



# **THE ROYAL ARTILLERY CHARITABLE FUND**

Incorporated under the Companies Act and Limited by Guarantee

## **REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

and

## **FINANCIAL STATEMENTS FOR THE ROYAL ARTILLERY CHARITABLE FUND (PERMANENT ENDOWMENT) (210202-18)**

and the

## **ROYAL ARTILLERY BENEVOLENT FUND (210202-19) FOR THE YEAR ENDED 31 DECEMBER 2020 ARE INCLUDED UNDER A UNITING DIRECTION**

## **THE 2020 ACCOUNTS OF THE KELLY HOLDSWORTH ARTILLERY TRUST (208359) ARE ATTACHED**

**Registered Company No: 163205**

**Registered Charity No: 210202**

## **CONTENTS**

---

### **Page**

Trustees and Administrative Information	1
Trustees Report	2-10
Report of the Auditors	11-14
Statement of Financial Activities	15
Balance Sheet	16-17
Cash Flow Statement	18
Notes to the Financial Statements	19-30
<b>Kelly Holdsworth Artillery Trust</b>	
Independent Examiner's Report	31
Statement of Financial Activities	32
Balance Sheet	33

**President**

The Master Gunner, St James's Park, Lieutenant General Sir Andrew Gregory KBE CB DL

**Royal Artillery Charitable Fund (RACF) Trustees**

The members of the RACF Trustee Board during the year ended 31 December 2020 and up to the date of the approval of this report, were as follows:-

**Chairman** Major General DM Cullen CB OBE

**Trustees**

Brigadier MN Pountain CBE	
Colonel WG Prior MBE	
Colonel CE Comport OBE TD DL	
Colonel C Fletcher-Wood OBE	
Colonel GH Malec	Commander 7 <sup>th</sup> Air Defence Group (Resigned 16 Oct 20)
Colonel MD Relph MBE	
Major AJ Dines TD	
Major JO Leighton TD	
Colonel G Taylor	Commander 7 <sup>th</sup> Air Defence Group (Appointed 24 Nov 20)
Col R Murphy TD VR QVRM	Deputy Commander 1 <sup>st</sup> Artillery Brigade
Colonel AB Phillips	Commandant Royal School of Artillery
Colonel C Palmer	Deputy Commander 1 <sup>st</sup> ISR Brigade (Appointed 10 Feb 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

**Professional Advisors**

**Bankers** Lloyds Bank PLC, 39 Piccadilly, London, W1V 0AA

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

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

**Investment Managers** BlackRock Investment Management (UK) Ltd, 12 Throgmorton Avenue, London, EC2N 2DL

**Address** Artillery House, Royal Artillery Barracks, Larkhill, Wiltshire SP4 8QT.

**Registered Company No** 163205

**Registered Charity No** 210202

## **Introduction**

The RACF Trustees submit their annual report for the year ended 31<sup>st</sup> December 2020 under the Companies Act 2006, together with the audited financial statements for that year. The accounts comply with the Companies Act 2006, the Charity's governing document and the relevant Statement of Recommended Practice (the Charities SORP (FRS102)). The RACF is a company not for profit, limited by guarantee and not having share capital. It is governed by its Articles of Association. The Trustees' Report incorporates the directors' report for Companies Act purposes.

## **Objects**

The objects of the RACF are to apply the charity's funds:

- a) In promoting the efficiency and welfare of all ranks of the Royal Artillery, whether Regular, Special Reserve, Reserve or Temporary and;
- b) In relief and assistance of any past, present or future members of the Royal Artillery whether Regular, Special Reserve, Reserve or Temporary and their dependants, and families and dependants of any deceased members, who are in need of such relief and assistance by reason of poverty, disability, sickness, infirmity or otherwise.

## **Organisation**

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

## **Governance**

In addition to the Articles of Association, the Welfare, 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 RACF 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 in 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. A further self-assessment review will be conducted in 2022.

### **Selection of Trustees of the RACF 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 as President is an ex-officio member of the RACF and is the Head of the Regimental Family, but he is not a trustee. The President 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 represent a large proportion of serving Gunner soldiers and officers.

### **Corporate Trustee**

The RACF is the sole corporate trustee of the Royal Artillery Charitable Fund (Permanent Endowment) (RACF (PE) (210202-18), the Royal Artillery Benevolent Fund (RABF) (210202-19), the Royal Artillery Association (RAA) (238197) and the Kelly Holdsworth Artillery Trust (KHAT) (208359).

### **Uniting Direction**

Under a uniting direction the accounts of the RACF (PE), and the RABF, are shown in these accounts. Those of the KHAT are attached for ease of reference. RAA accounts are prepared and audited separately.

### **Key Management Personnel**

The Regimental Secretary is the Chief Executive of the RACF 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 Welfare Secretary is responsible to the Regimental Secretary for processing all welfare applications and individual grants.

### **Review of Financial Activities**

The charity's funds continue to be employed to support the efficiency and welfare of members of the Royal Artillery and to provide relief and assistance to past, present or future members of the Royal Artillery. The results of the charity's activities are summarised on page 15. In 2020 the charity had an excess of Income over expenditure before gains on investments of £554,059 (2019: £389,638 excess of expenditure over income). After investment losses of £406,046 (2019: gains of £3,960,155) there was a net increase of funds of £148,013 (2019: net gain of £3,570,517).

