



# **THE ROYAL ARTILLERY CHARITABLE FUND**

**Incorporated under the Companies Act and Limited by Guarantee**

## **REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**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 2021 ARE INCLUDED UNDER A UNITING DIRECTION**

**Registered Company No: 163205**

**Registered Charity No: 210202**

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**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 2021 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	Retired 23 Nov 21
Colonel CE Comport OBE TD DL	
Colonel C Fletcher-Wood OBE	
Colonel MD Relph MBE	
Colonel G Taylor CBE	Commander 7 <sup>th</sup> Air Defence Group
Col R Murphy TD VR QVRM	Deputy Commander 1 <sup>st</sup> Artillery Brigade (Retired 7 Feb 22)
Colonel AB Phillips	Commandant Royal School of Artillery (Retired 23 Jul 21)
Colonel C Palmer	Deputy Commander 1 <sup>st</sup> ISR Brigade
Colonel MAA Dornan	Comdt Royal School of Artillery (Appointed 26 July 21)
Major S Howe	Chief of Staff Regimental Headquarters (Appointed 8 Dec 21)
Major AJ Dines TD	
Major JO Leighton TD	

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

## **TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **Introduction**

The RACF Trustees submit their annual report for the year ended 31<sup>st</sup> December 2021 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 at least 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 the interests of 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 2021 the charity had an excess of Income over expenditure before gains on investments of £264,471 (2020: £554,059 excess of Income over expenditure). After investment gains of £3,515,166 (2020: losses of £406,046) there was a net increase of funds of £3,779,637 (2020: net gain of £148,013).

**TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Review of Financial Activities continued**

Total income increased by £24,193 to £1,323,428, mainly due to an increase in declared legacies. It should be noted however that despite an increase in investment value, there was a decrease in investment income. Dividend payments were reduced to move into the global equity fund, but this loss was offset by the declared legacy.

Income from the Service Giving Scheme increased by £4,073 to £220,852, which was 14% of income received.

There were 10 legacies totalling £188,744. This income reflects 2 accrued legacies of £91,000, which were notified in 2021. £90,000 has since been received in the early part of 2022. There were an additional 155 donations, totalling £39,850. Investment income also decreased by £101,261 but achieved 18.9% higher than was budgeted.

Raising Funds increased by £70,177 to £70,793 (2020: £616) due to a change in policy with our investment manager, such that quarterly investment fee will now be paid at on receipt of quarterly invoices and not taken at source.

Charitable activities increased by £243,604 to £988,164 (2020: £744,560). This was mainly due to increased expenditure on some of the activities funded by the charity following the lifting of some COVID19 restrictions, however, the 2020 account included a significant decrease in expenditure as a result of reversing the proposed 2020 £300K grant award to the Royal Artillery Museum. Grants to individual beneficiaries totalled £523,545, of which £198,194 was spent from the restricted RABF Funds, and the remaining £325,351 from the RACF (2020: £540,215: RABF £211,832, RACF £328,383). It is assessed that this reduction is as a result of reduced casework activity during COVID19 restrictions, coupled with difficulties with a new case management system, as opposed to a reduction in need, grants to regiments and totalled £224,889 (2020: £258,812).

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 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 - £523,545, of which the £198,194 was spent from the restricted RABF Funds, and the remaining £325,351 from the RACF.
  - 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.

**Charitable Activities continued**

The RACF and RABF then assesses the case report and allocates charitable funds, in consultation with other eligible charities if appropriate. The proportion found by the RACF/RABF 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 607 cases in 2021 (2020:817 cases), of which 60 (2020:73) were serving members of the Regiment. 20 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.
  - In addition to the above £66,120 (2020: £48,730) was paid in grants to 47 (2020: 47) Kelly Holdsworth beneficiaries and a further £20,857 (2020: £20,144) in Christmas grants to 377 (2020: 392) recipients.
  - A further 20 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 607 individual cases, the average gross grant was £717 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:
    - Welfare grants totalling £84.2K were made to 23 Regular
    - and Reserve regiments / units, in order to help deal with individual cases and support unit welfare initiatives.
    - Grants totalling £51.9K were made to Gunner sport, via the RAI, in order to assist in the maintenance of fitness and morale.
  - ABF the Soldiers' Charity. ABF has supported a large number of Gunner cases. This year the RACF donated £79,500 to the ABF to assist them in making grants towards other smaller, specific purpose charities that support Gunners and their dependants.
  - General. The RACF 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. It is also anticipated that the recent significant increases in food and fuel costs may generate additional requests for support.

