

THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Major General J Kerr CBE Brigadier M W Wharmby OBE Lieutenant Colonel N A Smith Colonel J D Fielden LVO MBE Colonel P R Rossiter Colonel P A Allen ADC	(Appointed 20 February 2022)
Charity number	1172831	
Registered office	Regimental Headquarters The Royal Logistics Corps, Building 204, Worthy Down Camp Winchester Hampshire SO21 2RG	
Auditor	Moore (South) LLP 33 The Clarendon Centre Salisbury Business Park Dairy Meadow Lane Salisbury Wiltshire SP1 2TJ	
Bankers	Holt's Military Banking Lawrie House Victoria Road Farnborough Hampshire GU14 7NR	
Solicitors	Clifton Ingram LLP 11 South Street Farnham Surrey GU9 7QX	

THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO

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THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO

TRUSTEES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their fifth report as a CIO and the audited financial statements of the Charity for the fifth full accounting period ended 31 December 2022. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP 2019) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the Charity.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the trust's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

History and Background

The Museum was established and funded initially by the Royal Logistic Corps Association Trust in 1995 and it became a separate unincorporated Charity with registered number 1083009, on 7 September 2000. In preparation for redevelopment and relocation of the museum to a purpose-built premises in Worthy Down, the decision was taken to establish the Charity as a CIO, to take on the operation of the museum. This took place on 1st July 2017 and the Charity was also appointed by order of the Charity Commission as the trustee of the museum collection together, with an Acquisition Fund derived from a donation of £100,000 from the RAOC Charitable Trust. This restricted fund is applied towards the acquisition of items for addition to the collection as well as their maintenance. A gift of £3,000,000 from the Defence Logistic Vocational Trust in 2016 was applied towards the costs of the relocation and redevelopment of the museum in its new location at Worthy Down. All other sources of funds were transferred to the newly incorporated Charity for its operational purposes.

The Royal Logistic Corps Association Trust continues to be a major source of income for the operation of the museum by the Charity.

The Museum is fully accredited with the Arts Council England, it first achieved this status in July 2010, and again on 24 July 2014. The Museum had expected to lose its accreditation status whilst it was closed and moving location to Worthy Down, but it did not. The COVID 19 pandemic forced the closure of all museums in England and emergency rule changes meant that the RLC Museum maintained its full accreditation status throughout the period of its move. The Museum is however expecting to be asked to refresh its accreditation with the Art Council England in 2023.

A Museum Director, Secretary and a Treasurer, the latter two as part of wider roles and funded by the Ministry of Defence, carry out the day-to-day work of the Charity. A small museum team and clerical staff support them. Accommodation, telephones and all utilities are provided from Public Funds. The Director and most of the staff are private employees funded primarily through MOD (AMOT) grant-in-aid. A board of trustees directs the work of the Director, Secretary and Treasurer. The Trustees meet at least twice in each year and all major policy issues are considered by them and a consensus view taken.

THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Structure, governance and management

The RLC Museum Trust CIO is regulated by a Trust Deed No 1172831 dated 1 July 2017. The Charity was constituted as a CIO by the Charity Commission with registered number 1172831.

The trustees who served during the year and up to the date of signature of the financial statements were:

Major General J Kerr CBE

Brigadier M W Wharmby OBE

Lieutenant Colonel N A Smith

Colonel J D Fielden LVO MBE

Colonel J C West ADC

(Resigned 27 January 2022)

Ms M A Protani

(Resigned 30 April 2022)

Colonel P R Rossiter

Colonel P A Allen ADC

(Appointed 20 February 2022)

The Trustees who are non-executive, set the policy of the Museum and oversee the management, direction and performance of all the museum staff, who are employees of the Charity. The last remaining Civil Servant, who was not directly employed by the Charity, left the museum in early 2022.

The present Chairman of Trustees is a Colonel Commandant of The Royal Logistic Corps. All other trustees are members or former members of The RLC or predecessor Corps, although the board are considering appointing additional trustees from industry, to further broaden the diversity and skill set of the board.

Trustees (less the Colonel RLC who is ex-officio) are on term appointments and all make a Trustee declaration of interests on appointment and at the start of each board meeting. Trustee training is conducted by offering vacancies on appropriate Arts Council England training days and by attendance at annual meetings of the Army Museum Ogilby Trust. Succession planning for trustees is considered periodically by the Board.