Total income increased by £237,253 to £1,546,070. This was mainly due to an increase in investment income, legacies and donations. Income from the Service Giving Scheme increased by £3,311 to £216,780. There were 4

**Review of Financial Activities continued**

legacies totalling £48,425. There were an additional 191 donations, totalling £63,477. Investment income also increased by £138,446.

Total Charitable expenditure decreased by £136,126 to £1,291,395 (2019: £1,427,521). This is mainly due to a reduction in activities funded by the charity due to COVID19 restrictions. However this figure does not include the cancellation of the proposed 2019 £300K grant towards the Royal Artillery Museum. When this is taken into account overall total expenditure decreased by £736,126 to £991,395. Grants to individual beneficiaries totalled £540,215 (2019: £687,362). It is assessed that this reduction is as a result of reduced casework activity during COVID19 restrictions as opposed to a reduction in need. Grants to regiments and institutions before transfers to and from connected charities totalled £258,812 (2019: £612,961).

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.
- Legacies.
- 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 just 1.17% below its 31 December 2019 value. As a result our income from investment generated £807,863, which was 17.1% higher in comparison to last year albeit 1.84% below budget. 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. Whilst the interest earned on investments and income from the SGS can be reasonably estimated, the income from both legacies and donations will fluctuate from year to year.

**Charitable Activities**

The Company's principal activities during the year were as follows:

- **Provision of assistance to those in need by reason of poverty, disability, sickness, infirmity or otherwise - £540,215**
  - The prime method of achieving this object is by making grants to individuals.
  - Gunners in need, both serving and retired, are identified in a variety of ways and cases normally come from one of the following organisations: Social Services, Soldiers Sailors Airmen and Families Association (SSAFA), Royal British Legion (RBL), Officers Association (OA), Unit Welfare Officers, RAA and other regimental charities.
  - Once a Gunner, or his / her dependant, is identified as being in need, a trained external assessor, normally a member of SSAFA, OA or the RBL, interviews the potential recipient and then makes a report to the RACF. If the case involves a serving Gunner then the Unit Welfare Officer may initiate a report.
  - The RACF then assesses the case report and allocates charitable funds, in consultation with other eligible charities if appropriate. The proportion found by the RACF can vary depending on circumstances and is not guaranteed. On average during the year it was 35% of the total. The external assessor decides whether the need has been met.
  - Funds to relieve need are paid through the almonising organisation rather than to the individual.
  - The charity assisted 817 cases in 2020 (2019:949 cases), of which 73 (2019:83) were serving members of the Regiment. 50 other ineligible cases were declined, as they were not Gunners or the request for support was out of scope (eg medical or legal fees) or duplications.

**TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**Charitable Activities continued**

- A further 50 cases were closed without a grant being made as a result of lack of information or need being resolved by other means.
  - No case that was assessed as eligible for and still requiring assistance was declined.
  - Among the 817 individual cases, the average grant was £707 per case. In most instances additional funds were granted by the RBL, Army Benevolent Fund (ABF), the OA and other military and civilian charities
  - Funds to relieve need are paid through the almonising organisation rather than to the individual.
- Promotion of efficiency and Welfare:
    - The charity made 23 grants to Regular and Reserve regiments for welfare provision (2019: 23).
    - Welfare grants totalling £82.5K were made to Regular and Reserve regiments / units, in order to help deal with individual cases and support unit welfare initiatives.
    - Grants totalling £67K were made to Gunner sport, via the RAI, in order to assist in the maintenance of fitness and morale.
    - Grants totalling £7,935 were made, via the RAA, to batteries for the welfare of their personnel. This has a widespread benefit and enabled commanders to fund quality of life activities to enhance morale and esprit de corps.
  - ABF the Soldiers' Charity. ABF has supported a large number of Gunner cases. This year the RACF donated £65,000 to the ABF to assist them in making grants towards other smaller, specific purpose charities that support Gunners and their dependants.
  - General. The RACF also made direct grants totalling £10,550, to a number of other external charities which help or house Gunners in need. It makes Christmas grants to those identified during the year as most in need. It has provision, where appropriate, through the KHAT, to help with dependants' education costs when serving Gunners die or are in need. The RABF owns four cottages, which house Gunners in need. The RACF also helps maintain Gunner memorials.

**Public Benefit**

The Objects of the RACF 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 RACF 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, the ABF and the RBL. The trustees have taken due regard of the charity Commission's guidance on Public Benefit.

**Future Plans**

The charity has sufficient funds to support its future operations and deliver its charitable Objects. Research carried out by the RBL has shown that there is still a very large ex-Service community, however the number of ex-servicemen who saw service in the Second World War and during National Service will gradually diminish over the next 10 years. In the future it is assessed that, while the volume of cases might reduce, the greater complexity of needs arising from service in the Iraq and Afghanistan campaigns, may increase the cost of providing support to those in need.

**TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**Future Plans continued**

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 provide assistance to all members of the regimental family who are in need. Should income levels drop significantly, trustees have the ability to generate additional funds by liquidating investment assets, however this would need to be balanced by the requirement to maintain investment income for future generations.