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 2020 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. It is understood that a revised plan will be presented to the Master Gunners Committee in July 2022. It is assessed that, following the removal of legally enforced Covid precautions, levels of activity will continue to return to near normal during 2022. The trustees have budgeted accordingly for the current year.

### **Reserves Policy**

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

Total funds as at 31 December 2021 were £39,374,464 (2020: £35,594,827).

Unrestricted reserves were £26,094,984 (2020: £23,452,542) of which £25,989,900 are free reserves.

Restricted Income funds for Benevolence were £5,841,800 (2020: £5,288,338) of which a large proportion is represented by investments.

Permanent Endowment were £7,437,680 (2020: £6,853,947) of which a large proportion is represented by investments.

Designated Funds were £105,084 (2020: £105,084) for the purpose of memorials.

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

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

Following that review, we determined that we should hold a minimum of £20,000,000 in free reserves to be assured that we are able to sustain the support we provide to the regimental family in the long term as well as

### **Reserves Policy continued**

meet other obligations, irrespective of fluctuations in income and without creating the need to actively fundraise. This sum, held as part of our investment portfolio, is judged to be capable of generating sufficient investment income to meet foreseeable needs. With free reserves of £25,989,900 currently exceed this requirement. The trustees are content that the additional funds we hold provide ability to disinvest in order to support major capital projects if and when required, but in the meantime are held as investments generating additional income.

In 2021 the investment portfolio generated £706,505 for the charity, of which RACF received as in year income., which represent 45% of total income received.

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

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

### **Investment Policy**

The trustees' Investment Committee meets twice a year to consider the performance of the 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 ( Sterling Overnight Index Average).

Having compared performances over the last 1, 3 and 5 years, the Investment Committee are of the view that the investments have done reasonably well in relation to the market and relevant benchmarks over the longer term. While there is currently no case to prompt a change of investment policy, the performance of the fund manager will be subject to further review this year.

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

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 2021). 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.

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.

### **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.

### **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.

**TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

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

On behalf of the trustees 7<sup>th</sup> June 2022

A handwritten signature in blue ink, appearing to read 'DM Cullen', is written over a horizontal dotted line.

Major General DM Cullen CB OBE  
Chairman RACF Board of Management



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

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**Opinion**

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

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

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

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

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

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**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 2021**

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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.

  
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Cara Turtington – Senior statutory auditor  
Saffery Champness LLP

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

Date: 27 June 2022

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

THE ROYAL ARTILLERY CHARITABLE FUND

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	Unrestricted Income Fund £	Restricted Funds (Benevolence) £	Permanent Endowments £	Total £	Total As restated £
			2021			2020
<b>Income and endowments from:</b>						
Donations and legacies inc SPGS	2	606,444	1,014	-	607,458	476,062
Investment Income	3	490,609	215,993	-	706,602	807,863
Income from charitable activities		-	8,652	-	8,652	7,401
Other Income	4	716	-	-	716	7,909
<b>Total income before Expenditure</b>		<b>1,097,769</b>	<b>225,659</b>	<b>-</b>	<b>1,323,428</b>	<b>1,299,235</b>
<b>Expenditure on:</b>						
Raising funds	5	(48,115)	(10,614)	(12,064)	(70,793)	(616)
<b>Net income available for charitable activities</b>		<b>1,049,654</b>	<b>215,045</b>	<b>(12,064)</b>	<b>1,252,635</b>	<b>1,298,619</b>
Charitable activities	6	762,504	204,460	21,200	988,164	744,560
<b>Total expenditure</b>		<b>810,619</b>	<b>215,074</b>	<b>33,264</b>	<b>1,058,957</b>	<b>745,176</b>
<b>Net income for the year before gains on investments</b>		<b>287,150</b>	<b>10,585</b>	<b>(33,264)</b>	<b>264,471</b>	<b>554,059</b>
Net gains/(losses) on investment assets		2,355,292	542,877	616,997	3,515,166	(406,046)
<b>Net income and net movement in funds</b>		<b>2,642,442</b>	<b>553,462</b>	<b>583,733</b>	<b>3,779,637</b>	<b>148,013</b>
Total funds brought forward		23,452,542	5,288,338	6,853,947	35,594,827	35,446,814
<b>Total funds carried forward</b>		<b>26,094,984</b>	<b>5,841,800</b>	<b>7,437,680</b>	<b>39,374,464</b>	<b>35,594,827</b>

