
	Net cash provided by operating activities	485,834	161,355	647,189	

1 Accounting policies

The Royal Artillery Institution is a company limited by guarantee incorporated in England and Wales. The registered office is Artillery House, Royal Artillery Barracks, Larkhill, Salisbury, SP4 8QT.

1.1 Basis of accounting

The financial statements have been prepared under the historic cost convention, with the exception of listed investments which are included at their market value. The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP(FRS102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The Royal Artillery Institution constitutes a public benefit entity as defined by FRS102.

1.2 Going Concern

The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

1.3 Investment income

Investment income is credited to the statement of financial activities when its receipt is probable and the amount receivable can be measured reliably. It is allocated to both restricted and unrestricted funds on the basis of an aliquot proportion across the whole portfolio.

1.4 Subscriptions, donations and legacies

Subscriptions and donations are recognised as income when the amounts are receivable.

Legacies are recognised when received or receipt is reasonably certain and the value can be measured with sufficient reliability.

1.5 Expenditure & support costs

Expenditure is recognised in the period in which it is incurred and includes attributable VAT which cannot be recovered.

Supports costs are those costs which have not been directly allocate to an activity of the charity but nevertheless support these activities.

1.6 Grant expenditure

Grants payable are payments made in furtherance of the charitable objects of the charity. These are accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the grant.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

1.7 Fund accounting

Unrestricted funds are available to use to further any of the purposes of the charity.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or specific projects being undertaken by the charity.

1.8 Fixed asset investments

Fixed assets investments are stated at mid-market value. The unrealised movement in market value from one year to another is recognised in the statement of financial activities.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value.

1.10 Pensions

Staff are enrolled in a NEST pension scheme. Contributions are charged in the Statement of Financial Activities as they become payable.

1.11 Cash & cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.12 Assets not included within the balance sheet

The collection of chattels comprising of pictures, silver and furniture which have mainly been acquired through bequest, by purchase through subscription of the officers of the regiment and through property reverting to the charity upon disbandment of regiments is not included in the balance sheet as the historic cost of any assets purchased is not known and is considered likely to be immaterial.

The artefacts are largely held at the Royal Artillery Mess at Larkhill with others being held at other military messes, museums and other public bodies. The assets are held as part of the setting of the regiment for future generations.

The insurance value of these assets is £7.5 million.

1.13 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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

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

1.14 Critical estimate and judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision effects both current and future periods.

There are no critical estimates, judgements or key sources of estimation uncertainty in 2020 or 2019.

2 2020 Donations and legacies inc SPGS

	The RAI	Gunner 2020	Total
	£	£	£
Officers' subscriptions (SPGS)	193,004	-	193,004
Soldiers' subscriptions (SPGS)	146,557	-	146,557
Reserve Regiments	800	-	800
Donations	9,221	774	9,995
Intangible Income – Wages in Kind	45,015	38,971	83,986
	<u>394,597</u>	<u>39,745</u>	<u>434,342</u>

2019 Comparisons

	The RAI	Gunner 2019	Total
	£	£	£
Serving Regiment pay scheme:			
Officers' subscriptions	185,463	-	185,463
Soldiers' subscriptions	146,840	-	146,840
Reserve Regiments	1,200	-	1,200
Donations	4,300	902	5,202
Intangible Income – Wages in Kind	54,173	52,546	106,719
	<u>391,976</u>	<u>53,448</u>	<u>445,424</u>

3 2020 Charitable Activities Income.

	The RAI	Gunner 2020	Total
	£	£	£
RA Publications - Subscription	-	39,244	39,244
RA Publications – Advertising income	-	600	600
Grants (RAI & RACF)	67,000	15,000	82,000
Government Grant – Furlough	11,014	-	11,014
Officers Mess Fund (Writeback)	19,622	-	19,622
	<u>97,636</u>	<u>54,844</u>	<u>152,480</u>

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

Charitable Activities Income continued.

