



THE ROYAL ARTILLERY CHARITABLE FUND

Incorporated under the Companies Act and Limited by Guarantee

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

**INCLUDING GROUP ACCOUNTS WITH
THE ROYAL ARTILLERY ASSOCIATION
(REGISTERED CHARITY NO 238197)**

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 2022 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 2022 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 MB Bishop MBE VR	(Appointed 7 th June 2022)
Colonel RC Christopher MBE	(Appointed 7 th June 2022)
Colonel CE Comport OBE TD DL	
Colonel MAA Dornan	
Colonel C Fletcher-Wood OBE	
Colonel RC Harmer ADC	(Appointed 7 th June 2022)
Colonel C Palmer	
Colonel MD Relph MBE	
Colonel G Taylor CBE	
Lieutenant Colonel S J Howe	
Major AJ Dines TD	
Major JO Leighton TD	
Warrant Officer Class1 (RASM) L Sanders	(Appointed 7 th June 2022)

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

Regimental Secretary Colonel (Retd) M G J Carter

Finance Secretary Mrs B Hoblyn

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

RACF Registered Charity No 210202

RAA Registered Charity No 238197

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The RACF Trustees submit their annual report for the year ended 31st December 2022 under the Companies Act 2006, together with the audited financial statements for that year. The accounts comply with the Companies Act 2006, the charities' governing documents 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.

These accounts, including the comparatives, consolidate the results of The Royal Artillery Charitable Fund and, for the first time include, under its Group Accounts, its subsidiary charity the Royal Artillery Association (RAA). The RACF is the sole corporate trustee of the RAA and on the advice of our auditors, the RAA is now included as part of the RACF Group Accounts.

Objects

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

- In promoting the efficiency and welfare of all ranks of the Royal Artillery, whether Regular, Special Reserve, Reserve or Temporary and;
- 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.

The objects of the RAA are to promote the efficiency of the Royal Artillery by:

- Maintaining contact between past and present members of the Royal Artillery, fostering mutual friendship between them and providing for social gatherings for them and;
- Fostering esprit de corps, comradeship and the welfare of the Royal Artillery and preserving its traditions.
- To relieve either generally or individually members of the RAA or past and present members of the Royal Artillery, and their dependants, who are in conditions of need, hardship or distress.

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) and the Royal Artillery Institution (RAI), whose objects also support and promote efficiency within the Royal Artillery. The Board of Trustees meets at least twice a year as part of the Royal Artillery Board of Management alongside the trustees of the 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.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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. Direction to the RAA NEC is contained in the RAA Rules and GAls.

Secretariat policies, which are agreed by the trustees, are in place in order to ensure smooth and effective running of the charities. The charities' risk register is reviewed annually by the trustees. The register follows the model recommended by the Charity Commission. 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 was conducted in 2022. Overall this showed an improvement since 2019 but identified some areas for further review.

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 Regimental Colonel, Colonel Reserves, Commandant Royal School of Artillery, Commander 7 Air Defence Group, Commander Surveillance Field Army Troops, Deputy Commander 1st Deep Reconnaissance Strike Brigade Combat Team, and the Royal Artillery Sergeant Major, who between them represent the interests of serving Gunner soldiers and officers. Veterans and family beneficiaries are represented by both serving and retired trustees.

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). The RAA have this year been included as part of the RACF group accounts as a subsidiary charity of RACF. They have also prepared a separate set of accounts for submission to the Charity Commission.

Uniting Direction

Under a uniting direction the accounts of the RACF (PE), and the RABF, are shown in these accounts. As indicated above the RAA funds have been included as part of the Group Accounts.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Key Management Personnel

The Regimental Secretary is the Chief Executive of the RACF and RAA and is responsible for: the day-to-day management of the charities' business; implementing policies agreed by the trustees and; the management of the charities' 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. The RAA Secretary is responsible for specific matters relating to the Association.

Review of Financial Activities

The following details refer to the consolidated figures of the RACF and RAA for 2022 and 2021. The disaggregated figures for RACF and RAA can be seen on the balance sheet and notes at pages 18 and 28 to 37

The charities 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 charities activities are summarised on page 16. In 2022 the charities had an excess of Income over expenditure before gains on investments of £346,047 (2021: £192,242 excess of Income over expenditure). After investment losses of £4,090,240 (2022: gains of £3,626,874) there was a net decrease of funds of £3,744,193 (2021: net gain of £3,819,116). Investment losses were directly attributable to the invasion of Ukraine.

Total income increased by £318,790 to £1,790,645, mainly due to: an increase in declared legacies; an increase in intangible income due to salary increases and increase RAA branch Income. There was a decrease in investment income due to dividend payments being the volatility of the markets in 2022, which effected the dividends received, but this loss was offset by the declared legacies.

Income from the Service Giving Scheme decreased by £3,513 to £257,774, which was 14.4% of income received.

There were 9 legacies totalling £451,031. This income reflects 4 accrued legacies of £354,524, which were notified in 2022. There were an additional 224 donations, totalling £57,222. Investment income also decreased by £18,813 which was 17.21% lower than was budgeted.

Raising Funds decreased by £71,799 to £1,178 (2021: £72,977). This is because in 2021, the quarterly investment fee had to be paid on receipt of quarterly invoices but in 2022 the new Investment Management Agreement agreed quarterly fees were to be taken at source.