The notes on pages 20 to 32 form part of these financial statements

**SUMMARY OF INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b><u>2021</u></b>	<b><u>2020</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
Total Income	1,323,428	1,299,235
Total Expenditure	1,025,693	723,976
Unrealised/realised gains and losses on:		
Revaluation of Investments	2,898,169	(342,316)
<b>Net income for the year</b>	<b><u>3,195,904</u></b>	<b><u>232,943</u></b>

Total Income comprised of £1,097,769 for unrestricted funds and £225,659 for restricted funds. A detailed analysis of income and expenditure by source is provided in the Statement of Financial Activities.

Expenditure comprises £1,008,813 for unrestricted funds and £6,266 for restricted funds and excludes the permanent endowment funds.

The revaluation of investments excludes the permanent endowment funds.

The summary income and expenditure account is derived from the Statement of Financial Activities on page 15 which together with the notes to the financial statements on pages 20-32 provide full information on the movement during the year on all funds of the charity.

THE ROYAL ARTILLERY CHARITABLE FUND

**BALANCE SHEET**

**AT 31 DECEMBER 2021**

	Notes	Unrestricted Income Fund £	Restricted Funds (Benevolence) £	Permanent Endowments £	Total £	Total As restated £	2020
<b><u>Fixed assets</u></b>							
Tangible	7	-	-	911,600	911,600	932,800	
Investments	8	24,924,958	5,745,016	6,529,394	37,199,368	33,729,139	
		24,924,958	5,745,016	7,440,994	38,110,968	34,661,939	
<b><u>Current assets</u></b>							
Debtors	9	152,964	-	-	152,964	60,314	
Short Term Deposits	10	1,178,541	-	-	1,178,541	841,262	
Cash on Current Account		22,344	618	-	22,962	33,573	
Resident Contribution		-	-	-	-	9,235	
Interfund Balance		(92,852)	96,166	(3,314)	-	-	
		1,260,997	96,784	(3,314)	1,354,467	944,384	
<b><u>Current liabilities</u></b>							
Creditors: Amounts falling due within one year	11	(90,971)	-	-	(90,971)	(11,496)	
<b>Net current assets/(liabilities)</b>		1,170,026	96,784	(3,314)	1,263,496	932,888	
<b>Total assets less current liabilities</b>		26,094,984	5,841,800	7,437,680	39,374,464	35,594,827	
Provision for Liabilities		-	-	-	-	-	
		26,094,984	5,841,800	7,437,680	39,374,464	35,594,827	
<b><u>Funds</u></b>							
Unrestricted	12	25,989,900	-	-	25,989,900	23,347,458	
Memorial Fund	12	105,084	-	-	105,084	105,084	
Restricted Income	12	-	5,841,800	-	5,841,800	5,288,338	
Permanent Endowment	12	-	-	7,437,680	7,437,680	6,853,947	
	13	26,094,984	5,841,800	7,437,680	39,374,464	35,594,827	

THE ROYAL ARTILLERY CHARITABLE FUND

**BALANCE SHEET**

**AT 31 DECEMBER 2021**

Approved by the RACF Board of Management on 7<sup>th</sup> June 2022



Major General DM Cullen CB OBE  
Chairman RACF Board of Management

The notes on pages 20 to 32 form part of these financial statements.