2019 Comparisons

	The RAI	Gunner 2019	Total
	£	£	£
RA Publications - Subscription	-	37,242	37,242
RA Publications – Advertising income	-	3,730	3,730
Grants	65,000	25,000	90,000
Legacies	109	-	109
	<u>65,109</u>	<u>65,972</u>	<u>131,081</u>

4 2020 Other Income

	The RAI	Gunner 2020	Total
	£	£	£
Sale of books	362	-	362
Receipts of Laid Down Wines	47	-	47
Sandown Food	975	-	975
	<u>1,384</u>	<u>-</u>	<u>1,384</u>

2019 Comparisons

	The RAI	Gunner 2019	Total
	£	£	£
Sale of books	198	-	198
Receipts of Laid Down Wines	1,447	-	1,447
Sandown Food	391	-	391
	<u>2,036</u>	<u>-</u>	<u>2,036</u>

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

5. 2020 Charitable Activities - Grants Paid

	The RAI	Gunner	Total
	2020		
	£	£	£
Annual Allocations:			
The Gunner Magazine	5,000	---	5,000
The Master Gunner's Fund	622	---	622
RA Sports	127,477	---	127,477
RA HQ Mess	6,967	---	6,967
RA Central Sergeants Mess Fund	13,000	---	13,000
Support of Units - Unit Grants	65,190	---	65,190
Support to Units – Senior/Commanding Officers	2,750	---	2,750
Recruiting	19,561	---	19,561
Regimental Expenses	742	---	742
Annual Contingency Reserve	4,894	---	4,894
	<u>246,203</u>	<u>---</u>	<u>246,203</u>
Other Grants:			
Adventurous Training	1,025	---	1,025
Sandown Transport	5,713	---	5,713
Regimental History VIII	10,000	---	10,000
Misc Grants	521	---	521
Royal Artillery Historical Trust	--	---	--
	<u>17,259</u>	<u>---</u>	<u>17,259</u>
Grants in year to RAM	38,250	---	38,250
Grants payable to RAM (cancelled)	(500,000)	---	(500,000)
Total Grants Paid	<u>(198,288)</u>	<u>---</u>	<u>(198,288)</u>
Support Cost to Charitable Activities:			
Salaries	145,961	-	145,961
Employers Pension Contributions	10,805	-	10,805
Wages in Kind	45,016	38,971	83,987
	<u>201,782</u>	<u>38,971</u>	<u>240,753</u>
Presentation & Awards	(869)	-	(869)
Printing, postage & Stationery	133	3,391	3,524
Computer software/Hardware	2,121	-	2,121
Insurance	3,831	-	3,831
Chattels (maintenance)	16,056	-	16,056
Travelling & Entertainment	232	-	232
Miscellaneous	2,794	200	2,994
Audit Fees	10,170	-	10,170
Under Provision Audit 2019	2,250	-	2,250
Legal and Professional Fees	7,842	-	7,842
	<u>44,560</u>	<u>3,591</u>	<u>48,151</u>
Total Charitable Activities	<u>48,054</u>	<u>42,562</u>	<u>90,616</u>