One of the primary funders of the Charity is The RLC Association Trust and the two charities share a Secretary and Treasurer.

Objectives and activities

Under clause 3 of the constitution of the Charity, the objects are to educate the public and members of the Corps in the history and military accomplishments of the Corps and the former constituent Corps and to promote military efficiency and encourage recruitment by public exhibition of the Collection in a museum or museums or such other places as the Trustees may from time to time decide and to conserve, restore, repair reconstruct and preserve objects in the Collection for the benefit of the public. There has been no change in these during the year.

The Trustees confirm that they have had regard to the Charity Commission's guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities of the Charity.

The main activity of the Charity in 2022 was to firmly embed the new museum in Worthy Down, increase visitor numbers and to look at options to improve the museums marketing and income generation potential. We continued to develop the Charity's policies and working practices in accordance with the objects as well as carrying out education on the history of The Royal Logistic Corps.

The production of an improved Museum Business Plan, looking ahead at least ten years is seen as important to safeguard the long-term financial viability of the Museum, in what are uncertain times. This plan was drawn up in 2022 and finalised in 2023, through regular monthly meetings and workshops will also seek to include external advice and guidance from a wide field industry experts.

THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

The Charity staff continue the compiling of an inventory of artifacts belonging to the Charity and inherited from the Predecessor Corps. Due to the difficulty in establishing a true valuation of these artifacts, many of which are unique and irreplaceable, the Trustees have not included them on the balance sheet. The Charity holds a small number of loan items all of which are formally registered and the rules for their custody and management are detailed in the Charity's Collections Development Policy.

The Charity depends on funding from The RLC Association Trust Fund and submits an annual request to that Trust for funding for the following period. Any surpluses at the end of the financial period are considered when the budget for the following period is drawn up. Money accrued through underspend is invested to be used to support the continuing development and future funding of the Museum. A budget and outline plan for the Charity's short to medium term development has been agreed and forms part of the Forward Plan.

Now the Museum is established in Worthy Down and the COVID 19 restrictions lifted, the Charity has introduced several initiatives to raise additional income. These include holding a range of internal and external events, temporary exhibitions and the establishment of a new museum shop. Bespoke museum tours for youth groups, U3A, PROBUS, WI and others have increased markedly as the year progressed. In 2022 the Museum put out to tender, a contract to host its collections website, which allows remote access to images, texts, journals and books. A new provider was appointed in late 2022 and this website went live in 2023. Whilst much of this website content can be accessed for free, some images and texts are chargeable, which further increases income for the Charity.

Trustees ensure that the Museum and its contents are fully insured in the event of fire, water damage or theft and this insurance was renewed and increased in 2022. The Charity has a new emergency plan and has undertaken a full risk assessment covering all aspects of museum activity. The new Museum has state of the art security and CCTV systems installed and is guarded 24 hours a day by MOD guards, due to its location on the edge of an MOD site. The security is sufficiently robust that in 2022, the Home Office granted the Museum a 'museum firearms licence', allowing it to hold live weapons and ammunition, should these be needed for demonstration or teaching purposes.

The assets purchased through collections that have a monetary value are held on the Heritage Asset Register. This is maintained and updated by the curator and insurance policies are reviewed annually to meet the valuations.

In 2022 the Charity decided to consider and evaluate options for the construction of a new glass free standing building, at the front of the Museum, to house an important WW2 amphibious vehicle used at D-Day. A DUKW. Planning considerations and the necessary permissions from the landlord were sought and tenders for this project are ongoing.

A major expense in 2022 was the mechanical restoration of one of the charities most prized and important artefacts, a 1939 Rolls Royce Wraith, used by Field Marshal Montgomery shortly after the D-Day landings. The £30,000 cost of this renovation was defrayed by an £11,000 contribution from the Museum friends group.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the trust should undertake.

THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

The Charity has four principal funding sources:

- a. MOD, which funds most of the Charity's staff, plus the museum building, its lease and utilities costs. These have an estimated annual value of £51K.
- b. An annual grant from The RLC Association Trust Fund which totalled £100,000 in 2022, part of which was provided to underpin the new museum shop, with the remainder supporting the bulk of the routine museum operating costs. The RCT Medal Collection, hosted within a purpose-built room in the museum has an extant Restricted fund supporting it within The RLC Association Trust fund.
- c. Additional funding comes from research inquiries, donations and charges for lectures and events. Notably a generous donation of £3M was received in 2017 from the Def Log VQ Trust, which having been invested to accumulate further growth, funded most of the development of the new museum. Some £1.09M in residual funds remains for the future support of the Charity. There is a separate restricted Acquisition fund worth £90k.
- d. The majority of funds sit within an investment portfolio created for the Charity; the objective of this investment is to help towards greater self-sufficiency and to support the enhanced operation planned for the future

In 2010, the trustees of the Charitable Trust established a Funding Working Group to review its funding sources. The decision was made at that time not to charge for entry to the museum and the Charity has decided not to change that policy. The RLC Association Trust agreed in 2013 to increase its annual donation thereby giving a level of certainty over future funding aid that will continue to be paid to the Charity. Support for a museum remains a major objective for The RLC Association Trust as part of the efficiency of the Corps and to maintain the Corps' heritage, and this includes continued funding support for the Museum. The size of the grant is reviewed on an annual basis and the grant has increased in 2023 to £120k.

Financial Review

The museum was free of all COVID restrictions for the first time since the move to Worthy Down and made a deficit in year of £13,379. The value of the gifts in kind was reassessed in year to better represent the services provided by the MOD and the silver collection was revalued which increased incoming resources but is not useable income. The deficit is largely generated from the large depreciation costs recognising the capital expenditure incurred for the museum refit which did not affect cash flow as the charitable activities provided positive cash flow in the year.

Reserves Policy

It is the policy of the trust that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the trust's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Risk management

The Board of Trustees has a Charter, forward plan and action plan which cover all aspects of the Charity's activities including areas of risk; it is actively reviewed and updated at every board meeting. This includes a 3-year financial budget plan and forecast. The Arts Council England require accredited museums to maintain policies, approved by trustees, which cover a wide scope of the museum activity. These include governance, management, financial planning, collections care and procedures, risk management, disaster planning and recovery, artifact and archive conservation, visitor feedback evaluations and diversity. Thus a comprehensive suit of policies and industry standard procedures guide the charity staff in their day to day activity.

Major risks have been reviewed and systems or procedures have been established to manage the safeguard its activities and key assets the Charity has the following agreements/policies in place:

- a. An emergency plan that addresses and mitigates the risk to the museum and its collections.
- b. An internal Business Agreement with the Ministry of Defence defining the support provided by MOD(Army HQ), including the provision of utilities.
- c. A 50 year lease with the MOD Defence Infrastructure Organisation, successfully negotiated in time for relocation of the museum to Worthy Down in 2020.

Trustees review these periodically and embrace risk areas within their action plan.

Plans for future periods

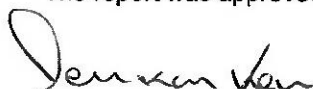
The Trustees' primary aim is to further develop the range of activities on offer at the new Museum at Worthy Down and so increase visitor numbers, in order to secure the Charity's long term financial sustainability. Other future plans, including the firearms license and building project, have been explained in other areas of this report.

Public Benefit

Public benefit is promoted through education, advancement of heritage and the promotion of the efficiency of The Royal Logistic Corps and the wider armed forces. Since: 18th May 2021 the Museum has been open to the public including weekends. The Museum has resumed a comprehensive outreach programme with military colleges and units, local: schools, youth groups, university of the third age and other organisations and societies, and this is growing steadily. Online access to museum collections grew exponentially across the UK during the COVID 19 pandemic, when physical access was denied. The Charity is exploiting this trend with its new modern and improved collections website, further expanding the accessibility of the museum globally.

Museum volunteers normally undertake between them some fifty hours per-week of unpaid work within the Museum, covering a range of tasks, from the reception desk, to working in the stores. The Museum Friends organisation was formally closed in 2022, as its numbers continued to dwindle. It was replaced with a "Supporters Group", where former Friends are now kept abreast of activities and news of the museum by email, but without the need of a formal constitution. Further support comes from a small group of military vehicle volunteers who restore, fund raise and help keep roadworthy the museum's vehicle collection.

The report was approved by the Board of Trustees.