**Company number: 163205**



**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>Net cash used in operating activities</b>	<b>1</b>	(424,871)	(525,454)
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		706,602	807,863
Purchase of investments		(37,873,745)	(11,585,304)
Proceeds from sale of investments		37,871,812	11,580,902
<b>Net cash generated in investing activities</b>		<b>704,669</b>	<b>803,461</b>
Net increase in cash & cash equivalents		279,798	278,008
Cash and cash equivalents at the beginning of the year		928,371	650,363
<b>Cash and cash equivalents at end of the year</b>	<b>2</b>	<b>1,208,169</b>	<b>928,371</b>

**Notes to the cash flow statement**

1.	<b>Reconciliation of net movement in funds to net cash flow from operating activities</b>	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>	
	Net movement in funds	3,779,637	148,013	
	(Gains)/losses on Investments	(3,515,166)	406,044	
	Investment income	(706,602)	(807,863)	
	Decrease/(increase) in debtors	(83,415)	(11,908)	
	Increase/(Decrease) in creditors	79,475	(280,942)	
	Depreciation charge	21,200	21,200	
	Net cash used in operating activities	<u>(424,871)</u>	<u>(525,454)</u>	
2.	<b>Analysis of cash and cash equivalents and net debt</b>	<b>At 1 Jan</b> <b>2021</b> <b>£</b>	<b>Cash</b> <b>flow</b> <b>£</b>	<b>At 31 Dec</b> <b>2021</b> <b>£</b>
	Cash on short term deposit	841,262	337,279	1,178,541
	Cash current account	33,573	(10,611)	22,962
	Cash balance held in investments	53,536	(46,870)	6,666
	Net cash provided by operating activities	<u>928,371</u>	<u>279,798</u>	<u>1,208,169</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**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 probable 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 2021**

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**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.

**Prior Year restatement**

The presentation of Royal Artillery Charitable Fund have been amended this year so that the permanent endowments are reflected in accordance with the Charity SORP and Charity Law. The changes made do not affect the reported total funds but instead reflect the income and capital elements of the fund separately. In reviewing the presentation grants between funds have been eliminated from the reported total.

Therefore in the comparative figures for 2020 total income and total expenditure have reduced by £246,745. The net income of £148,013 and total funds of £35,594,827 remain unchanged.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**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 only that period, or in the period of the revision and future periods where the revision effects both current and future periods.

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

**2. 2021 Donations and legacies inc SPGS**

	Unrestricted	Restricted	Permanent Endowment	Total 2021
	£	£	£	£
Officers' subscriptions	92,524	-	-	92,524
Soldiers' subscriptions	128,328	-	-	128,328
Retired Donations	21,608	-	-	21,608
Income tax recoverable (gift aid)	12,436	-	-	12,436
Donations and Grants	47,961	-	-	47,961
Intangible Income – Wages in Kind	114,843	1,014	-	115,857
Fundraising	-	-	-	-
Legacies	188,744	-	-	188,744
	<u>606,444</u>	<u>1,014</u>	<u>-</u>	<u>607,458</u>

**2020 Donations and legacies inc SPGS**

	Unrestricted	Restricted	Permanent Endowment	Total
	£	£	£	£
Officers' subscriptions	90,935	-	-	90,935
Soldiers' subscriptions	125,845	-	-	125,845
Retired Officers 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	114,441	1,014	-	115,455
Fundraising	85	-	-	85
Legacies	48,425	-	-	48,425
	<u>475,048</u>	<u>1,014</u>	<u>-</u>	<u>476,062</u>

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

**3. 2021 Investment Income**

	Unrestricted	Restricted	Permanent Endowment	Total
	2021			
	£	£	£	£
Investments	490,609	215,993	-	706,602
	<u>490,609</u>	<u>215,993</u>	<u>-</u>	<u>706,602</u>