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

2019 Comparisons

	The RAI	Gunner	Total
	2019		
	£	£	£
Annual Allocations:			
The Gunner Magazine	5,000	---	5,000
The Master Gunner's Fund	5,537	---	5,537
RA Sports	157,969	---	157,969
RA HQ Mess	6,864	---	6,864
RA Central Sergeants Mess Fund	10,000	---	10,000
Support of Units - Unit Grants	65,553	---	65,553
Support to Units – Senior/Commanding Officers	11,738	---	11,738
Recruiting	19,683	---	19,683
Regimental Expenses	23,179	---	23,179
Annual Contingency Reserve	16,190	---	16,190
	<u>321,713</u>	---	<u>321,713</u>
Other Grants:			
Adventurous Training	2,940	---	2,940
Sandown Transport	9,587	---	9,587
Regimental History VIII	8,200	---	8,200
Misc Grants	24,200	---	24,200
Royal Artillery Historical Trust	9,240	---	9,240
	<u>54,167</u>	---	<u>54,167</u>
Grants in year to RAM			
Grants Payable to RAM	<u>500,000</u>	---	<u>500,000</u>
Total Grants Paid	<u>875,880</u>	---	<u>875,880</u>
Support Cost to Charitable Activities:			
Salaries	130,372	-	130,372
Employers Pension Contributions	14,596	-	14,596
Wages in Kind	54,173	52,546	106,719
	<u>199,141</u>	<u>52,546</u>	<u>251,687</u>
Presentation & Awards	1,395	-	1,395
Printing, postage & Stationery	488	3,861	4,349
Computer software/Hardware	3,385	-	3,385
Insurance	3,194	-	3,194
Chattels	965	-	965
Travelling & Entertainment	-	3,556	3,556
Miscellaneous	3,995	1,456	5,451
Audit Fees	7,950	-	7,950
Under Provision Audit 2018	510	-	510
Legal and Professional Fees	11,045	-	11,045
	<u>32,927</u>	<u>8,873</u>	<u>41,800</u>
Total Charitable Activities	<u>1,107,948</u>	<u>61,419</u>	<u>1,169,367</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

5 Charitable activities - Support Costs continued

The average number of persons employed by the Fund during the year was:

	2020 Number	2019 Number
Office and administration	5	3

There were no employees with emoluments above £60,000. The following payments were made to Key Management Personnel: £14,076 (2019: £13,310).

No trustees received any out of pocket expenses in 2020 (2019: £78). One trustee received £2,728 in respect of consultancy services to the charity (2019: £7,578).

6 2020 Investments

	The RAI £	Gunner 2020 £	Total £
Quoted investments			
Market value at 1 January	10,457,282	59,291	10,516,573
Purchases	1,136,542	6,572	1,143,114
Sales proceeds	(1,119,786)	(6,475)	(1,126,261)
Investment Management Fee	(43,010)	(249)	(43,259)
Net realised/unrealised Losses	224,985	1,301	226,286
Aliquot Changes	(6,235)	1,139	(5,096)
Cash movements	43,427	251	43,678
Market value at 31 December	10,693,205	61,830	10,755,035
Historical value at 31 December	7,238,674	40,033	7,278,707

The following holding exceeded 5% of the total portfolio value at the 31st December 2020 and are considered material.

Findlay Park	£ 577,271		
	The RAI £	Gunner 2020 £	Total £
Investment/Cash Breakdown			
Investments	10,542,753	60,976	10,603,729
Income Account	23,747	135	23,882
Dealing & Deposit Account	126,705	719	127,424
Market value at 31 December	10,693,205	61,830	10,755,035

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

Investment Continued – 2019 Comparisons

	The RAI	Gunner 2019	Total
	£	£	£
Quoted investments			
Market value at 1 January	9,766,733	57,190	9,823,923
Purchases	1,496,150	8,483	1,504,633
Sales proceeds	(1,749,503)	(9,921)	(1,759,424)
Investment management fee	(46,202)	(270)	(46,472)
Net realised/unrealised losses	1,319,422	7,481	1,326,903
Aliquot Changes	(13,149)	(1,887)	(15,036)
Cash movements	(316,169)	(1,785)	(317,954)
Market value at 31 December	10,457,282	59,291	10,516,573
Historical value at 31 December	7,238,674	40,033	7,278,707

2019 Comparisons

	The RAI	Gunner 2019	Total
	£	£	£
Investment/Cash Breakdown			
Investments	10,307,156	58,440	10,365,596
Income Account	37,073	210	37,283
Dealing & Deposit Account	113,053	641	113,694
Market value at 31 December	10,457,282	59,291	10,516,573