Charitable activities increased by £168,397 to £1,311,657 (2021: £1,143,260). This was mainly due to an increase of £100,871 for RACF individual welfare cases due to an increase in support provided and an additional £45,000 being provided for institutional grants. The latter included: an increase in the annual grant to the Army Benevolent Fund; the introduction of 'betterment' grants to Regiments from RACF and; increased support to regimental heritage. There was also an increase in event expenditure of £11,436. Travel and subsistence (including RAA branches) increased by £15,117. Grants from RACF to individual beneficiaries totalled £624,416, of which £183,763 was spent from the restricted RABF Funds, and the remaining £440,653 from the RACF (2021: £523,545: RABF £198,194, RACF £325,351). It is assessed that this increase is a result of increased casework activity in the case of individual grants due to greater need for support during the cost of living crisis and a general increase in inflation. Grants to regiments totalled £251,634 (2021: £224,889). This was made up of: of Regimental individual welfare cases - £80,293, Welfare Grants - £81K, Battery Grant - £29,163, Sports - £51,378 – Betterment Grant - £9,800.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Review of Financial Activities continued

There are four main income streams. They are:

- Investment income.
- Legacies.
- Service Pay Giving Scheme (SPGS), where all serving personnel are encouraged to give part of their pay to the charities.
- 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 RACF'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 - £624,416, of which the £183,763 was spent from the restricted RABF Funds, and the remaining £440,653 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.

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 RACF assisted 747 individual welfare cases in 2022 with grants totalling £434,303 (2021:607 cases), of which 84 (2021:60) were serving members of the Regiment grants totalling £80,293. 61 other ineligible cases were declined, as they were either not Gunners or the request for support was no longer needed or out of scope (eg medical or legal fees) or duplications.
- In addition to the above, £76,720 (2021: £66,120) was paid in grants to 56 (2021: 47) Kelly Holdsworth beneficiaries and a further £33,100 (2021: £20,857) in Christmas grants to 324 (2021: 377) recipients.
- The total number of cases assisted in 2022 were 1,234.
- No case that was assessed as eligible for and still requiring assistance was declined.
- Among the 747 individual cases, the average gross grant was £836 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.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Charitable Activities continued

- Promotion of efficiency and Welfare:
 - RACF Welfare grants totalling £81K were made to 23 Regular and Reserve regiments / units, in order to help deal with individual cases and support unit welfare initiatives.
 - Grants totalling £50.4K were made to Gunner sport from RACF, via the RAI, in order to assist in the maintenance of fitness and morale.
 - 32 Grants totalling £29,163 were made from RAA to batteries to promote comradeship and esprit de corps (2021: 21 totalling £22,337).
 - 1 betterment grant totalling £9,800 was made from RACF to 4th Regiment RA.
- ABF the Soldiers' Charity. ABF has supported a large number of Gunner cases. This year the RACF donated £89K 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.

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

- Making grants to support comradeship and welfare; raising and maintaining the profile of the RAA in order to improve comradeship for Gunners, both serving and retired;
- providing support to members and; planning and organising national RAA events.

Apart from support to national RAA events, branches, staff and running costs, the RAA made 32 grants worth £29,163 to batteries to promote comradeship and esprit de corps (2021: 21 totalling £22,337). One grant worth £750 was made in support of branches (2021: 2 totalling £687). Grants are allocated to enhance the collective well-being of the Regiment and its individual members, serving and retired, by supplementing shortfalls in funding on comradeship projects.

Public Benefit

The Objects of the charities are to promote efficiency, welfare, comradeship and esprit de corps 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 the Sovereign, 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.

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.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Future Plans

Based on an assessment that future income will remain steady in the long term, the trustees aim to maintain current expenditure in order that RACF continues to support efficiency and welfare in the Royal Regiment and to 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.

Work has commenced on improving the Association's ability to promote the RAA amongst the recently retired and serving soldiers and recruit new members.

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 was withdrawn following the retraction of the offer of a suitable site for the museum, the trustees are likely to consider, making a similar level of funding available in the future once the conditions upon which the original offer was made are met. The current situation is that a revised plan has been approved in principle by the Master Gunner's Committee and a new site approved by the Chief of the General Staff. Trustees will be invited to reconsider a revised bid for funding in 2023

Reserves Policy

The trustees' policy is to maintain a sufficient level of reserves to: provide a stable base and income generation for the charities' continuing activities; generate sufficient funds to cover routine management and administrative costs and; enable the charities to respond to any emergency applications for grants which may arise from time to time. The following figures show the combined funds of RACF and RAA. Disaggregated figures for the RACF can be found on pages 18 and 28 to 37 and details for the RAA reserves can be found in the separate RAA accounts.

Total funds for the charities as at 31 December 2022 were £37,684,166 (2021: £41,428,359).

Unrestricted reserves of the RACF were £23,766,770 (2021: £25,989,899) of which are all free reserves

Restricted Income funds for Benevolence were £5,228,265 (2021: £5,841,801) of which a large proportion is represented by investments.

Permanent Endowment were £6,721,957 (2021: £7,437,680) of which a large proportion is represented by investments.