In 2019 the trustees agreed to earmark £1.8M of capital funds for future transfer to the Royal Artillery Museum (RAM). Of this £300K was to have been in the form of a grant and £1.5M 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, within the investment portfolio, to provide: a stable base and income generation for the charity's continuing activities; sufficient funds to cover routine management and administrative costs and; enable the charity to respond to any emergency applications for welfare grants, which arise from time to time. In 2020 the charity's investments generated £808,055 of income. This was some 52.29% of total income. Without this level of income the charity's activities and support to those in need would be significantly curtailed. The reserves, in the form of investments, in both the RACF and the RABF are judged sufficient by the trustees to meet the current and future demand. The trustees review the reserves position on a regular basis to ensure that excessive funds are not accumulated. Trustees are mindful of the potential increased cost of providing assistance and relief especially to those suffering from mental illness as a result of military service. They therefore believe the reserves should be maintained at the current levels, in order to 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 benevolence. They therefore have the ability either to reduce expenditure to match any reduction in income or to liquidate unrestricted assets of £28,635,796 to make additional funds available in year, however as indicated above, this would need to be balanced by the requirement to maintain investment as a means of providing income for future generations.

**Investment Policy**

The trustees' Investment Committee meets twice a year to consider the performance of the RACF's investments which are managed on a discretionary basis by BlackRock Investment Management (UK) Ltd.

The investment objective is to create sufficient income and capital growth to enable the charity 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 cost.

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).



## **TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

---

### **Investment Policy continued**

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 RACF'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 '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.

Regiments, units, RAA Branches and individuals who raise funds for the charity are provided with sealed collection buckets. In the event of a complaint about any such activity, it is investigated by the Regimental Secretary. (No complaints were received in 2020). As a charity that deals with vulnerable service personnel, veterans and their dependants, all staff are aware of the requirement to treat everyone fairly and kindly with no intrusive or persistent requests or approaches for funds or undue pressure to donate.

### **Trustee Training**

Trustee responsibilities and necessary training is taken very seriously. All new trustees 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 the Articles of Association as part of their induction. Recent RACF 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.

## **TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

---

### **Risk Management continued**

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 trustee members. A register of trustee interests is kept and updated annually. At the start of committee and BoM meetings, trustees are reminded to declare any conflict arising from the agenda so that appropriate action can be taken.
- Reputational damage arising from activities such as inappropriate fundraising. This is mitigated by robust RAA Rules and General Administrative Instructions (GAIs) and the monitoring of branch fundraising activities.

### **COVID19 Impact Assessment**

The economic impact of the current COVID19 situation has inevitably had an adverse effect on our financial position, particularly our investments. As at 6 April 2020 our investment portfolio had lost some £5,579,875 (16.35%) in value to £28,549,964 from £34,129,840. The Investment Committee have reviewed the situation and taken the view that our funds are invested for the long term and that we should not be making changes to our investment policy or asset weighting at this stage. Clearly however the loss of capital has had a direct impact on our predicted annual investment income for 2020.

As at 31 December 2020 capital investment values had regained by £5,179,175 to £33,729,139, which is 1.17% below the 31 December 2019 figure. Despite capital losses in Q2, the total income from investments was £807,863 which was 1.84% below budget. Our fund managers assess that the portfolio is structurally sound and 2021 should not see any significant losses but dividends will be lower looking ahead as the vaccine-led economic restart accelerates.

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 may be cancelled or postponed while restrictions remain in place.

One of the benefits of holding reasonably large and diversified investments is that we are well placed to weather any future economic downturn, however 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 or in support of serving, veteran and family welfare).

The trustees have taken the view that, if required, we could offset loss of income but that no action needed to be taken to 'balance the books' in year.

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

## **TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

---

### **Remuneration Policy**

No trustee is paid for services as a trustee or related work, 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 RACF 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 trustees are the members of the RACF and the liability of the members for the debts of the RACF is limited to an amount not exceeding one pound.

### **Statement of Trustees' Responsibilities**

The trustees (who are also directors of the RACF 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.

**TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**Statement as to Disclosure of Information to Auditors**


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)).

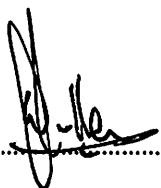
In so far as the trustees are aware:

- 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 RACF Board of Management

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

---

**Opinion**

We have audited the financial statements of Royal Artillery Charitable Fund 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.

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

---

**Other information continued**

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 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.

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

---

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](http://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 (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



