

THE ROYAL SIGNALS CHARITY

formerly
The Royal Corps of Signals Benevolent Fund

Trustees' Report and Financial Statements

Year Ended 31 December 2020

Charity No : 284923

Contents	Page
Reference and Administrative Information	1
Report of the Trustees	2 - 7
Independent Auditor's Report	8 - 9
Statement of Financial Activities	10
Balance Sheet	11
Statement of Cash Flows	12
Notes to the Financial Statements	13 - 21

THE ROYAL SIGNALS CHARITY

REFERENCE AND ADMINISTRATIVE INFORMATION

Registered name: The Royal Corps of Signals Benevolent Fund to 16 January 2020
The Royal Signals Charity from 16 January 2020

Charity registration number: 284923

Address of the principal office: Regimental Headquarters Royal Signals
Griffin House, Blandford Camp
Blandford Forum, Dorset, DT11 8RH

Trustees

Corporate Trustee:
The Royal Signals Trustee Limited (RSTL)

Acting as Directors of RSTL, as if Trustees:
Major General TG Inshaw CB
Major General J Stokoe CB CBE
Brigadier RJ Carter
Colonel EA Byfield
Lieutenant Colonel JM Picton QC
Warrant Officer 2 ALM Jarman

appointed:
Major General D McDowall CBE from 14 March 2020
Brigadier EM Flint from 24 September 2020
Brigadier TJP Watts OBE from 25 March 2020
Colonel MC Brookes ADC from 6 November 2020
Warrant Officer 2 MC Fitton from 1 June 2020

retired:
Brigadier DA Hargreaves to 14 March 2020
Brigadier JE Thomas MBE to 31 March 2020
Colonel JS Gunning ADC to 6 November 2020
Captain CE Pagan to 22 April 2020

Secretary Colonel DA Craft

Independent Auditor Crowe U.K. LLP
Carrick House, Lypiatt Road
Cheltenham, Gloucestershire, GL50 2QJ

Bankers Lloyds Bank plc, Cox and Kings Branch
39 Piccadilly, London, W1V 0AA
CCLA Investment Management Limited
85 Queen Victoria Street, London, EC4V 4ET

Solicitors Wilsons Solicitors LLP
Alexandra House, St Johns Street
Salisbury, Wiltshire, SP1 2SB

Investment Advisers Alvarium Investment Advisors (UK) Limited
10 Old Burlington Street, London, W1S 3AG

Investment Managers BlackRock Investment Management (UK) Limited
12 Throgmorton Avenue, London, EC2N 2DL
Troy Asset Management Limited
33 Davies Street, London, W1K 4BP

THE ROYAL SIGNALS CHARITY

formerly:- THE ROYAL CORPS OF SIGNALS BENEVOLENT FUND

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their report and the financial statements of the Charity for the year ended 31 December 2020. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Trust Deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102).

Governance

The Royal Signals Charity (RSC) changed its name from The Royal Corps of Signals Benevolent Fund (RSBF) on 16 January 2020.

The Royal Signals Charity is a registered charity constituted under a Trust Deed; registration number 284923 dated 13 May 1982. The Charity Commission scheme was amended on 8 May 2012 and The Royal Signals Trustee Limited (RSTL), a non-charitable company limited by shares, became the Corporate Trustee of the Charity replacing all the previous Trustees of the Charity.

The Royal Signals Association (RSA) was a separate unregistered charity, whose objectives and activities were carried out by RSC (formerly RSBF). This arrangement was formalised during 2015 with the constitution of RSA being adopted on 14 March 2015 and RSA was registered with the Charity Commission with RSTL as its Corporate Trustee. The Charity Commission issued a Uniting Direction in November 2015 linking RSA to RSC (formerly RSBF).

The Directors of RSTL effectively act as if they were the Trustees of the Charity, and they are referred to as "The Trustees" in this report and the accompanying financial statements. They are appointed by the Master of Signals (Chairman of the Corps Council).

The Trustees are familiar with the work of the Charity through their service in the Royal Corps of Signals. Additionally an induction pack comprising the governing documents, statement of accounts and a copy of the Charity Commission's guidance "The Essential Trustee: What You Need to Know" and other such documents are given to new Trustees, and they are encouraged to attend relevant seminars.