Designated Funds were £1,967,174 (2021: £2,158,979) of which £1,860,090 (2021: £2,053,895) is for the purpose of the RAA and their specific aim and objectives and £105,084 (2021: £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. The effect on the charity's investments as a result of the situation in Ukraine demonstrates the benefit of maintaining strong reserves in order to be able weather such market fluctuations while maintaining required levels of investment income.

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

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Reserves Policy continued

Following that review, we determined that we should hold a minimum of £21,500,000 (£20,000,000 RACF and £1,500,000 RAA) in free reserves to be assured that we are able to sustain the support we provide to the regimental family in the long term as well as meet other obligations, irrespective of fluctuations in income and without creating the need to actively fundraise. This sum, held as part of our investment portfolio, is judged to be capable of generating sufficient investment income to meet foreseeable needs. With free reserves of £25,628,860, they currently exceed this minimum reserve outline in the policy. The trustees are content that the additional funds we hold provide ability to disinvest in order to support major capital projects if and when required, but in the meantime are held as investments generating additional income.

In 2022 the investment portfolio generated £715,274 of Income for the charities which represented 40% of total income received.

Without this level of income the charities' 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 charities remain 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 25% FTSE All Share Index, 35% MSCI World ex UK Index, 10% MSCI Emerging Markets Index, 7.5% FTSE All Stocks Gilt Index, 5% iBoxx Sterling Non-Gilts Index, 10% IPD UK All Balanced Funds Index, 5% Alternative (IA Sector Targeted Absolute Return) and 2.5% Cash (Sterling Overnight Index Average).

Having compared performances over the last 1, 3 and 5 years, the Investment Committee are of the view that the investments have done reasonably well in relation to the market and relevant benchmarks over the 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 and RAA'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

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Environmental Governance and Social Considerations continued

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 2022). 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.

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.

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.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Risk Management continued

- 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.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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 2023



Major General DM Cullen CB OBE
Chairman RACF Board of Management

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

Opinion

We have audited the financial statements of the Royal Artillery Charitable Fund (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Financial Activities, Consolidated Statement of Income and Expenditure, Consolidated Balance Sheet, Charity Balance Sheet, Consolidated 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 state of the affairs of the group and the parent charitable company as at 31 December 2022 and of the group's 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 requirements of 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 group and parent 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.

Other matter

The comparative consolidated financial statement figures for the year ended 31 December 2021 have not been audited. However, the individual solo entities were audited and an unmodified opinion on those statements was expressed on 27 June 2022.

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 group or the parent 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

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

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

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

We have nothing to report in this regard.

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 group and the parent charitable company and their 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 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 Statement of Trustees' Responsibilities set out on pages 10-11, the trustees (who are also the directors of the parent 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 the 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 group and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going

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

concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, 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 group and parent charitable company by discussions with trustees and updating our understanding of the sector in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent 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 parent 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 parent 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.

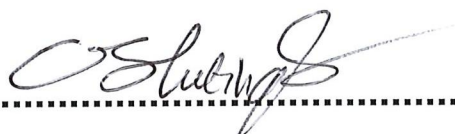
INDEPENDENT AUDITORS REPORT TO THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

Use of our report

This report is made solely to the parent 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 parent 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Cara Turlington (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants

Statutory Auditors
71 Queen Victoria Street
London

EC4V 4BE

Date: 8 June 2023

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

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted Income Fund £	Restricted Funds (Benevolence) £	Permanent Endowments £	Total £	Total As restated £ 2021
Income and endowments from:						
Donations and legacies inc SPGS	2	937,855	1,045	-	938,900	657,374
Investment Income	3	536,104	179,170	-	715,274	734,062
Income from charitable activities		-	9,251	-	9,251	8,652
Other Income	4	7,126	-	-	7,126	4,319
RAA Branch Income		120,094	-	-	120,094	67,446
Total income before Expenditure		1,601,179	189,466	-	1,790,645	1,471,855
Expenditure on:						
Raising funds	5	(1,178)	-	-	(1,178)	(72,977)
Net income available for charitable activities		1,600,001	189,466	-	1,789,467	1,398,878
Charitable activities	6	1,100,991	189,466	21,200	1,311,657	1,143,260
RAA Branch Expenditure		131,763	-	-	131,763	63,376
Total expenditure		1,233,932	189,466	21,200	1,444,598	1,279,613
Net income for the year before gains on investments		367,247	-	(21,200)	346,047	192,242
Net (losses)/gains on investment assets		(2,782,181)	(613,536)	(694,523)	(4,090,240)	3,626,874
Net (expenditure)/income and net movement in funds		(2,414,934)	(613,536)	(715,723)	(3,744,193)	3,819,116
Total funds brought forward		28,148,878	5,841,801	7,437,680	41,428,359	37,609,243
Total funds carried forward		25,733,944	5,228,265	6,721,957	37,684,166	41,428,359

The notes on pages 21 to 39 form part of these financial statements

CONSOLIDATED SUMMARY OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2022

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Total Income	1,790,645	1,471,855
Total Expenditure	1,423,398	1,246,349
Unrealised/realised gains and losses on:		
Revaluation of Investments	(3,395,717)	3,009,877
Net income for the year	<u>(3,028,470)</u>	<u>3,235,383</u>

Total Income comprised of £1,601,179 unrestricted funds and £189,466 for restricted funds. A detailed analysis of income and expenditure by source is provided in the Statement of Financial Activities.