Major General J Kerr CBE
Trustee

22 September 2023

THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO

STATEMENT OF RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

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

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the trust and of the incoming resources and application of resources of the trust for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the trust and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO

Opinion

We have audited the financial statements of The Royal Logistic Corps Museum Trust CIO (the 'trust') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the trust 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 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 trust'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 contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO

Responsibilities of trustees

As explained more fully in the statement of responsibilities, the trustees 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 trust'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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the accounts due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO

Our approach was as follows:

- The engagement partner selected staff for the audit, led by persons who it was deemed had sufficient experience and who had the required competence and skills to be able to identify or recognise non-compliance with laws and regulations.
- We obtained an understanding of the legal and regulatory requirements applicable to the charity and we considered the most significant to be the Charities Act 2011, the Charity SORP and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the company is complying with these frameworks by making enquiries of those charged with governance. We enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur, and the inherent difficulty in detecting irregularities by holding discussions with management and those charged with responsibility for ensuring legal and regulatory compliance is adhered to and considered the internal controls in place to mitigate identified risks. As a result, a fraud risk was identified relating to management override.
- In addition to the possibility of management override of controls, areas considered higher risk relating to the presentation of information in the financial statements included the recognition of revenue.
- We assessed the control environment, documenting the systems, controls and processes adopted and undertook an assessment of risk identified in designing our audit approach which incorporates a combination of controls testing, where appropriate, analytical review and substantive procedures involving tests of transactions and balances. Any irregularities noted were discussed with management and those charged with governance and we obtained additional corroborative evidence as required.

To address the risk of fraud through management override we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify any unusual transactions;
- tested items of expenditure to ensure that they were valid and correctly allocated in the nominal ledger;
- reviewed restricted expenditure to ensure funds were spent in line with the terms of the applied restriction;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- reviewed the nature of the disclosures within the financial statements to ensure they meet the requirements of accounting standards and relevant legislation.

In response to the risk of irregularities with regards to completeness of income we:

- completed analytical work to evaluate inconsistencies and significant variances in income streams;
- reviewed third party documentation to confirm that relevant entries were reflected in the accounting records;
- reviewed transactions before and after the year end to ensure they had been allocated to the correct period, and;
- reviewed fund balances for any misallocation of income sources.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

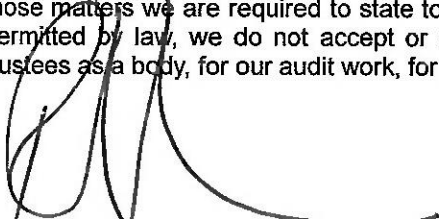
THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Robert MacDonald (Senior Statutory Auditor)
for and on behalf of Moore (South) LLP

29 September 2023

Chartered Accountants
Statutory Auditor

33 The Clarendon Centre
Salisbury Business Park
Dairy Meadow Lane
Salisbury
Wiltshire
SP1 2TJ

Moore (South) LLP is eligible for appointment as auditor of the trust by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
<u>Income and endowments from:</u>							
Donations and legacies	3	283,776	170,600	454,376	381,432	-	381,432
Other trading activities	4	4,109	-	4,109	19,925	-	19,925
Investments	5	39,074	2,951	42,025	38,744	2,438	41,182
Other income	6	1,689	-	1,689	-	-	-
Total income		328,648	173,551	502,199	440,101	2,438	442,539
<u>Expenditure on:</u>							
Raising funds	7	24,183	-	24,183	22,705	-	22,705
Charitable activities	8	491,395	-	491,395	738,876	880	739,756
Other	12	-	-	-	52	-	52
Total expenditure		515,578	-	515,578	761,633	880	762,513
Net gains/(losses) on investments	13	(183,781)	(13,924)	(197,705)	146,665	9,475	156,140
Net movement in funds		(370,711)	159,627	(211,084)	(174,867)	11,033	(163,834)
Fund balances at 1 January 2022		2,741,726	122,171	2,863,897	2,916,593	111,138	3,027,731
Fund balances at 31 December 2022		2,371,015	281,798	2,652,813	2,741,726	122,171	2,863,897

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

All income and expenditure derive from continuing activities.