The Trustees aim to follow charity sector best practice and have familiarised themselves with the updated version of the Charity Governance Code (the "Code") published in July 2017. They consider that the Charity's governance framework aligns with much of the Code. The Trustees have been briefed on the Confederation of British Services and Ex-Services Organisations (Cobseo) Aide Memoire approach and the charity participated in initial trials of their self-reporting tool. The board have agreed to adopt this approach.

Structure and Management

The Royal Signals Charity (formerly RSBF) is the amalgamation of the Royal Signals Association Fund, the Royal Signals Officers Fund and the Royal Signals Corps Fund which were separate Charitable Trusts. Under the above mentioned Trust Deed they are managed as one organisation, with financial differentiation as restricted funds.

The Trustees are served by a number of committees that are governed by terms of reference and are charged with discrete objectives as follows:

- The RSA Central Committee considers branch and veteran matters.
- The Royal Signals Institution Council maintains strong, professional and social links between the Royal Corps of Signals, professional bodies and other relevant areas of defence, in order to foster the professional well being of the Corps and to contribute to the development of the delivery of Information and Communications Services within Defence and Security.
- The Royal Signals Games Club and The Royal Signals Yacht Club promote sporting and adventurous activities.
- There are also management and finance committees for the Headquarters Officers' Mess, Warrant Officers and Sergeants' Messes, Corps Music and Corps Heritage.

The Trustees agree the strategy for the Charity including grant making, investment, reserves, risk management and approval of budgets. Grant making within the approved budget is delegated to the chairs of the committees.

The Royal Signals Museum is an independent charity which is related as a result of complementary objectives and activities. The Trustees have agreed to support the Museum financially, see note 14 to the financial statements.

The Charity is a member of Cobseo and has close working relationships with three other charities; the Army Benevolent Fund (ABF), the Soldiers, Sailors, Airmen and Families Association - Forces Help (SSAFA-FH) and The Royal British Legion (TRBL). SSAFA-FH and TRBL do welfare casework on behalf of the Charity.

THE ROYAL SIGNALS CHARITY

formerly:- THE ROYAL CORPS OF SIGNALS BENEVOLENT FUND

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Structure and Management (continued)

The day to day management of the Charity is delegated to Colonel DA Craft (Corps Secretary) who can be contacted at Regimental Headquarters Royal Signals, Griffin House, Blandford Camp, Blandford Forum, Dorset, DT11 8RH. He is assisted by the Senior Management Team: Lieutenant Colonel S Lockwood (Assistant Corps Secretary), Lieutenant Colonel P Osment (RSI Director) and Mr MJ Fisher (Corps Accountant). The first two are Ministry of Defence Civil Servants and the last two are employees of the Charity, whose remuneration is set by reference to equivalent Civil Service Grades and market rates of pay.

Objectives and Activities

The objectives of the Charity set out in the governing scheme are:

- To promote and maintain the physical efficiency and morale of The Royal Corps of Signals.
- To relieve either generally or individually by way of donation, grant, or loan, the following who are in conditions of need, hardship or distress;
 - past and present Signallers and their families and dependants; and
 - the families and dependants of deceased Signallers.
- The payment of donations, subscriptions or grants to charitable organisations concerned with the employment or welfare of Signallers and their dependants.

The aims of the Charity are:

- To fund the activities of the serving and retired members of Royal Signals, that attract no or only partial funding from the Ministry of Defence, in order to foster effectiveness, morale, teamwork, fitness, professional development, comradeship and esprit de corps.
- To provide grants for deserving welfare cases that are within the objects of the Charity.

The activities for the year result from demands within these aims to support the activities of the serving members of the Corps, to foster comradeship and to meet benevolence requirements.

Grant Making Policy

Applications for welfare grants are judged on their merits, with need being the most significant factor. There is no limit set on the amount spent on benevolence within any year. Grants up to £1,500 are considered electronically using Cobseo's Case Management System.

Grants in support of other activities that fall outside the delegated budgets are submitted by the relevant committee to the Corps Secretary or the Trustees for their consideration, depending on a range of factors which allow some delegation of authority. If the submission is particularly significant or would involve a major change in policy it could be referred to the Corps Council.