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

<u>Income and Expenditure</u>		RACF		RACF Permanent	RABF Fund	2020		2019	
	Notes	Unrestricted Funds	Restricted Funds	Endowment Fund		Total	Total	Total	Total
<b>Income and endowments from:</b>									
Donations and legacies inc SPGS	2	720,869	-	1,014	1,014	722,897	722,897	629,048	629,048
Investment Income	3	543,011	-	35,003	229,849	807,863	807,863	669,417	669,417
Other Income	4	7,909	-	-	7,401	15,310	15,310	10,352	10,352
<b>Total income before Expenditure</b>		<b>1,271,789</b>	<b>-</b>	<b>36,017</b>	<b>238,264</b>	<b>1,546,070</b>	<b>1,546,070</b>	<b>1,308,817</b>	<b>1,308,817</b>
<b>Expenditure on:</b>									
Raising funds	5	(616)	-	-	-	(616)	(616)	29,066	29,066
<b>Net income available for charitable activities</b>		<b>1,271,173</b>	<b>-</b>	<b>36,017</b>	<b>238,264</b>	<b>1,545,454</b>	<b>1,545,454</b>	<b>1,337,883</b>	<b>1,337,883</b>
Charitable activities	6	717,114	-	36,017	238,264	991,395	991,395	1,727,521	1,727,521
<b>Total expenditure</b>		<b>717,114</b>	<b>-</b>	<b>36,017</b>	<b>238,264</b>	<b>991,395</b>	<b>991,395</b>	<b>1,727,521</b>	<b>1,727,521</b>
<b>Net income for the year before gains on investments</b>		<b>554,059</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>554,059</b>	<b>554,059</b>	<b>(389,638)</b>	<b>(389,638)</b>
Net gains/(losses) on investment assets		(272,065)	-	(17,722)	(116,259)	(406,046)	(406,046)	3,960,155	3,960,155
<b>Net movement in funds</b>		<b>281,994</b>	<b>-</b>	<b>(17,722)</b>	<b>(116,259)</b>	<b>148,013</b>	<b>148,013</b>	<b>3,570,517</b>	<b>3,570,517</b>
Total funds brought forward		23,170,548	-	1,490,668	10,785,598	35,446,814	35,446,814	31,876,297	31,876,297
<b>Total funds carried forward</b>		<b>23,452,542</b>	<b>-</b>	<b>1,472,946</b>	<b>10,669,339</b>	<b>35,594,827</b>	<b>35,594,827</b>	<b>35,446,814</b>	<b>35,446,814</b>

The notes on pages 19 to 29 form part of these financial statements

THE ROYAL ARTILLERY CHARITABLE FUND

**BALANCE SHEET**  
**AT 31 DECEMBER 2020**

	Note	RACF £	RACF(PE) £	RABF £	2020 £	2019 £
<b><u>Fixed assets</u></b>						
Tangible	7	-	-	932,800	932,800	954,000
Investments	8	22,599,776	1,472,083	9,657,280	33,729,139	34,129,840
		22,599,776	1,472,083	10,590,080	34,661,939	35,083,840
<b><u>Current assets</u></b>						
Debtors	9	60,314	863	69,406	130,583	120,005
Short Term Deposits	10	841,262	-	-	841,262	569,088
Cash on Current Account		32,955	-	618	33,573	28,683
Residents contributions		-	-	9,235	9,235	7,905
		934,531	863	79,259	1,014,653	725,681
<b><u>Current liabilities</u></b>						
Creditors: Amounts falling due within one year	11	(81,765)	-	-	(81,765)	(362,707)
<b>Net current assets</b>		852,766	863	79,259	932,888	362,974
<b>Total assets less current liabilities</b>		23,452,542	1,472,946	10,669,339	35,594,827	35,446,814
		23,452,542	1,472,946	10,669,339	35,594,827	35,446,814
<b><u>Funds</u></b>						
Unrestricted		23,347,458	-	5,288,338	28,635,796	29,028,377
Memorial Fund	13	105,084	-	-	105,084	105,084
Permanent Endowment		-	1,472,946	5,381,001	6,853,947	6,313,353
		23,452,542	1,472,946	10,669,339	35,594,827	35,446,814

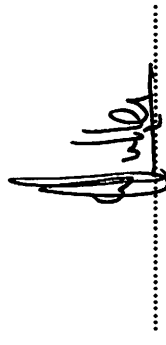
THE ROYAL ARTILLERY CHARITABLE FUND

**BALANCE SHEET**

**AT 31 DECEMBER 2020**

---

Approved by the RACF Board of Management on 1<sup>st</sup> June 2021



Major General DM Cullen CB OBE  
Chairman RACF Board of Management

The notes on pages 19 to 29 form part of these financial statements.

**Company number: 163205**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>Note</b>	<b><u>2020</u></b> <b><u>£</u></b>	<b><u>2019</u></b> <b><u>£</u></b>
<b>Net cash used in operating activities</b>	<b>1</b>	<b>(525,454)</b>	<b>(865,629)</b>
<b><u>Cash flows from investing activities</u></b>			
Dividends, interest and rents from investments		807,863	669,877
Purchase of investments		(11,585,304)	(7,141,227)
Proceeds from sale of investments		11,580,902	7,075,194
<b>Net cash generated in investing activities</b>		<b>803,461</b>	<b>603,844</b>
Net increase in cash & cash equivalents		278,008	(261,785)
Cash and cash equivalents at the beginning of the year		650,363	912,148
<b>Cash and cash equivalents at end of the year</b>	<b>2</b>	<b>928,371</b>	<b>650,363</b>

**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	148,013	3,570,517	
	(Gains)/losses on Investments	406,046	(3,960,155)	
	Investment income	(807,863)	(669,877)	
	Appropriation from STLG	-	(13,559)	
	Decrease/(increase) in debtors	(11,908)	402,449	
	Decrease in creditors	(280,942)	(216,204)	
	Depreciation charge	21,200	21,200	
	Net cash used in operating activities	<u>(525,454)</u>	<u>(865,629)</u>	
2.	Analysis of cash and cash equivalents and net debt	At 1 Jan 2020 £	Cash flow £	At 31 Dec 2020 £
	Cash on short term deposit	569,088	272,174	841,262
	Cash current account	28,683	4,890	33,573
	Cash balance held in investments	52,592	944	53,536
	Net cash provided by operating activities	<u>650,363</u>	<u>278,008</u>	<u>928,371</u>

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

---

**1. Accounting policies**

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

**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 (FRS 102)) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) the Companies Act 2006 and UK Generally Accepted Accounting Practice.