Expenditure comprises £1,417,695 for unrestricted funds and £5,703 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 16 which together with the notes to the financial statements on pages 21 to 38 provide full information on the movement during the year on all funds of the charity.

THE ROYAL ARTILLERY CHARITABLE FUND

BALANCE SHEETS

AT 31 DECEMBER 2022

	Notes	Group 2022 £	Group 2021 £	RACF 2022 £	RACF 2021 £
<u>Fixed assets</u>					
Tangible	7	890,400	911,600	890,400	911,600
Investments	8	34,354,804	38,381,519	33,296,676	37,199,368
		35,245,204	39,293,119	34,187,076	38,110,968
<u>Current assets</u>					
Debtors	9	386,023	198,281	411,405	152,964
Short Term Deposits	10	1,812,777	1,777,279	1,218,593	1,178,541
Cash on Current Account		28,677	33,927	28,242	22,962
Branch Bank balances		238,658	250,327	-	-
		2,466,135	2,259,814	1,658,240	1,354,467
<u>Current liabilities</u>					
Creditors: Amounts falling due within one year	11	(27,173)	(124,574)	(23,240)	(90,971)
Net current assets/(liabilities)		2,438,962	2,135,240	1,635,000	1,263,496
Total assets less current liabilities		37,684,166	41,428,359	35,822,076	39,374,464
Provision for Liabilities		-	-	-	-
		37,684,166	41,428,359	35,822,076	39,374,464
<u>Funds</u>					
Unrestricted	12	23,766,770	25,989,899	23,766,770	25,989,899
Designated	12	1,967,174	2,158,979	105,084	105,084
Restricted Income	12	5,228,265	5,841,801	5,228,265	5,841,801
Permanent Endowment	12	6,721,957	7,437,680	6,721,957	7,437,680
	13	37,684,166	41,428,359	35,822,076	39,374,464

THE ROYAL ARTILLERY CHARITABLE FUND

BALANCE SHEET
AT 31 DECEMBER 2022

Approved by the RACF Board of Management on  June 2023


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

The notes on pages 21 to 39 form part of these financial statements.

Company number: 163205

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	<u>2022</u> £	<u>2021</u> £
Net cash used in operating activities	1	<u>(633,164)</u>	<u>122,642</u>
<u>Cash flows from investing activities</u>			
Dividends, interest and rents from investments		715,274	734,087
Purchase of investments		(6,286,331)	(39,077,332)
Proceeds from sale of investments		6,223,300	39,075,332
Net cash generated in investing activities		<u>652,243</u>	<u>732,087</u>
Net increase in cash & cash equivalents		19,079	854,729
Cash and cash equivalents at the beginning of the year		2,068,406	1,213,677
Cash and cash equivalents at end of the year	2	<u>2,087,485</u>	<u>2,068,406</u>

Notes to the cash flow statement

1.	Reconciliation of net movement in funds to net cash flow from operating activities	2022 £	2021 £	
	Net movement in funds		3,819,117	
		(3,744,193)		
	Losses/(gains) on Investments	4,090,240	(3,626,874)	
	Investment income	(715,274)	(734,087)	
	Investment aliquot changes	6		
	(Increase)/decrease in debtors	(187,742)	532,300	
	(Decrease)/increase in creditors	(97,401)	110,986	
	Depreciation charge	21,200	21,200	
	Net cash used in operating activities	(633,164)	122,642	
2.	Analysis of cash and cash equivalents and net debt	At 1 Jan 2022 £	Cash flow £	At 31 Dec 2022 £
	Cash on short term deposit	1,777,274	35,503	1,812,777
	Cash current account	33,927	(5,250)	28,677
	Cash balance held in investments	6,878	495	7,373
	Cash held by branches	250,327	(11,669)	238,658
	Net cash provided by operating activities	2,068,406	19,079	2,087,485

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

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.

These accounts present the results of The Royal Artillery Charitable Fund and its subsidiary charity the Royal Artillery Association. The results have been consolidated on a line by line basis.

Going Concern

The trustees have a reasonable expectation that the RACF 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 charities but nevertheless support these activities.

Grant expenditure

Grants payable are payments made in furtherance of the charitable objects of the charities. 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.

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

Grant expenditure continued

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.

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 charities only have 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 charities.

Designated funds are unrestricted funds of the charities 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 charities.

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

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

Prior year restatement

The presentation of the Royal Artillery Charitable Fund has been amended this year so that they present a consolidated picture of the Royal Artillery Charitable Fund and its subsidiary Royal Artillery Association in accordance with the Charity SORP. The changes made do not affect the individually reported total funds but instead reflect the income and capital elements of the group combined.