Budgets are set for all expenditure other than welfare, no specific targets are set beyond these budgets, they can be exceeded if suitable cases can be made.

Achievements and Performance

Activities

There is a continuing requirement to fund adventurous training expeditions, sport, social and recreational events and professional development, all of which contribute to the efficiency, effectiveness and morale of the Corps. It is equally important to advertise the availability of financial assistance for those who are eligible and grant making to deserving welfare cases.

The Royal Corps of Signals was formed in 1920. To celebrate the Centenary many special events and activities, together with specially enhanced routine ones, were planned for 2020. However, the restrictions resulting from the Coronavirus Covid-19 pandemic prevented many of these.

The Adventure Training Centenary Challenge (AT-CC100) planned 26 exercises around the World but due to Covid-19 only two could take place, in New Zealand and Tasmania. The "Ludos 100" games programme planned 15 sports tours (mostly overseas) but Covid-19 allowed only three to take place, Athletics in Tenerife, Squash in Nepal and Basketball in the USA. These five completed activities had a combined net cost of £21K after deducting sponsorships and grants received.

The cancelled events incurred costs for airline, hotel and venue bookings amounting to £102K and attracted sponsorship, grants and personal contributions amounting to £118K. The financial statements for the year ended 31 December 2020 have taken the prudent view that these bookings cannot be recovered or carried forward for future use, and that the related sponsorships, grants and personal contributions will have to be repaid, despite ongoing negotiations that promise otherwise in some cases.

THE ROYAL SIGNALS CHARITY

formerly:- THE ROYAL CORPS OF SIGNALS BENEVOLENT FUND

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Activities (continued)

A high proportion of the routine (not centenary) AT and sports activities could not take place because of Covid-19, resulting in combined costs of £106K compared to the combined budget of £225K and the combined cost in 2019 of £191K. The overall cost of AT and sports (Centenary and routine) amounted to £236K compared to the combined budget of £396K.

The Yacht Club's activities were also greatly reduced by the impact of Covid-19. The last offshore yacht, Lightwave, was sold in the year.

The Royal Signals Institution (RSI) continues to promote professional development of the Officers and Soldiers of the Royal Signals, serving and retired. The usual programme of events (lectures, workshops, an annual seminar and an annual London lecture and dinner) was severely curtailed by Covid-19, though some "virtual" events were achieved. The Journal, professional publication, did continue to be produced with a special edition for the Centenary. The RSI continued to recognise the academic, professional, engineering and operational excellence of the Corps by presenting a significant number of awards in the year.

Other activities were also prevented by Covid-19. This included the Corps Weekend at Blandford, a memorial event at the National Memorial Arboretum, attendance at the Remembrance Parade at the London Cenotaph, Project 204 (music festival), the Officers' London Dinner, the Senior NCO's Convention at Edgbaston and many smaller events at RSA branches and within Units of the Corps. A notable exception to this was the service of thanksgiving in Salisbury Cathedral attended by HRH Princess Anne (Colonel-in-Chief), which was before the pandemic "lockdown".

Significant Silver display pieces were completed for both the Officers' Mess and the Warrant Officers' and Sergeants' Mess, as were a portrait of HRH Princess Anne in Royal Signals uniform and a portrait of the retiring Master. The book "Roger so Far ..." was published and special Centenary Gins, Whisky, Wines and Beers were produced. The "#100for100" campaign was instigated at short notice to generate activities and interest following the loss of so many AT and sporting events, and was highly successful, raising funds of over £75K.

Benevolence

The total cost of benevolent welfare was £339,647 (2019: £411,138) including overheads directly attributable to welfare. Within that figure £41,750 (2019: £42,500) was paid to other charities with similar objectives, for their support of signallers. The number of beneficiaries (excluding Christmas grants) in 2020 was 376 (474 in 2019). These totals were relatively low in 2020, mainly because during the Covid-19 "lockdown" caseworkers were making fewer visits in support of applications.

The Trustees are most appreciative of the financial support provided by The Soldiers Charity - Army Benevolent Fund (ABF) direct to beneficiaries, 90 grants amounting to £69,662 (90 grants totalling £69,587 in 2019). In addition the ABF awarded £15,299 (£47,360 in 2019) towards annuities and nursing home fees.