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

**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.

**Subscriptions and donations**

Subscriptions and donations have been included on the basis of amounts receivable during the year.

**Legacy income**

Income from legacies is taken to the Statement of Financial Activities when received or receipt is reasonably certain and the value can be measured with sufficient reliability.

**Interest and dividends on investments**

Income from investments including interest on short term deposits are included on a receivable basis.

**Expenditure and 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.

**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.

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

---

**Fixed asset investments**

Investments are stated at market value. The unrealised movement in market value from one year to another is recognised in the statement of financial activities.

**Tangible Fixed assets**

Freehold properties are stated at deemed cost and are depreciated over their estimated useful lives of 50 years. Land is stated at deemed cost and is not depreciated.

**Cash and 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.

**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.

**Fund accounting**

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

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

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.

The permanent endowment fund relates to funds received over the years from the investment portfolio where the capital received needs to be retained for the long term.

**Pensions**

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

**Critical estimates 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

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

**Critical estimates and judgements and key sources of estimation uncertainty continued**

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**

	RACF	RACF (PE)	RABF	Total
	£	£	£	£
		2020		
Officers' subscriptions	90,935	-	-	90,935
Soldiers' subscriptions	125,845	-	-	125,845
Retired Donations	22,408	-	-	22,408
Income tax recoverable (gift aid)	5,483	-	-	5,483
Donations and Grants	67,426	-	-	67,426
Intangible Income – Wages in Kind	113,427	1,014	1,014	115,455
Fundraising	85	-	-	85
Donations Connected Charities RACF PE	35,003	-	-	35,003
Donations Connected Charities RABF	211,832	-	-	211,832
Legacies	48,425	-	-	48,425
	<u>720,869</u>	<u>1,014</u>	<u>1,014</u>	<u>722,897</u>

**2019 Donations and legacies inc SPGS**

	RACF	RACF (PE)	RABF	Total
	£	£	£	£
		2019		
Officers' subscriptions	87,381	-	-	87,381
Soldiers' subscriptions	126,088	-	-	126,088
Retired Officers Donations	23,298	-	-	23,298
Income tax recoverable (gift aid)	8,960	-	-	8,960
Donations and Grants	63,736	-	-	63,736
Intangible Income – Wages in Kind	89,211	966	966	91,143
Fundraising	1,463	-	-	1,463
Donations Connected Charities RACF PE	28,091	-	-	28,091
Donations Connected Charities RABF	168,339	-	-	168,339
Legacies	30,549	-	-	30,549
	<u>627,116</u>	<u>966</u>	<u>966</u>	<u>629,048</u>

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

**3. 2020 Investment Income**

	RACF	RACF (PE)	RABF	Total
		2020		
	£	£	£	£
Investments	543,011	35,003	229,849	807,863
	<u>543,011</u>	<u>35,003</u>	<u>229,849</u>	<u>807,863</u>

**2019 Investment Income Comparison**

	RACF	RACF (PE)	RABF	Total
		2019		
	£	£	£	£
Investments	447,508	29,352	192,557	669,417
	<u>447,508</u>	<u>29,352</u>	<u>192,557</u>	<u>669,417</u>

**4. 2020 Other Income**

	RACF	RACF (PE)	RABF	Total
		2020		
	£	£	£	£
Government Grants – Furlough	5,819	-	-	5,819
Interest received on short term deposits	192	-	-	192
Alanbrooke club	1,898	-	-	1,898
Residents Contribution	-	-	7,401	7,401
	<u>7,909</u>	<u>-</u>	<u>7,401</u>	<u>15,310</u>

**2019 Other Income Comparison**

	RACF	RACF (PE)	RABF	Total
		2019		
	£	£	£	£
Interest received on short term deposits	460	-	-	460
Alanbrooke club	-	-	657	657
Residents Contribution	-	-	9,892	9,892
	<u>460</u>	<u>-</u>	<u>10,549</u>	<u>11,009</u>



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

**5. 2020 Cost of Raising Funds**

	RACF	RACF (PE)	RABF	Total
	2020			
	£	£	£	£
Fundraising costs	616	-	-	616
	<u>616</u>	<u>-</u>	<u>-</u>	<u>616</u>

**2019 Cost of Raising Funds Comparison**

	RACF	RACF (PE)	RABF	Total
	2019			
	£	£	£	£
Fundraising costs	1,661	-	-	1,661
Investment commission and management fees	(40,260)	1,261	8,272	(30,727)
	<u>(38,599)</u>	<u>1,261</u>	<u>8,272</u>	<u>(29,066)</u>