**2020 Investment Income Comparison**

	Unrestricted	Restricted	Permanent Endowment	Total
	2020			
	£	£	£	£
Investments	578,014	229,849	-	807,863
	<u>578,014</u>	<u>229,849</u>	<u>-</u>	<u>807,863</u>

**4. 2021 Other Income**

	Unrestricted	Restricted	Permanent Endowment	Total
	2021			
	£	£	£	£
Interest received on short term deposits	-	-	-	-
Alanbrooke club	716	-	-	716
	<u>716</u>	<u>-</u>	<u>-</u>	<u>716</u>

**2020 Other Income Comparison**

	Unrestricted	Restricted	Permanent Endowment	Total
	2020			
	£	£	£	£
Government Grants – Furlough	5,819	-	-	5,819
Interest received on short term deposits	192	-	-	192
Alanbrooke club	1,898	-	-	1,898
	<u>7,909</u>	<u>-</u>	<u>-</u>	<u>7,909</u>

**5. 2021 Cost of Raising Funds**

	Unrestricted	Restricted	Permanent Endowment	Total
	£	£	£	£
Fundraising costs	2,065	-	-	2,065
Investment commission and management	46,050	10,614	12,064	68,728
	<u>48,115</u>	<u>10,614</u>	<u>12,064</u>	<u>70,793</u>

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

**2020 Cost of Raising Funds Comparison**

	Unrestricted	Restricted	Permanent Endowment	Total
	2020			
	£	£	£	£
Fundraising costs	616	-	-	616
	<u>616</u>	<u>-</u>	<u>-</u>	<u>616</u>

**6. Charitable Activities**

	Unrestricted	Restricted	Permanent Endowment	Total
	2021			
	£	£	£	£
<u>Welfare</u>				
Welfare grants – 607 (2020: 817)				
individual cases	325,351	198,194	-	523,545
Welfare grants to institutions:				
Gunner Magazine	3,840	-	-	3,840
Royal Artillery Sports	51,902	-	-	51,902
Army Benevolent Fund	79,500	-	-	79,500
Regiments	84,200	-	-	84,200
RA Memorials	772	-	-	772
General Grants	4,675	-	-	4,675
	<u>550,240</u>	<u>198,194</u>	<u>-</u>	<u>748,434</u>
Support Cost to Charitable Activities:				
Wages and salaries	57,541	-	-	57,541
Wages and salaries in kind	114,843	1,014	-	115,857
Employers Nationals Insurance	4,272	-	-	4,272
Employers Pension Contribution	3,680	-	-	3,680
	<u>180,336</u>	<u>1,014</u>	<u>-</u>	<u>181,350</u>
Insurance	903	-	-	903
Printing & stationery	1,086	-	-	1,086
Publicity	700	-	-	700
Postage	1,373	-	-	1,373
Network maintenance	10,561	-	-	10,561
Travel & Subsistence (incl BOM & AGM)	300	-	-	300
Miscellaneous	118	-	-	118
Training	96	-	-	96
Bank charges	508	-	-	508
Cottage expenses	-	5,252	-	5,252
Depreciation (cottages)	-	-	21,200	21,200
Audit and accountancy fees	10,560	-	-	10,560
Audit Under provision 2020	3,030	-	-	3,030
Legal and professional fees	2,693	-	-	2,693
Total support costs	<u>212,264</u>	<u>6,266</u>	<u>21,200</u>	<u>239,730</u>
<b>2021 Total Expenditure</b>	<u>762,504</u>	<u>204,460</u>	<u>21,200</u>	<u>988,164</u>