Major grants (grants of £801 up to the max of £1,500) from the Charity assisted with the provision of electric scooters, level access showers, grants to replace household items such as carpets or white goods, grants to carry out urgent repairs to houses, grants for priority debts such as rent and utilities, grants for mobility aids such as riser chairs, stair lifts, grants to assist with re-training and grants for removals and rental bonds.

The Trustees are most grateful to the honorary Welfare Officers in branches of the Royal Signals Association and the caseworkers of Soldiers, Sailors, Airmen and Families Association-Forces Help (SSAFA-FH) and the Royal British Legion (RBL) for the enormous contribution that they make towards the welfare of serving and retired Signallers and their dependants.

Material Investments - Policy and Performance

Alvarium Investment Advisors (UK) Limited (independent investment advisers) help develop the overall strategy of the portfolio and advise on individual transactions and circumstances. The investment policy continues to be to maximise return at medium risk over the long term.

68% of the invested portfolio remained within the Armed Forces Charities Growth & Income Fund managed by BlackRock Investment Management (UK) Limited, the remaining 32% was held in Trojan 'S' shares fund of Troy Asset Management Limited.

Total dividend income amounted to £274,015 (2019: £295,603), £21,109 (2019: £35,027) arose from accumulating units and so was automatically re-invested, and from the income units £252,906 (2019: £260,576) arose in cash. Total gains of £582,664 (2019: £1,233,246) arose from the investments in the year.

THE ROYAL SIGNALS CHARITY

formerly:- THE ROYAL CORPS OF SIGNALS BENEVOLENT FUND

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Financial Review

Total income amounted to £1,249,848 (2019: £1,333,109). Subscription income increased to £709,294 in 2020 from £705,394 in 2019. Donations amounted to £136,770 (2019: £54,969) mainly due to the "#100for100" campaign. Legacies of £38,170 arose in 2020 (2019: £62,701).

The principal funding source continued to be the voluntary subscriptions of 110% of a day's pay a year from the members of the serving Corps. Officers subscribe a further 80% of a day's pay which is used specifically for officer's activities, and Warrant Officers and Senior Non-Commissioned Officers subscribe a further 30% of a day's pay which is used to fund improvements to Sergeants' Messes and their social activities. The Trustees are most grateful to the serving Corps for their continued support.

Total expenditure amounted to £1,566,076 (2019: £1,613,366). The Covid-19 pandemic caused significant distortion to the usual pattern of expenses, though the overall total was not significantly different.

Welfare grants were £71,491 lower than in 2019 principally because social workers were making fewer visits. Reduced activities caused savings in Sport and Sailing grants of £55,218, the Officers' Dinner and most RSI events were cancelled saving £73,314. Conversely, deposits, advance bookings and other costs of cancelled activities caused Adventure Training to be £68,527 higher than in 2019 and Raising funds was increased by £94,471 for the Project 204 music festival.

The Sergeants' Mess Fund expenditure was £53,985 lower than in 2019, reflecting the higher than usual expenditure that year, which was £96,454 higher than 2018. Support to Soldier Recruiting increased by £29,291, mainly caused by a new nurturing initiative.

The deficit for the year before gains on investments was £316,228 (2019: £280,257). After the investment gains of £582,664 (2019: £1,233,246) the total of the fund balances was £11,821,607 (2019: £11,555,171).

At the end of the year the unrestricted Corps Funds amounted to £3,966,146 (2019: £4,028,990), which included £109,012 (2019: £116,511) designated asset replacement funds (see note 13).

The restricted funds at the end of the year were held as - Officer Funds £2,090,729 (2019: £1,999,342), Welfare & Veterans Fund £5,163,510 (2019: £4,915,988), Disbanded Units Funds £453,923 (2019: £436,880) and Sergeants Messes Fund £147,298 (2019: £173,967), as described in note 12.

The Charity benefits from staff costs and building running costs paid for by the Ministry of Defence, as part of their contribution to esprit de corps. These cannot be meaningfully quantified or evaluated.

Fundraising

All fundraising activities for the charity are carried out by volunteers with assistance from charity staff. The charity does not use professional fundraisers or have any commercial participants.

The Royal Signals Charity treats its responsibility towards supporters in vulnerable circumstances with the utmost importance and our fundraisers are provided with guidance and support to help them respond appropriately to any individual they consider this might apply to.