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

**6. Charitable Activities**

	RACF	RACF (PE)	RABF	Total
	£	£	£	£
<b>Welfare</b>				
Welfare grants – 817 (2019: 949) individual cases	540,215	-	-	540,215
Welfare grants to institutions:				
Gunner Magazine	10,000	-	-	10,000
Royal Artillery Sports	67,000	-	-	67,000
Army Benevolent Fund	65,000	-	-	65,000
Not Forgotten Association	1,000	-	-	1,000
Veterans Aid	3,000	-	-	3,000
King Edward VII Hospital	3,000	-	-	3,000
Army Widows Association	1,000	-	-	1,000
Scottish Veterans Garden City Assoc	2,000	-	-	2,000
RAA Grants	7,935	-	-	7,935
Regiments	82,500	-	-	82,500
RA Memorials	14,492	-	-	14,492
General Grants	1,885	-	-	1,885
Donations to connected charities (RACF)	-	35,003	211,832	246,835
	<u>799,027</u>	<u>35,003</u>	<u>211,832</u>	<u>1,045,862</u>
Grants Payable to RAM cancelled	(300,000)	-	-	(300,000)
	<u>499,027</u>	<u>35,003</u>	<u>211,832</u>	<u>745,862</u>
Support Cost to Charitable Activities:				
Wages and salaries	60,976	-	-	60,976
Wages and salaries in kind	113,427	1,014	1,014	115,455
Employers Nationals Insurance	4,599	-	-	4,599
Employers Pension Contribution	3,687	-	-	3,687
	<u>182,689</u>	<u>1,014</u>	<u>1,014</u>	<u>184,717</u>
Insurance	1,928	-	-	1,928
Printing & stationery	1,369	-	-	1,369
Publicity	120	-	-	120
Postage	1,064	-	-	1,064
Network maintenance	4,604	-	-	4,604
Travel & Subsistence (incl BOM & AGM)	1,498	-	-	1,498
Miscellaneous	386	-	-	386
Bank charges	560	-	-	560
Cottage expenses	-	-	4,218	4,218
Depreciation (cottages)	-	-	21,200	21,200
Audit and accountancy fees	10,560	-	-	10,560
Audit Under provision 2019	5,610	-	-	5,610
Legal and professional fees	7,699	-	-	7,699
Total support costs	<u>218,087</u>	<u>1,014</u>	<u>26,432</u>	<u>245,533</u>
<b>2020 Total Expenditure</b>	<u>717,114</u>	<u>36,017</u>	<u>238,264</u>	<u>991,395</u>

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

**2019 Charitable Activities Comparison**

	RACF	RACF (PE)	RABF	Total
	2019	2019	2019	2019
	£	£	£	£
<b>Welfare</b>				
Welfare grants – 949 (2018: 1,086)				
individual cases	687,362	-	-	687,362
Welfare grants to institutions:				
Gunner Magazine	20,000	-	-	20,000
Royal Artillery Sports	65,000	-	-	65,000
Army Benevolent Fund	65,000	-	-	65,000
Not Forgotten Association	1,000	-	-	1,000
Veterans Aid	3,000	-	-	3,000
King Edward VII Hospital	3,000	-	-	3,000
RAA Grants	60,000	-	-	60,000
Regiments and Batteries	87,500	-	-	87,500
RA Memorials	7,461	-	-	7,461
General Grants	1,000	-	-	1,000
Donations to connected charities (RACF)	-	28,091	168,339	196,430
	<u>1,000,323</u>	<u>28,091</u>	<u>168,339</u>	<u>1,196,753</u>
Grants Payable (RAM)	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>300,000</u>
	<u>1,300,323</u>	<u>28,091</u>	<u>168,339</u>	<u>1,496,753</u>
<b>Support Cost to Charitable Activities:</b>				
Wages and salaries	63,605	-	-	63,605
Wages and salaries in kind	89,211	966	966	91,143
Employers Nationals Insurance	5,442	-	-	5,442
Employers Pension Contribution	3,683	-	-	3,683
	<u>161,941</u>	<u>966</u>	<u>966</u>	<u>163,873</u>
Insurance	1,957	-	-	1,957
Printing & stationery	361	-	-	361
Publicity	1,205	-	-	1,205
Postage	2,199	-	-	2,199
Network maintenance	5,669	-	-	5,669
Travel & Subsistence (incl BOM & AGM)	3,672	-	-	3,672
Miscellaneous	40	-	-	40
Training	498	-	-	498
Bank charges	748	-	-	748
Cottage expenses	-	-	4,638	4,638
Depreciation (cottages)	-	-	21,200	21,200
Audit and accountancy fees	10,560	-	-	10,560
Audit Under provision 2018	630	-	-	630
Legal and professional fees	13,518	-	-	13,518
Total support costs	<u>202,998</u>	<u>996</u>	<u>26,804</u>	<u>230,768</u>
<b>Total charitable activities</b>	<u>1,503,321</u>	<u>29,057</u>	<u>195,143</u>	<u>1,727,521</u>

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

**6. Charitable Activities continued**

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

	2020 Number	2019 Number
Office and administration	4	4

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: NIL). This was as a result of all meetings being conducted online.