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

**2020 Charitable Activities Comparison**

	Unrestricted	Restricted	Permanent Endowment	Total
	2020	2020		
<u>Welfare</u>	£	£	£	£
Welfare grants – 949 (2019: 1,086)				
individual cases	328,383	211,832	-	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 and Batteries	82,500	-	-	82,500
RA Memorials	14,492	-	-	14,492
General Grants	1,885	-	-	1,885
	587,195	211,832	-	799,027
Grants Payable to RAM – Cancelled	(300,000)	-	-	(300,000)
	287,195	211,832	-	499,027
Support Cost to Charitable Activities:				
Wages and salaries	60,976	-	-	60,976
Wages and salaries in kind	114,441	1,014	-	115,455
Employers Nationals Insurance	4,599	-	-	4,599
Employers Pension Contribution	3,687	-	-	3,687
	183,703	1,014	-	184,717
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 2018	5,610	-	-	5,610
Legal and professional fees	7,699	-	-	7,699
Total support costs	219,101	5,232	21,200	245,533
<b>Total charitable activities</b>	<b>506,296</b>	<b>217,064</b>	<b>21,200</b>	<b>744,560</b>

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

**6. Charitable Activities continued**

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

	<b>2021 Number</b>	<b>2020 Number</b>
Office and administration	<u>4</u>	<u>4</u>

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

No trustees received any out of pocket expenses in 2021 (2020: NIL). This was as a result of all meetings being conducted online.

**7. 2021 Fixed Assets**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Permanent Endowment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
		<b>2021</b>	<b>Cottage Homes</b>	
Deemed cost at 31 December 2021	-	-	1,081,200	1,081,200
At 31 December 2021	<u>-</u>	<u>-</u>	<u>1,081,200</u>	<u>1,081,200</u>
Depreciation at 1 January 2021	-	-	148,400	148,400
Charge for the year	-	-	21,200	21,200
At 31 December 2021	<u>-</u>	<u>-</u>	<u>169,600</u>	<u>169,600</u>
Net book value at 31 December 2021	<u>-</u>	<u>-</u>	<u>911,600</u>	<u>911,600</u>
Net book value at 31 December 2020	<u>-</u>	<u>-</u>	<u>932,800</u>	<u>932,800</u>



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

**8.2021 Fixed Asset Investments**

	Unrestricted	Restricted	Permanent Endowment	Total
	£	£	£	£
<b>Quoted investments</b>				
Market value at 1 January	22,599,776	5,209,079	5,920,284	33,729,139
Net additions at cost	25,376,816	5,849,166	6,647,763	37,873,745
Sales proceeds	(25,375,521)	(5,848,867)	(6,647,424)	(37,871,812)
Net realised/unrealised gains	2,355,292	542,877	616,997	3,515,166
Cash Commitments	(31,405)	(7,239)	(8,226)	(46,870)
<b>Market value at 31 December</b>	<b>24,924,958</b>	<b>5,745,016</b>	<b>6,529,394</b>	<b>37,199,368</b>
<b>Historical value at 31 December</b>	<b>22,602,554</b>	<b>5,209,719</b>	<b>5,921,012</b>	<b>33,733,285</b>
<b>Investment / Cash Breakdown</b>				
Investments	24,920,492	5,743,986	6,528,224	37,192,702
Bank Settled Account	3,067	707	803	4,577
Bank Unsettled Account	1,399	323	367	2,089
	<b>24,924,958</b>	<b>5,745,016</b>	<b>6,529,394</b>	<b>37,199,368</b>

The following holdings exceeded 5% of the total portfolio value at 31 December 2021 and are considered material:

	£
BFM-BLK Emerging Markets (10.79%)	4,141,438
BlackRock Char UK Bond Fund A Inc (9.86%)	3,783,706
BLK Char UK EQ Fund A Inc (30.73%)	11,795,416
BlackRock Dev Mkt Sust Equity (33.03%)	12,675,055
TACT OPP FD X ACC (5.09%)	1,953,126