Critical estimates and judgements and key sources of estimation uncertainty

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

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

2. 2022 Donations and legacies inc SPGS

	Unrestricted	Restricted	Permanent Endowment	Total
	2022			
	£	£	£	£
Officers' subscriptions	105,415			105,415
Soldiers' subscriptions	152,359			152,359
Retired Donations	19,945			19,945
Income tax recoverable (gift aid)	7,406			7,406
Donations and Grants	65,011			65,011
Intangible Income – Wages in Kind	136,688	1,045	-	137,733
Legacies	451,031			451,031
	<u>937,855</u>	<u>1,045</u>	<u>-</u>	<u>938,900</u>

2021 Donations and legacies inc SPGS Comparison

	Unrestricted	Restricted	Permanent Endowment	Total
	2021			
	£	£	£	£
Officers' subscriptions	105,740	-	-	105,740
Soldiers' subscriptions	155,547	-	-	155,547
Retired Officers Donations	21,608	-	-	21,608
Income tax recoverable (gift aid)	12,436	-	-	12,436
Donations and Grants	57,354	-	-	57,354
Intangible Income – Wages in Kind	127,848	1,014	-	128,862
Legacies	175,827	-	-	175,827
	<u>656,360</u>	<u>1,014</u>	<u>-</u>	<u>657,374</u>

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

3. 2022 Investment Income

	Unrestricted	Restricted	Permanent Endowment	Total
	2022			
	£	£	£	£
Investments	536,104	179,170	-	715,274
	<u>536,104</u>	<u>179,170</u>	<u>-</u>	<u>715,274</u>

2021 Investment Income Comparison

	Unrestricted	Restricted	Permanent Endowment	Total
	2021			
	£	£	£	£
Investments	518,069	215,993	-	734,062
	<u>518,069</u>	<u>215,993</u>	<u>-</u>	<u>734,062</u>

4. 2022 Other Income

	Unrestricted	Restricted	Permanent Endowment	Total
	2022			
	£	£	£	£
Interest received on short term deposits	649	-	-	649
Event income	2,782	-	-	2,782
Merchandise income	144	-	-	144
Christmas card income	773	-	-	773
Registration fees	3,733	-	-	3,733
Alanbrooke Club	(955)	-	-	(955)
	<u>7,126</u>	<u>-</u>	<u>-</u>	<u>7,126</u>

2021 Other Income Comparison

	Unrestricted	Restricted	Permanent Endowment	Total
	2021			
	£	£	£	£
Interest received on short term deposits	25	-	-	25
Event income	1,302	-	-	1,302
Merchandise income	187	-	-	187
Christmas card income	1,409	-	-	1,409
Registration fees	680	-	-	680
Alanbrooke Club	716	-	-	716
	<u>4,319</u>	<u>-</u>	<u>-</u>	<u>4,319</u>

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

5. 2022 Cost of Raising Funds

	Unrestricted	Restricted	Permanent Endowment	Total
			2022	
	£	£	£	£
Fundraising costs	1,178	-	-	1,178
	<u>1,178</u>	<u>-</u>	<u>-</u>	<u>1,178</u>

2021 Cost of Raising Funds Comparison

	Unrestricted	Restricted	Permanent Endowment	Total
	£	£	£	£
Fundraising costs	2,065	-	-	2,065
Investment management Fees	48,234	10,614	12,064	70,912
	<u>50,299</u>	<u>10,614</u>	<u>12,064</u>	<u>72,977</u>

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

6. 2022 Charitable Activities

	Unrestricted	Restricted	Permanent Endowment	Total
	2022			
	£	£	£	£
<u>Welfare</u>				
Welfare grants – 1,234 (2021: 1,031) individual cases	440,653	183,763		624,416
Welfare grants to institutions:				
Gunner Magazine	5,000			5,000
Royal Artillery Sports	50,378			50,378
Army Benevolent Fund	89,000			89,000
Other Grants:				
Regiments and Batteries	81,000			81,000
Regimental Welfare/Comradeship	29,163			29,163
RAM	47,200			47,200
Betterment Grants	9,800			9,800
Awards	1,639			1,639
General grants	3,650			3,650
RA Memorials	10,891			10,891
Events				
RA Assembly	10,717			10,717
NMA	3,615			3,615
Gunner Sunday	1,684			1,684
	<u>784,390</u>	<u>183,763</u>	<u>-</u>	<u>968,153</u>
Support Cost to Charitable Activities:				
Wages and salaries	97,856			97,856
Employers Pension Contribution	10,324			10,324
Employers Nationals Insurance	4,532			4,532
Wages and salaries in kind	136,688	1,045	-	137,733
	<u>249,400</u>	<u>1,045</u>	<u>-</u>	<u>250,445</u>
Insurance	2,523	-	-	2,523
Printing, stationery and advertising	793	-	-	793
Office cost (inc. publicity & postage, IT)	12,147	-	-	12,147
T&S	13,242	-	-	13,242
Branch travel	12,325	-	-	12,325
Misc	2,035	-	-	2,035
Bank charges	623	-	-	623
Cottage expenses	-	4,658	-	4,658
Depreciation (Cottages)	-	-	21,200	21,200
Audit and accountancy fees	19,926	-	-	19,926
Legal and professional fees	3,587	-	-	3,587
Total support costs	<u>316,691</u>	<u>5,703</u>	<u>21,200</u>	<u>343,594</u>
2022 Total Expenditure	<u><u>1,100,991</u></u>	<u><u>189,466</u></u>	<u><u>21,200</u></u>	<u><u>1,311,657</u></u>