**7. 2020 Fixed Assets**

	RACF	RACF (PE)	RABF	Total
	£	£	£	£
			2020	
			Cottage Homes	
Deemed cost at 31 December 2020	-	-	1,081,200	1,081,200
At 31 December 2020	-	-	1,081,200	1,081,200
Depreciation at 1 January 2020	-	-	127,200	127,200
Charge for the year	-	-	21,200	21,200
At 31 December 2020	-	-	148,400	148,400
Net book value at 31 December 2020	-	-	932,800	932,800
Net book value at 31 December 2019	-	-	954,000	954,000

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

**8.2020 Fixed Asset Investments**

	RACF	RACF (PE)	RABF	Total
	2020			
	£	£	£	£
<b>Quoted investments</b>				
Market value at 1 January	22,868,244	1,488,120	9773,476	34,129,840
Net additions at cost	7,762,584	505,632	3,317,088	11,585,304
Sales proceeds	(7,759,635)	(505,439)	(3,315,828)	(11,580,902)
Net realised/unrealised gains	(272,065)	(17,722)	(116,259)	(406,046)
Aliquote Changes	15	1,451	(1,468)	(2)
Cash Commitments	633	41	271	945
<b>Market value at 31 December</b>	<b>22,599,776</b>	<b>1,472,083</b>	<b>9,657,280</b>	<b>33,729,139</b>
<b>Historical value at 31 December</b>	<b>19,943,040</b>	<b>1,299,031</b>	<b>8,552,011</b>	<b>29,764,082</b>
<b>Investment / Cash Breakdown</b>				
Investments	22,563,903	1,469,746	9,641,952	33,675,601
Bank Settled Account	2,764	180	1,180	4,124
Bank Unsettled Account	33,109	2,157	14,148	49,414
	<b>22,599,776</b>	<b>1,472,083</b>	<b>9,657,280</b>	<b>33,729,139</b>

The following holdings exceeded 5% of the total portfolio value at 31 December 2020 and are considered material:

	£
BFM-BLK Emerging Markets (12.89%)	4,408,677
BlackRock Char UK Bond Fund A Inc (8.89%)	3,089,998
BLK Char UK EQ Fund A Inc (31.39%)	10,097,166
BlackRock Global Income Fund (31.36%)	10,897,785

All of the holdings listed are in collective investment vehicles as opposed to single securities.

**2019 Fixed Asset Investments comparison**

	RACF	RACF (PE)	RABF	Total
	2019			
	£	£	£	£
<b>Quoted investments</b>				
Market value at 1 January	20,253,908	1,317,830	8,656,324	30,228,062
Net additions at cost	4,784,887	311,674	2,044,666	7,141,227
Sales proceeds	(4,740,643)	(308,792)	(2,025,759)	(7,075,194)
Net realised/unrealised gains	2,653,451	172,838	1,133,866	3,960,155
Cash Commitments	(83,359)	(5,430)	(35,621)	(124,410)
<b>Market value at 31 December</b>	<b>22,868,244</b>	<b>1,448,120</b>	<b>9,773,476</b>	<b>34,129,840</b>
<b>Historical value at 31 December</b>	<b>20,099,590</b>	<b>1,309,228</b>	<b>8,588,907</b>	<b>29,997,725</b>

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

**9. Debtors**

	RACF	RACF (PE) 2020	RABF	Total	Total for RACF 2019
	£	£	£	£	£
RACF	-	863	69,406	70,269	52,147
Royal Artillery Association	33,540	-	-	33,540	33,369
Income tax repayments	3,223	-	-	3,223	11,536
Accrued Service Giving Income	18,583	-	-	18,583	18,453
Sundry Debtors	4,968	-	-	4,968	4,500
	<u>60,314</u>	<u>863</u>	<u>69,406</u>	<u>130,583</u>	<u>120,005</u>

**10. 2020 Current Asset Investments**

	RACF	RACF (PE) 2020	RABF	Total
	£	£	£	£
Short term deposits (incl investment balance)	<u>841,262</u>	<u>--</u>	<u>--</u>	<u>841,262</u>

**2019 Current Asset Investments**

	RACF	RACF (PE) 2019	RABF	Total
	£	£	£	£
Short term deposits (incl investment balance)	<u>569,088</u>	<u>--</u>	<u>--</u>	<u>569,088</u>

**11. 2020 Creditors**

	RACF	RACF (PE) 2020	RABF	Total	Total 2019
	£	£	£	£	£
Amounts falling due within one year:					
RACF (PE)	863	-	-	863	2,548
RABF	69,406	-	-	69,406	49,599
Accruals	11,496	-	-	11,496	10,560
RAM	-	-	-	-	300,000
	<u>81,765</u>	<u>-</u>	<u>-</u>	<u>81,765</u>	<u>362,707</u>

Creditors have decreased significantly due to the cancellation of the £300K 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.

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

**12. Provisions for Liabilities – Staff Terminal Leaving Gratuity**

	<b>2020</b>		<b>2019</b>	
Movements:	£	£	£	£
At 1 January		-		13,559
Allocation of interest		-		339
Leaving payments in year		-		(13,898)
<b>At 31 December 2020</b>		-		-

**13. Designated Fund – Memorial Fund**

	<b>2020</b>		<b>2019</b>	
	£	£	£	£
At 1 January		105,084		105,936
Transfer from Income and Expenditure account		-		(852)
Expenditure		-		(852)
		105,084		105,084

This fund had been designated by the trustees' as the amount required towards the building of Chapel and Cloister in the Garrison Church at Larkhill in 2018. Due to the final bill being higher than anticipated, the RACF trustees agreed to transfer additional Income to cover the remainder of the bill.

**14. Related Parties**

Income of £216,780 (2019: £213,469) was received from the Royal Artillery General Charitable Trust (RAGCT). 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.