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

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

**2020 Fixed Asset Investments comparison**

	Unrestricted	Restricted	Permanent Endowment	Total
	2020			
	£	£	£	£
<b>Quoted investments</b>				
Market value at 1 January	22,868,244	9,773,476	1,488,120	34,129,840
Split Benevolent between permanent and income	-	(3,868,685)	3,868,685	-
Net additions at cost	7,762,578	2,004,370	1,818,356	11,585,304
Sales proceeds	(7,759,628)	(2,003,608)	(1,817,666)	(11,580,902)
Net realised/unrealised gains	(272,066)	(70,250)	(63,730)	(406,046)
Aliquote Changes	14	(626,387)	626,371	(2)
Cash Commitments	634	163	148	945
<b>Market value at 31 December</b>	<b>22,599,776</b>	<b>5,209,079</b>	<b>5,920,284</b>	<b>33,729,139</b>
<b>Historical value at 31 December</b>	<b>20,259,976</b>	<b>4,469,112</b>	<b>5,064,994</b>	<b>29,764,082</b>

**9. Debtors**

	Restricted	Unrestricted	Permanent Endowment	Total	Total for RACF 2020
	2021				
	£	£	£	£	£
Royal Artillery Association	34,296	-	-	34,296	33,540
Income tax repayments	2,333	-	-	2,333	3,223
Accrued Service Giving Income	22,835	-	-	22,835	18,583
Sundry Debtors	2,500	-	-	2,500	4,968
Legacies Receivable	91,000	-	-	91,000	-
	<u>152,964</u>	<u>-</u>	<u>-</u>	<u>152,964</u>	<u>60,314</u>
				4	

**10. 2021 Current Asset Investments**

	Restricted	Unrestricted	Permanent Endowment	Total
	2021			
	£	£	£	£
Short term deposits (incl investment balance)	<u>1,178,541</u>	<u>--</u>	<u>--</u>	<u>1,178,541</u>

**2020 Current Asset Investments**

	Restricted	Unrestricted	Permanent Endowment	Total
	2020			
	£	£	£	£
Short term deposits (incl investment balance)	<u>841,262</u>	<u>--</u>	<u>--</u>	<u>841,262</u>

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

**11. 2021 Creditors**

	Restricted	Unrestricted	Permanent Endowment	Total	Total for RACF 2020
	£	2021 £	£	£	£
Amounts falling due within one year:					
Investment Management and Commission Fees	70,911	-	-	70,911	-
Accruals	20,060	-	-	20,060	11,496
	<u>90,971</u>	<u>-</u>	<u>-</u>	<u>90,971</u>	<u>11,496</u>

**12. Movement in Funds****Current year**

	Balance at 1 January 21	Incoming Resources	Outgoing Resources	Net Gain on Investment	Transfers	Balance at 31 December 21
	£	£	£	£	£	£
<b>Unrestricted</b>						
Designated Funds – Memorials	105,084	-	-	-	-	105,084
General Fund	23,347,458	1,097,769	810,619	2,355,292	-	25,989,900
	<u>23,452,542</u>	<u>1,097,769</u>	<u>810,619</u>	<u>2,355,292</u>	<u>-</u>	<u>26,094,984</u>
<b>Restricted Funds</b>						
RABF	5,288,338	225,659	215,074	542,877	-	5,841,800
<b>Endowment Funds:</b>						
RABF	5,381,001	-	30,264	463,580	-	5,814,317
RACF	1,472,946	-	3,000	153,417	-	1,623,363
	<u>6,853,947</u>	<u>-</u>	<u>33,264</u>	<u>616,997</u>	<u>-</u>	<u>7,437,680</u>
<b>Total</b>	<u>35,594,827</u>	<u>1,323,428</u>	<u>1,058,957</u>	<u>3,515,166</u>	<u>-</u>	<u>39,374,464</u>

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

**Prior year**

	Balance at 1 January 20	Incoming Resources	Outgoing Resources	Net Gain on Investment	Transfers	Balance at 31 December 20
	£	£	£	£	£	£
<b>Unrestricted</b>						
Designated Funds – Memorials	105,084	-	-	-	-	105,084
General Fund	23,065,464	1,060,971	506,912	(272,066)	-	23,347,457
	23,170,548	1,060,971	506,912	(272,066)	-	23,452,541
<b>Restricted Funds</b>						
RABF	5,692,913	238,264	217,064	(70,250)	-	5,913,863
<b>Endowment Funds:</b>						
RABF	4,822,685	-	21,200	(46,026)	-	4,755,459
RACF	1,490,668	-	-	(17,704)	-	1,472,964
	6,313,353	-	21,200	(63,730)	-	6,228,423
<b>Total</b>	35,446,814	1,299,235	745,176	(406,046)	-	35,594,826

Memorial Fund is a designated fund in order to support any future work required in the church. 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. In the event however the additional sum was cleared through a third party donation. The trustees have chosen to leave this sum in a designated fund in order to support any future work required in the church.