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

2021 Charitable Activities Comparison

	Unrestricted	Restricted	Permanent Endowment	Total
		2021		
	£	£	£	£
<u>Welfare</u>				
Welfare grants – 1,031 (2020: 1,256) 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
Other Grants:				
Regiments and Batteries	84,200			84,200
Regimental Welfare/Comradeship	23,024			23,024
RAM	-			-
Betterment Grants	-			-
Awards	1,100			1,100
General grants	5,675			5,675
RA Memorials	772			772
Events				
RA Assembly	453			453
NMA	2,543			2,543
NMA Maintenance	32,488			32,488
Gunner Sunday	1,674			1,674
	<u>612,522</u>	<u>198,194</u>	<u>-</u>	<u>810,716</u>
Support Cost to Charitable Activities:				
Wages and salaries	111,439			111,439
Employers Pension Contribution	4,272			4,272
Employers Nationals Insurance	6,294			6,294
Wages and salaries in kind	127,848	1,014	-	128,862
	<u>249,853</u>	<u>1,014</u>	<u>-</u>	<u>250,867</u>
Insurance	2,163	-	-	2,163
Printing, stationery and advertising	1,125	-	-	1,125
Office cost (inc. publicity & postage, IT)	17,786	-	-	17,786
T&S	6,969	-	-	6,969
Branch travel	3,481	-	-	3,481
Misc	2,770	-	-	2,770
Training	192	-	-	192
Bank charges	779	-	-	779
Cottage expenses	-	5,251	-	5,251
Depreciation (Cottages)	-	-	21,200	21,200
Audit and accountancy fees	14,070	-	-	14,070
Audit under provision 2020	3,030	-	-	3,030
Legal and professional fees	2,861	-	-	2,861
Total support costs	<u>305,079</u>	<u>6,265</u>	<u>21,200</u>	<u>332,544</u>
2021 Total Expenditure	<u>917,601</u>	<u>204,459</u>	<u>21,200</u>	<u>1,143,260</u>

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

6. Charitable Activities continued

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

	2022	2021
	Number	Number
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: £13,894 (2021: £13,592).

No trustees received any out of pocket expenses in 2022 (2021: NIL). This was as a result of all meetings being conducted online.

7. 2022 Tangible Fixed assets
Group and RACF

	Unrestricted	Restricted	Permanent Endowment	Total
	£	£	£	£
		2022		
			Cottage Homes	
Deemed cost at 31 December 2022	-	-	1,081,200	1,081,200
At 31 December 2022	<u>-</u>	<u>-</u>	<u>1,081,200</u>	<u>1,081,200</u>
Depreciation at 1 January 2022	-	-	169,600	169,600
Charge for the year	-	-	21,200	21,200
At 31 December 2022	<u>-</u>	<u>-</u>	<u>190,800</u>	<u>190,800</u>
Net book value at 31 December 2022	<u>-</u>	<u>-</u>	<u>890,400</u>	<u>890,400</u>
Net book value at 31 December 2021	<u>-</u>	<u>-</u>	<u>911,600</u>	<u>911,600</u>

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

8. 2022 Fixed Asset Investments

8a. Group

	Unrestricted	Restricted	Permanent Endowment	Total 2022
	£	£	£	£
Quoted investments				
Market value at 1 January	26,107,109	5,745,016	6,529,394	38,381,519
Net additions at cost	4,275,962	955,162	1,055,207	6,286,331
Sales proceeds	(4,233,089)	(933,495)	(1,056,716)	(6,223,300)
Net realised/unrealised gains	(2,782,181)	(613,536)	(694,523)	(4,090,240)
Aliquot Changes	(6)	-	-	(6)
Cash Commitments	341	75	84	500
Market value at 31 December	23,368,136	5,153,222	5,833,446	34,354,804
Historical value at 31 December	23,068,341	5,087,108	5,758,607	33,914,056
Investment / Cash Breakdown				
Investments	23,363,122	5,152,115	5,832,194	34,347,431
Bank Settled Account	3,800	839	949	5,588
Bank Unsettled Account	1,214	268	303	1,785
	23,368,136	5,153,222	5,833,446	34,354,804

8b. RACF

	Unrestricted	Restricted	Permanent Endowment	Total 2022
	£	£	£	£
Quoted investments				
Market value at 1 January	24,924,958	5,745,016	6,529,394	37,199,368
Net additions at cost	4,079,782	954,570	1,054,537	6,088,889
Sales proceeds	(4,041,411)	(933,495)	(1,056,716)	(6,031,622)
Net realised/unrealised gains	(2,653,640)	(612,944)	(693,853)	(3,960,437)
Aliquot Changes	(6)	-	-	(6)
Cash Commitments	325	75	84	484
Market value at 31 December	22,310,008	5,153,222	5,833,446	33,296,676
Historical value at 31 December	22,023,788	5,087,108	5,758,607	32,869,503
Investment / Cash Breakdown				
Investments	22,305,221	5,152,115	5,832,194	33,289,530
Bank Settled Account	3,628	839	949	5,416
Bank Unsettled Account	1,159	268	303	1,730
	22,310,008	5,153,222	5,833,446	33,296,676

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

The following holdings exceeded 5% of the total portfolio value at 31 December 2022 and are considered material for the 2022 group and charity accounts:

	£ Group	£ RACF
BLK Char UK EQ Fund A Inc (33.05%)	11,353,004	11,003,331
BlackRock Dev Mkt Sust Equity (28.22%)	9,694,362	9,395,776
BlackRock Char UK Bond Fund A Inc (13.71%)	4,709,893	4,559,013
BFM-BLK Emerging Markets (10.90%)	3,742,801	3,627,523
TACT OPP FD X ACC (5.49%)	1,884,187	1,826,154