Net assets include a debt of £33,540 (2019: £33,369) which is accrued from the Royal Artillery Association (RAA). The RACF is the sole corporate trustee of the RAA. This income relates to Investment fees owed from RAA to RACF. It is intended that the outstanding balance will be repaid over the next two years.

Details of donations between connected entities are disclosed in note 6.

At the year end, balances due to and from related entities are disclosed in notes 9 and 11.

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

**15. 2019 Comparatives for the Statement of Financial Activities**

<b>Income and Expenditure</b>	<b>RACF</b>		<b>RACF Permanent</b>		<b>RABF Fund</b>	<b>2019 Total</b>
	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Endowment Fund</b>	<b>Fund</b>		
	£	£	£	£	£	£
<b>Income</b>						
Donations and legacies inc SPGS	2 627,116	-	966	966	966	629,048
Investment Income	3 447,508	-	29,352	29,352	192,557	669,417
Other Income	4 460	-	-	-	9,892	10,352
<b>Total income before Expenditure</b>	<b>1,075,084</b>	<b>-</b>	<b>30,318</b>	<b>203,415</b>	<b>203,415</b>	<b>1,308,817</b>
<b>Expenditure on:</b>						
Raising funds	5 38,599	-	(1,261)	(8,272)	(8,272)	29,066
<b>Net income available for charitable activities</b>	<b>1,113,683</b>	<b>-</b>	<b>29,057</b>	<b>195,143</b>	<b>195,143</b>	<b>1,337,883</b>
Charitable activities	6 1,503,321	-	29,057	195,143	195,143	1,727,521
<b>Total expenditure</b>	<b>1,503,321</b>	<b>-</b>	<b>29,057</b>	<b>195,143</b>	<b>195,143</b>	<b>1,727,521</b>
<b>Net income for the year before gains on investments</b>	<b>(389,638)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(389,638)</b>
Net gains/(losses) on investment assets	2,653,451	-	172,838	1,133,866	1,133,866	3,960,155
<b>Net movement in funds</b>	<b>2,263,813</b>	<b>-</b>	<b>172,838</b>	<b>1,133,866</b>	<b>1,133,866</b>	<b>3,570,517</b>
Total funds brought forward	20,906,735	-	1,317,830	9,651,732	9,651,732	31,876,297
<b>Total funds carried forward</b>	<b>23,170,548</b>	<b>-</b>	<b>1,490,668</b>	<b>10,785,598</b>	<b>10,785,598</b>	<b>35,446,814</b>



**KELLY HOLDSWORTH ARTILLERY TRUST INDEPENDENT EXAMINERS' REPORT TO THE TRUSTEES**

---

**Independent examiner's report to the trustees of Kelly Holdsworth Artillery Trust**

I report to the trustees on my examination of the accounts of the Kelly Holdsworth Artillery Trust (the Trust) for the year ended 31 December 2020.

**Respective Responsibilities of trustees and examiner**

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

**Basis of independent examiner's report**


My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

**Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

  
Date: 22 June 2021.  
Liz Hazell FCA  
Saffery Champness LLP  
Chartered Accountants  
71 Queen Victoria Street  
London  
EC4V 4BE

**KELLY HOLDSWORTH ARTILLERY TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

Accounted for by the RACF under a uniting direction.

	Notes	2020 £	2019 £
<b><u>Income</u></b>			
Income available for charitable application			
Donation		-	-
Legacies		-	-
		<hr/>	<hr/>
		-	-
<b><u>Expenditure on Charitable Activities</u></b>			
Charitable activities		-	-
		<hr/>	<hr/>
<b>Total resources expended</b>		<hr/>	<hr/>
		-	-
<b>Net (outgoing) resources for the year</b>		-	-
		<hr/>	<hr/>
<b><u>Net movement in funds</u></b>		-	-
 Fund balances brought forward at 1 <sup>st</sup> January		 500	 500
<b>Fund balances carried forward at 31<sup>st</sup> December</b>		<b>500</b>	<b>500</b>

All funds of the Kelly Holdsworth Artillery Trust were transferred into the Royal Artillery Benevolent Fund in January 2008. The fund is maintained with a balance of £500 in order to be able to accept any future legacies.

**Objects**

The Objects of the KHAT are:

(1) to relieve either generally or individually beneficiaries and their families and dependants who are in need by virtue of financial hardship, sickness, disability or the effects of old age through the provision of grants, loans, gifts, pensions or otherwise.

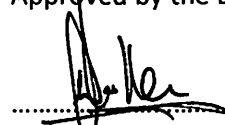
(2) the provision of housing accommodation for past members of the Royal Artillery who are in need by virtue of financial hardship, sickness, disability or the effects of old age.

**KELLY HOLDSWORTH ARTILLERY TRUST**

**BALANCE SHEET**  
**AT 31 DECEMBER 2020**

	Notes	2020	2019
		£	£
<b>Fixed assets</b>		-	-
<b>Current assets</b>			
Bank Balance		500	500
		500	500
<b>Current liabilities</b>		-	-
<b>Net current assets</b>		500	500
<b>Net assets</b>		500	500
<b>Funds</b>			
Unrestricted		500	500
		500	500

Approved by the Board of Management on 1<sup>st</sup> June 2021.

  
.....  
Major General DM Cullen CB OBE  
RACF Board of Management