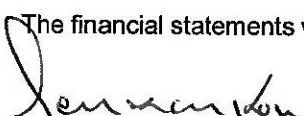
THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	15	1,238,130		1,384,349	
Heritage assets	16	191,680		21,080	
Investments	17	1,181,620		1,435,727	
		2,611,430		2,841,156	
Current assets					
Stocks	18	18,183		24,975	
Cash at bank and in hand		71,773		36,312	
		89,956		61,287	
Creditors: amounts falling due within one year	19	(48,573)		(38,546)	
Net current assets			41,383		22,741
Total assets less current liabilities			2,652,813		2,863,897
Income funds					
Restricted funds	20	281,798		122,171	
Unrestricted funds		2,371,015		2,741,726	
		2,652,813		2,863,897	

The financial statements were approved by the Trustees on 22 September 2023



Major General J Kerr CBE
Trustee

THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	24		(51,192)		(257,990)
Investing activities					
Purchase of tangible fixed assets		(13,463)		(782,574)	
Purchase of investments		(41,909)		(41,162)	
Proceeds on disposal of investments		100,000		450,000	
Investment income received		42,025		41,182	
Net cash generated from/(used in) investing activities			86,653		(332,554)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			35,461		(590,544)
Cash and cash equivalents at beginning of year			36,312		626,856
Cash and cash equivalents at end of year			71,773		36,312

THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

The Royal Logistic Corps Museum Trust CIO is constituted as a CIO by the Charity Commission with registered number 1172831. The registered address is Regimental Headquarters, The Royal Logistic Corps, Building 204, Worthy Down Camp, Winchester, Hampshire, SO21 2RG.

1.1 Accounting convention

The financial statements have been prepared in accordance with the trust's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The trust is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the trust.

1.4 Income

Income is recognised when the trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Grants, donations, legacies and similar incoming resources are included in the period in which they are receivable, which is when the charity becomes entitled to the resource.

For legacies and donations, entitlement is the earlier of the charity being notified of an impending distribution or the legacy/donation being received.

Legacies are recognised on receipt or otherwise if the trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including governance costs are allocated or apportioned to the applicable expenditure headings. Costs of charitable activities include grants made, governance costs and an apportionment of support costs.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer and other equipment	5 years straight line
Museum collection	5 years straight line
Fixtures and fittings	10 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.7 Heritage assets

The museum holds a number of heritage assets all of which are considered to be of historical significance in relation to the RLC and the British Army. These assets have been owned by the corps, in some cases for over 100 years, and their value to the corps cannot be measured as these items in the collection are irreplaceable as they are unique items. Due to their age, no information on original cost is available. A list of High Value Artefacts and Archives in the collection of the Royal Logistic Corps Museum is detailed below:

Archives

- Board of Ordnance Letter Books from Tipner/Malta/Sheerness - Eighteenth/Nineteenth Century Board of Ordnance letter books and various types of issues/receipts /stores books. Location - Museum Archive.
- RASC Post-War Write-Ups - Nine box collection of fifty-two books providing historical narrative of the RASC in the Second World War used as source material in creation of the official histories. Location - Museum Archive.
- B' Vehicle Record Archive - Since 2004 the cards have generated funds for the museum and continue to do so. These cards are irreplaceable.

Artifacts

The principle valuable artefacts other than medals which are stored off site and can be itemised separately are identified in the Emergency Plan:

- Rolls Royce Wraith
- Items in Napoleonic Case
 - Coatee of Royal Waggon Train
 - Miniature of Officer of the RWT
 - Army List in glazed case
 - Oil painting of Arms of the Ordnance Corps
- Oil Painting of the Marquis of Granby

1.8 Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the period.

Investment Income is accounted for in the year in which the Trust is entitled to receipt. It includes dividends.

1.9 Impairment of fixed assets

At each reporting end date, the trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the trust's contractual obligations expire or are discharged or cancelled.

1.12 Taxation

The Trust is exempt from UK Corporation Tax and is not VAT registered.