7. Stocks

	The RAI	Gunner	Total	RAI & GNR Total 2019
	£	£	£	£
Medals and Swords	9,566	-	9,566	10,470
Books	6,391	-	6,391	6,469
	<u>15,957</u>	<u>-</u>	<u>15,957</u>	<u>16,939</u>

8. 2020 Debtors

	The RAI	Gunner 2020	Total
	£	£	£
Accrued Service Giving Income	29,098	-	29,098
Insurance on behalf of third parties	122	-	122
Investment Income	-	1,212	1,212
Gift Aid	165	-	165
	<u>29,385</u>	<u>1,212</u>	<u>30,597</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020

2019 Debtors Continued

	The RAI	Gunner 2019	Total
	£	£	£
Accrued Service Giving Income	28,623	-	28,623
Insurance on behalf of third parties	122	-	122
Investment Income	-	1,160	1,160
Gift Aid	183	-	183
CSM	12,000	-	12,000
	<u>40,928</u>	<u>1,160</u>	<u>42,088</u>

In the previous year, the related entity debtors and creditors were shown gross, in the current year they have been netted off where appropriate.

9. 2020 Cash at bank and in hand

	The RAI	Gunner 2020	Total
		£	£
COIF Charities Deposit Fund	19,622	-	19,622
Bank current accounts	458,476	17,767	476,243
	<u>478,098</u>	<u>17,767</u>	<u>495,865</u>

2019 Cash at bank and in hand

	The RAI	Gunner 2019	Total
	£	£	£
COIF Charities Deposit Fund	19,571	-	19,571
Bank current accounts	308,827	6,415	315,242
Cash	44	-	44
	<u>328,442</u>	<u>6,415</u>	<u>334,857</u>

10. Creditors

	The RAI	Gunner 2020	Total	RAI & GNR Total 2019
	£	£	£	£
Amounts falling due within one year:				
Gunner Investment Income	1,212	-	1,212	1,160
RAHT Investment Income	7,582	-	7,582	8,209
RHAA Investment Income	-	-	-	3,395
CSM Investment Income	17,151	-	17,151	14,718
Accrual - Audit and accountancy	10,170	-	10,170	7,920
Other Creditors	17,540	-	17,540	10,137
RHA Association	97,939	-	97,939	95,509
Officers Mess Fund	-	-	-	19,571
RAM grants payable	-	-	-	500,000
	<u>151,594</u>	<u>-</u>	<u>151,594</u>	<u>660,619</u>

In the previous year, the related entity debtors and creditors were shown gross, in the current year they have been netted off where appropriate.

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

10. Creditors Continued

Creditors have decreased significantly due to the cancellation of the £500K grant award to RAM, as reported in the 2019 trustees' report. The offer of this sum has now been withdrawn following the retraction of the offer of a suitable site for the museum, but the trustees are likely to consider making a similar level of funding available in the future once the conditions upon which the original offer was made are met. There is currently no timeframe for this.

11. 2020 Restricted Fund

	Balance 1 January 20 £	Incoming Resources £	Outgoing Resources £	Net Gain on Investment £	Transfers £	Balance at 31 December 20 £
Baxter Fund	938,468	18,989	(18,974)	22,027	-	960,510
Royal Horse Artillery Assoc	111,159	1,816	(17,555)	2,519	-	97,939
Regimental Church	16,980	-	-	-	-	16,980
Royal Artillery Church Refurbishment	10,500	-	-	-	-	10,500
Total	1,077,107	20,805	(36,529)	24,546	-	1,085,929

2019 Restricted Fund

	Balance 1 January 19 £	Incoming Resources £	Outgoing Resources £	Net Gain on Investment £	Transfers £	Balance at 31 December 19 £
Baxter Fund	841,553	18,974	(40,706)	118,647	-	938,468
Royal Horse Artillery Assoc	95,509	2,459	-	13,191	-	111,159
Regimental Church	16,980	-	-	-	-	16,980
Royal Artillery Church Refurbishment	10,500	-	-	-	-	10,500
Total	964,542	21,433	(40,706)	131,838	-	1,077,107

The Baxter Fund is restricted for the benefit of the King's Troop, Royal Horse Artillery. The Regimental Church Fund is restricted for the benefit of Regimental Church. The RA Church Refurbishment is restricted for the refurbishment of the RA Larkhill Garrison Church.