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

2021 Fixed Asset Investments

8c. Group

	Unrestricted	Restricted	Permanent Endowment	Total 2021
	£	£	£	£
Quoted investments				
Market value at 1 January	23,671,647	5,209,079	5,920,284	34,801,010
Net additions at cost	26,580,397	5,849,166	6,647,763	39,077,326
Sales proceeds	(26,579,041)	(5,848,867)	(6,647,424)	(39,075,332)
Net realised/unrealised gains	2,467,000	542,877	616,997	3,626,874
Cash Commitments	(32,894)	(7,239)	(8,226)	(48,359)
Market value at 31 December	26,107,109	5,745,016	6,529,394	38,381,519
Historical value at 31 December	23,674,557	5,209,719	5,921,012	34,805,288
Investment / Cash Breakdown				
Investments	26,102,432	5,743,986	6,528,224	38,374,642
Bank Settled Account	3,212	707	803	4,722
Bank Unsettled Account	1,465	323	367	2,155
	26,107,109	5,745,016	6,529,394	38,381,519

8d. RACF

	Unrestricted	Restricted	Permanent Endowment	Total 2021
	£	£	£	£
Quoted investments				
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)
Market value at 31 December	24,924,958	5,745,016	6,529,394	37,199,368
Historical value at 31 December	22,602,554	5,209,719	5,921,012	33,733,285

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

Investment / Cash Breakdown

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
	<u>24,924,958</u>	<u>5,745,016</u>	<u>6,529,394</u>	<u>37,199,368</u>

9. Debtors

	Total 2022	Total 2021 Group	Total 2022	Total 2021 RACF
	£	£	£	£
Royal Artillery Association	-	-	28,778	34,296
Income tax repayments	2,696	2,332	2,668	2,333
Accrued Service Giving Income	28,803	26,226	25,435	22,835
Sundry Debtors	-	2,500	-	2,500
Legacies Receivable	354,524	167,223	354,524	91,000
	<u>386,023</u>	<u>198,281</u>	<u>411,405</u>	<u>152,964</u>

10. Current Asset Investments

	Total 2022	Total 2021 Group	Total 2022	Total 2021 RACF
	£	£	£	£
Short term deposits (incl investment balance)	1,812,777	1,777,279	1,218,593	1,178,541
	<u>1,812,777</u>	<u>1,777,279</u>	<u>1,218,593</u>	<u>1,178,541</u>

11. Creditors

	Total 2022	Total 2021 Group	Total 2022	Total 2021 RACF
	£	£	£	£
Amounts falling due within one year:				
Investment Management and Commission Fees	-	70,911	-	70,911
Accruals	27,173	53,663	23,240	20,060
	<u>27,173</u>	<u>124,574</u>	<u>23,240</u>	<u>90,971</u>

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

12. Movement in Funds

Current year Group

	Balance at 1 January 22	Incoming Resources	Outgoing Resources	Net Loss on Investment	Transfers	Balance at 31 December 22
	£	£	£	£	£	£
Unrestricted						
General Fund	25,989,899	1,359,890	926,696	(2,656,323)	-	23,766,770
Designated						
Memorials	105,084	-	-	-	-	105,084
RAA	2,053,895	241,289	307,236	(125,858)	-	1,862,090
	2,158,979	241,289	307,236	(125,858)	-	1,967,174
Restricted Funds						
RABF	5,841,801	189,466	189,466	(613,536)	-	5,228,265
Endowment Funds:						
RABF	5,814,317	-	21,200	(521,506)	-	5,271,611
RACF	1,623,363	-	-	(173,017)	-	1,450,346
	7,437,680	-	21,200	(694,523)	-	6,721,957
Total	41,428,359	1,790,645	1,444,598	(4,090,240)	-	37,684,166

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

Movement in Funds continued

Current year RACF

	Balance at 1 January 22	Incoming Resources	Outgoing Resources	Net Loss on Investment	Transfers	Balance at 31 December 22
	£	£	£	£	£	£
Unrestricted						
General Fund	25,989,899	1,359,890	926,696	(2,656,323)	-	23,766,770
Designated						
Memorials	105,084	-	-	-	-	105,084
Restricted Funds						
RABF	5,841,801	189,466	189,466	(613,536)	-	5,228,265
Endowment Funds:						
RABF	5,814,317	-	21,200	(521,506)	-	5,271,611
RACF	1,623,363	-	-	(173,017)	-	1,450,346
	7,437,680	-	21,200	(694,523)	-	6,721,957
Total	39,374,464	1,549,356	1,137,362	(3,964,382)	-	35,822,076

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.

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

Movement in Funds continued

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, benevolence and relief in need.