2 Critical accounting estimates and judgements

In the application of the trust'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 and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting 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.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total Unrestricted funds	
	2022	2022	2022	2021
	£	£	£	£
Donations and gifts	22,792	-	22,792	12,850
Grants receivable for core activities	260,984	-	260,984	368,582
Other	-	170,600	170,600	-
	<u>283,776</u>	<u>170,600</u>	<u>454,376</u>	<u>381,432</u>

THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Donations and legacies

(Continued)

Grants receivable for core activities

The RLC Association Trust Fund Annual Grant	90,000	-	90,000	90,000
The RLC Association Fund Shop Grant	10,000	-	10,000	10,000
Grant in Aid - Ogilby Trust	109,900	-	109,900	89,223
MOD funded staff and premises costs	51,084	-	51,084	179,359
	<u>260,984</u>	<u>-</u>	<u>260,984</u>	<u>368,582</u>

The grant from the MOD represents the Trustees estimated value of the salaries of the Museum Staff belonging to the Civil Service. These are currently on mark time rates of pay. It also includes an estimated value of the premises and utilities provided from public funds.

4 Other trading activities

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Shop income	<u>4,109</u>	<u>19,925</u>

THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

5 Investments	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Income from listed investments	38,958	2,951	41,909	38,724	2,438	41,162
Interest receivable	116	-	116	20	-	20
	<u>39,074</u>	<u>2,951</u>	<u>42,025</u>	<u>38,744</u>	<u>2,438</u>	<u>41,182</u>

THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Other income

	Unrestricted funds	Total
	2022	2021
	£	£
Net gain on disposal of programme related investments	1,689	-

7 Raising funds

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
<u>Shop Expenditure</u>		
Cost of Sales	3,249	5,618
Postage	125	200
Other expenditure	407	1,182
Staff costs	20,402	15,705
	<u>24,183</u>	<u>22,705</u>
Shop Expenditure	24,183	22,705
	<u>24,183</u>	<u>22,705</u>

THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Charitable activities

	Charitable activities 2022 £	Charitable activities 2021 £
Staff costs	171,517	279,872
Depreciation and impairment	159,681	157,983
Rent, Rates and Utilities	32,300	47,760
Conservation	3,637	3,556
Maintenance	620	2,148
Collections	1,967	441
Reference	111	156
Postage	59	34
IT	8,426	2,953
Insurance	5,666	3,481
Stationery	557	467
Telephone	-	902
Travel	3,568	2,629
Printing & Advertising	2,897	2,432
Professional Fees and Subscriptions	1,572	960
Training	1,373	768
Other charitable expenditure	84,097	223,312
	<u>478,048</u>	<u>729,854</u>
Share of governance costs (see note 9)	13,347	9,902
	<u>491,395</u>	<u>739,756</u>
Analysis by fund		
Unrestricted funds	491,395	738,876
Restricted funds	-	880
	<u></u>	<u></u>

THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO

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

9 Support costs

	Support costs £	Governance costs £	2022 £	2021 £
Audit fees	-	8,000	8,000	6,500
Accountancy	-	4,984	4,984	3,000
Meetings	-	363	363	402
	-	13,347	13,347	9,902
Analysed between Charitable activities	-	13,347	13,347	9,902

Governance costs includes payments to the auditors of £8,000 (2021- £6,500) for audit fees and £4,984 for non-audit fees (2021 - £3,000).

10 Trustees

One Trustee has received reimbursement of expenses in 2021 totalling £631, no expenses were reimbursed during 2022.

11 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Museum	4	4
Shop	1	1
Adminstration	1	1
Total	6	6

Employment costs

	2022 £	2021 £
Wages and salaries	191,919	295,577

There were no employees whose annual remuneration was more than £60,000.

THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Other

	Total £ 2022	Unrestricted funds 2021
Net loss on disposal of tangible fixed assets	-	52
	-	52

13 Net gains/(losses) on investments

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Revaluation of investments	(183,781)	(13,924)	(197,705)	146,665	9,475	156,140

14 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

15 Tangible fixed assets

	Computer and other equipment £	Museum collection £	Fixtures and fittings £	Total £
Cost				
At 1 January 2022	28,634	16,138	1,500,000	1,544,772
Additions	13,463	-	-	13,463
At 31 December 2022	42,097	16,138	1,500,000	1,558,235
Depreciation and impairment				
At 1 January 2022	7,195	3,228	150,000	160,423
Depreciation charged in the year	6,454	3,228	150,000	159,682
At 31 December 2022	13,649	6,456	300,000	320,105
Carrying amount				
At 31 December 2022	28,448	9,682	1,200,000	1,238,130
At 31 December 2021	21,439	12,910	1,350,000	1,384,349

THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

16 Heritage assets

	Heritage assets £
At 1 January 2022	21,080
Donated assets	170,600
At 31 December 2022	191,680

The museum director continues the long task of compiling an inventory of artefacts belonging to the Trust. Due to the historic nature of these artefacts the Trustees have not yet included them on the balance sheet.