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

12. 2020 Analysis of net assets between funds

	2020		Net Total £
	Investments £	Current (liabilities)/ assets £	
Restricted funds:			
Baxter Fund	972,659	(12,149)	960,510
Royal Horse Artillery	96,123	1,816	97,939
Regimental Church Fund	-	16,980	16,980
RA Church Refurb	-	10,500	10,500
	<u>1,068,782</u>	<u>17,147</u>	<u>1,085,929</u>
Unrestricted funds:			
General Fund	<u>9,686,253</u>	<u>373,678</u>	<u>10,059,931</u>
	<u>10,755,035</u>	<u>390,825</u>	<u>11,145,860</u>

2019 Analysis of net assets between funds

	2019		Net Total £
	Investments £	Current (liabilities)/ assets £	
Restricted funds:			
Baxter Fund	950,631	(12,163)	938,468
Royal Horse Artillery	108,700	2,459	111,159
Regimental Church Fund	-	16,980	16,980
RA Church Refurb	-	10,500	10,500
	<u>1,059,331</u>	<u>17,776</u>	<u>1,077,107</u>
Unrestricted funds:			
General Fund	<u>9,457,242</u>	<u>(284,511)</u>	<u>9,172,731</u>
	<u>10,516,573</u>	<u>(266,735)</u>	<u>10,249,838</u>

14. Related party transactions

Income of £339,561 (2019: £333,503) was received from the Royal Artillery General Charitable Trust (RAGCT) of which both charities have a number of trustees in common. This Income relates to accrued Income from the Service Giving Scheme, which were voluntary contributions from service personnel.

Income of £8,027 (2019: £8,209) was received on behalf of Royal Artillery Historical Trust of which both charities have an number of trustees in common or who have the right to become a trustee of both. This Income relates to Interest earned on Investments.

Related party transactions continued

Income of £14,433 (2019: £14,718) was received on behalf of the Central Sergeant Mess (CSM) of which the Royal Artillery Sergeant Major (RASM) is a member of the Royal Artillery Institution (RAI) and the Chair of the Central Sergeant Mess. This Income relates to Interest on Investments.

At the year end, balances due to and from related entities are disclosed in notes 10 and 12.

THE ROYAL ARTILLERY INSTITUTION LTD

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2020

17. Prior Year Comparatives for the Statement of Financial Activities and Balance Sheet

	Unrestricted RAI Funds £	Unrestricted Gunner Funds £	Restricted RAI Funds £	2019 Combined Funds £
Income				
Donations and Legacies inc SPGS	2 391,976	53,448	-	445,424
Investment income	285,939	1,160	21,433	308,532
Charitable Activities	65,109	65,972	-	131,081
Other Income	4 2,036	-	-	2,036
Total income before Expenditure	745,060	120,580	21,433	887,073
Expenditure on:				
Raising funds	47,303	72,050	-	119,353
Net income available for charitable activities	697,757	48,530	21,433	767,720
Charitable Activities in Grants and Grants payable	5 875,880	-	-	1,169,367
Baxter Fund Grants	-	-	40,706	40,706
Total expenditure	1,107,948	61,419	40,706	1,210,073
Net expenditure for the year before gains on	(410,191)	(12,889)	(19,273)	(442,353)
Investments				
Net gains/(loss) on investment assets	1,187,584	7,481	131,838	1,326,903
Net movement in funds	777,393	(5,408)	112,565	884,550
Total funds brought forward	8,328,472	72,274	964,542	9,365,288
Total funds carried forward	9,105,865	66,866	1,077,107	10,249,838