Prior year Group

	Balance at 1 January 21	Incoming Resources	Outgoing Resources	Net Gain on Investment	Transfers	Balance at 31 December 21
	£	£	£	£	£	£
Unrestricted						
General Fund	23,347,458	1,097,767	810,615	2,355,292	-	25,989,899
Designated						
Memorials	105,084	-	-	-	-	105,084
RAA	2,014,416	148,429	220,661	111,708	-	2,053,895
	2,119,500	148,429	220,661	111,708	-	2,158,979
Restricted Funds						
RABF	5,288,338	225,659	215,073	542,877	-	5,841,801
Endowment Funds:						
RABF	5,381,001	-	30,264	463,580	-	5,814,317
RACF	1,472,946	-	3,000	153,417	-	1,623,363
	6,853,947	-	33,264	616,997	-	7,437,680
Total	37,609,243	1,471,855	1,279,613	3,626,874	-	41,428,359

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

Movement in Funds continued						
Prior year RACF						
	Balance at 1 January 21	Incoming Resources	Outgoing Resources	Net Gain on Investment	Transfers	Balance at end 31 December 21
	£	£	£	£	£	£
Unrestricted						
General Fund	23,347,458	1,097,767	810,615	2,355,292	-	25,989,899
Designated						
Memorials	105,084	-	-	-	-	105,084
Restricted Funds						
RABF	5,288,338	225,659	215,073	542,877	-	5,841,801
Endowment Funds:						
RABF	5,381,001	-	30,264	463,580	-	5,814,317
RACF	1,472,946	-	3,000	153,417	-	1,623,363
	6,853,947	-	33,264	616,997	-	7,437,680
Total	35,594,827	1,323,426	1,058,952	3,515,166	-	39,374,464

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

13. 2022 Analysis of net assets between funds Group

Current year - Group	Tangible Fixed Assets	Investments	Current assets/(liabilities) 2022	Net Total
		£	£	£
Restricted funds:				
RABF	-	5,153,222	75,043	5,228,265
	-	5,153,222	75,043	5,228,265
Permanent Endowment:				
RABF	890,400	4,380,238	973	5,271,611
RACF			(2,862)	1,450,346
		1,453,208		
	890,400	5,833,446	(1,889)	6,721,957
Unrestricted funds:				
RACF	-	22,310,008	1,456,762	23,766,770
Designated funds:				
Memorials		-	105,084	105,084
RAA	-	1,058,128	803,962	1,862,090
	890,400	34,354,804	2,438,962	37,684,166

2022 Analysis of net assets between funds RACF

Current year – RACF	Tangible Fixed Assets	Investments	Current assets/(liabilities) 2022	Net Total
		£	£	£
Restricted funds:				
RABF	-	5,153,222	75,043	5,228,265
	-	5,153,222	75,043	5,228,265
Permanent Endowment:				
RABF	890,400	4,380,238	973	5,271,611
RACF	-	1,453,208	(2,862)	1,450,346
	890,400	5,833,446	(1,889)	6,721,957
Unrestricted funds:				
RACF	-	22,310,008	1,456,762	23,766,770
Designated funds:				
Memorials	-	-	105,084	105,084
	890,400	33,296,676	1,635,000	35,822,076

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

2021 Analysis of prior year net assets between funds Group continued

Prior year - Group	Tangible Fixed Assets	Investments	Current assets/(liabilities) 2021	Net Total
		£	£	£
Restricted funds:				
RABF	-	5,745,016	96,785	5,841,801
	-	5,745,016	96,785	5,841,801
Permanent Endowment:				
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
Unrestricted funds:				
RACF	-	24,924,958	1,064,941	25,989,899
Designated funds:				
Memorials	-	-	105,084	105,084
RAA	-	1,182,151	871,744	2,053,895
	911,600	38,381,519	2,135,240	41,428,359

2021 Analysis of prior year net assets between funds RACF

Prior year - RACF	Tangible Fixed Assets	Investments	Current assets/(liabilities) 2021	Net Total
		£	£	£
Restricted funds:				
RABF	-	5,745,016	96,785	5,841,801
	-	5,745,016	96,785	5,841,801
Permanent Endowment:				
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
Unrestricted funds:				
RACF	-	24,924,958	1,064,941	25,989,899
Designated funds:				
Memorials			105,084	105,084
	911,600	37,199,368	1,263,496	39,374,464

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

15. Related Parties

Income of £257,774 (2021: £261,287) 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.

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.

THE ROYAL ARTILLERY CHARITABLE FUND

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

16. 2021 Represent comparatives for the Statement of Financial Activities

Income and endowments from:

	Notes	Unrestricted Income Fund £	Restricted Funds (Benevolence) £	Permanent Endowments £	Total £
			2021		
Donations and legacies inc SPGS	2	656,360	1,014	-	657,374
Investment Income	3	518,094	215,993	-	734,087
Other Charitable Income		-	8,652	-	8,652
Other Income	4	4,296	-	-	4,296
Branch Income		67,446	-	-	67,446
Total income before Expenditure		1,246,169	225,659	-	1,471,855
Expenditure on:					
Raising funds	5	(50,299)	(10,614)	(12,064)	(72,977)
Net income available for charitable activities		1,195,897	215,045	(12,064)	1,398,878
Charitable activities	6	917,601	204,459	21,200	1,143,260
Branch Expenditure		63,376	-	-	63,376
Total expenditure		1,031,276	215,073	33,264	1,279,613
Net income for the year before gains on investments		214,920	10,586	(33,264)	192,242
Net gains/(losses) on investment assets		2,467,000	542,877	616,997	3,626,874
Net movement in funds		2,681,920	553,463	583,733	3,819,116
Total funds brought forward		25,466,958	5,288,338	6,853,947	37,609,243
Total funds carried forward		28,148,878	5,841,801	7,437,680	41,428,359