Silver previously held without a value attributed to it has been introduced after receiving a valuation in year.

17 Fixed asset investments

	Listed investments: Museum Development Fund	Listed investments: Museum £	Total £
Cost or valuation			
At 1 January 2022	1,334,636	101,091	1,435,727
Additions	38,958	2,951	41,909
Valuation changes	(183,781)	(13,924)	(197,705)
Disposals	(98,311)	-	(98,311)
At 31 December 2022	1,091,502	90,118	1,181,620
Carrying amount			
At 31 December 2022	1,091,502	90,118	1,181,620
At 31 December 2021	1,334,636	101,091	1,435,727

18 Stocks

	2022 £	2021 £
Finished goods and goods for resale	18,183	24,975

19 Creditors: amounts falling due within one year

	2022 £	2021 £
Other creditors	48,573	38,546

THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2021	Movement in funds			Balance at 1 January 2022	Movement in funds			Balance at 31 December 2022
	£	Incoming resources	Resources expended	Revaluations, gains and losses	£	Incoming resources	Resources expended		£
Other restricted	111,138	2,438	(880)	9,475	122,171	173,551	(13,924)		281,798

The Acquisition Fund (Restricted Income Fund) was established in 2007 in the Museum Trust by a donation of £100,000 from the RAOC Charitable Trust. Following an initial spend of £50,000 acquiring artefacts the residual £50,000 was invested in 2008 into the Armed Forces Common Investment Fund (AFCIF) as a long term reserve. This fund was inherited from the Museum Trust at the point of incorporation of the CIO. The fund is solely for the purchase of new acquisitions for the museum collection. Expenditure against the fund is controlled through the Trustees.

THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

21 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

The unrestricted funds are available to be spent for any of the purposes of the charity. Unrestricted funds have been split between general and museum development fund to identify the specific donations income, and expenditure on the museum development.

The Museum Development Fund benefitted in 2016 from a £3,000,000 donation from the Defence Logistic Vocational Trust specifically towards the relocation and redevelopment of The RLC Museum at a future site at the Defence College of Logistics, Policing and Administration, Worthy Down. £1,500,000 was invested into the museum development fund investment and £1,500,000 into the museum general fund investment. Both investments were made before being inherited by the CIO. The museum development fund was liquidated in year and used to furnish the museum's new building at Worthy Down.

22 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 December 2022 are represented by:						
Tangible assets	1,238,130	-	1,238,130	1,384,349	-	1,384,349
Heritage assets	-	191,680	191,680	-	21,080	21,080
Investments	1,091,502	90,118	1,181,620	1,334,636	101,091	1,435,727
Current assets/(liabilities)	41,383	-	41,383	22,741	-	22,741
	<u>2,371,015</u>	<u>281,798</u>	<u>2,652,813</u>	<u>2,741,726</u>	<u>122,171</u>	<u>2,863,897</u>

23 Related party transactions

Transactions with related parties

The Royal Logistics Corps Association Trust Fund shares key management and two Trustees with this Trust. During the year the Trust received a £100,000 donation (2021: £100,000). There were also £5,643.49 (2021: £3,936.75) of costs recharged from the RLC association relating to insurance and professional fees. At the year end, the Trust owed £37,773 (2021: £29,046) to The Royal Logistics Corps Association Trust.

THE ROYAL LOGISTIC CORPS MUSEUM TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

24	Cash generated from operations	2022	2021
		£	£
	Deficit for the year	(211,084)	(163,834)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(42,025)	(41,182)
	(Gain)/loss on disposal of tangible fixed assets	-	52
	Gain on disposal of investments	(1,688)	-
	Non-cash donation of heritage asset	(170,600)	-
	Fair value gains and losses on investments	197,705	(156,140)
	Depreciation and impairment of tangible fixed assets	159,681	157,983
	Movements in working capital:		
	Decrease in stocks	6,792	-
	Increase/(decrease) in creditors	10,027	(54,869)
	Cash absorbed by operations	(51,192)	(257,990)
25	Analysis of changes in net funds		
	The trust had no debt during the year.		