RABF Restricted Fund - This fund is to support welfare and housing activities.

RABF Permanent Endowment Fund – This fund is to support welfare and housing activities.

RACF Permanent Endowment Fund - This fund is to support the charitable activities of RACF which include efficiency, esprit de corps, benevolence and relief in need.

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

**13. Analysis of net assets between funds**

Current year	Tangible Fixed Assets	Investments	Current assets/(liabilities) 2021	Net Total
		£	£	£
<b>Restricted funds:</b>				
RABF	-	5,745,016	96,784	5,841,800
	-	5,745,016	96,784	5,841,800
<b>Permanent Endowment:</b>				
RABF	911,600	4,905,855	(3,138)	5,814,317
RACF	-	1,623,539	(176)	1,623,363
	911,600	6,529,394	(3,314)	7,437,680
<b>Unrestricted funds:</b>				
RACF	-	24,924,958	1,170,026	26,094,984
	911,600	37,199,368	1,263,496	39,374,464
<b>Prior year</b>	<b>Tangible Fixed Assets</b>	<b>Investments</b>	<b>Current assets 2020</b>	<b>Net Total</b>
		£	£	£
<b>Restricted funds:</b>				
RABF	-	5,209,079	79,259	5,288,338
	-	5,209,079	79,259	5,288,338
<b>Permanent Endowment:</b>				
RABF	932,800	4,448,201	-	5,381,011
RACF	-	1,472,083	863	1,472,946
	932,800	5,920,284	863	6,853,947
<b>Unrestricted funds:</b>				
RACF	-	22,599,776	852,766	23,452,542
	932,800	33,729,139	932,888	35,594,827

**14. Related Parties**

Income of £242,460 (2020: £216,780) 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 £32,112 (2020: £33,540) 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 2021**

**16. 2020 Represent comparatives for the Statement of Financial Activities**

**Income and endowments from:**

	Notes	Unrestricted Income Fund £	Restricted Funds (Benevolence) £	Permanent Endowments £	Total As restated £
			2021		2020
Donations and legacies inc SPGS	2	475,048	1,014	-	476,062
Investment Income	3	578,014	229,849	-	807,863
Other Income	4	7,909	7,401	-	15,310
<b>Total income before <u>Expenditure</u></b>		<b>1,060,971</b>	<b>238,264</b>	-	<b>1,299,235</b>
<b><u>Expenditure on:</u></b>					
Raising funds	5	(616)	-	-	(616)
<b><u>Net income available for charitable activities</u></b>		<b>1,060,355</b>	<b>238,264</b>	-	<b>1,298,619</b>
Charitable activities	6	506,296	217,064	21,200	744,560
<b>Total expenditure</b>		<b>506,912</b>	<b>217,064</b>	<b>21,200</b>	<b>745,176</b>
<b>Net income for the year before gains on investments</b>		<b>554,059</b>	<b>21,200</b>	<b>(21,200)</b>	<b>554,059</b>
Net gains/(losses) on investment assets		(272,066)	(70,250)	(63,730)	(406,046)
<b>Net movement in funds</b>		<b>281,993</b>	<b>(49,050)</b>	<b>(84,930)</b>	<b>148,013</b>
Total funds brought forward		23,170,549	5,337,388	6,938,877	35,446,814
<b>Total funds carried forward</b>		<b>23,452,542</b>	<b>5,288,338</b>	<b>6,938,947</b>	<b>35,594,827</b>