No complaints relating to fundraising activities have been received by the charity during this financial period. However, the charity has in place procedures that would be followed in the event of a complaint being received with the initial response being the responsibility of the Corps Secretary. Any continuing issues would then be passed to the Trustees to determine what further action might be required.

Public Benefit

The Trustees have paid due regard to the Charity Commissioner's guidance on public benefit in deciding what activities the Charity should support or undertake. The Charity provides public benefit by enhancing the morale and efficiency of serving service personnel to more effectively perform their role within the Royal Corps of Signals, supporting comradeship within the wider Corps family (regular, reserves and retired), and providing benevolence to individuals and their families where there is need.

Taking the Charity Commission's guidance into consideration, the Trustees are satisfied that the public benefit requirements have been met.

THE ROYAL SIGNALS CHARITY

formerly:- THE ROYAL CORPS OF SIGNALS BENEVOLENT FUND

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Risk Management

The Trustees have examined the operational and business risks and confirm that systems have been established to manage these risks. A risk management plan has been established and is reviewed regularly. There are measures in place to prevent fraud and theft, to ensure the physical security of data and buildings and to maintain business continuity. The management of risk on investments in relation to the market is carried out by RSTL and is explained in more detail later in this report.

The Trustees have identified strategic risks that could have a severe impact on both income and/or expenditure, as follows:

- amalgamation of the serving Corps with another so that most of the income is lost,
- further reduction in the size of the Corps under future Strategic Defence and Security Reviews,
- reduction in support of the Charity by removal of the personnel, premises and infrastructure provided by the Ministry of Defence,
- and, permanent reduction in investment values and income earning capacity.

These risks can be mitigated by maintaining sufficient Reserves to enable the Charity's activities to continue (see Reserves Policy below).

The Covid 19 pandemic arose in the year, with the resulting "lockdown" of the country and the economy. Whilst there are potential extra costs and income reductions, there are also significant potential cost savings due to reduced activities.

The principal source of income is monthly subscriptions (£704k) from the current members of the Corps, by deduction from their salaries, and this is unlikely to be affected by the pandemic. The secondary source is investment income (£274k) which is assured by the reserve policy of the principal investment fund used. Casual donations are unlikely to exceed £60k in a year, which is insignificant in this context. Legacies can be highly variable but would not be impacted by the pandemic.

The main pandemic risk to the charity would be for potential catastrophic investment losses. The investment portfolio is split between different fund managers with different investment policies. If one of the funds was totally extinguished, it is highly unlikely that the other would be as well.

The Trustees do not believe that there is a significant risk to the Charity as a Going Concern.

Reserves Policy

At current levels of activity the Charity needs an investment return (income plus gains) of about £590K to meet its costs. At an average rate of return of about 5% this suggests the need for an investment portfolio of around £12M, at a rate of return of 4% the portfolio would need to be nearly £15M.

As mentioned above, the Trustees have identified strategic risks that can only be mitigated by holding reserves. They have calculated that an amount of over £2M in addition to that mentioned above would be needed to cover these risks enabling ongoing commitments to be fulfilled. This gives an investment target of between £14M and £17M. At 31 December 2020 the market value of the investment portfolio was £10.9M.

The Free Reserves (unrestricted and undesignated) amounted to £3,857K (2019: £3,912K), which would be sufficient to meet the short term results of the identified risks, see Note 13. The Designated Funds amounted to £109K (2019: £116K), and the Restricted Funds totalled £7,855K (2019: £7,526K), see Notes 12 and 13.

The Reserves Policy is therefore, to allow funds to continue to accumulate, when surplus investment return arises. In the event that any strategic risks arise before sufficient reserves have been accumulated, it has been accepted that the charity would reduce the support it gives to Morale and Efficiency (but not Welfare).

Plans for Future Periods

The Trustees plan to continue support for the activities outlined above in the coming years and look forward to being able to support future expenditure plans while continuing to monitor closely both the need for benevolence and the performance of investments.

The Trustees will work closely with the head of the serving Corps to maintain or improve the level of voluntary subscription income from officers and soldiers. They are also implementing an expenditure review.

The Trustees intend that some of the special Centenary (2020) events and activities that were prevented by the Covid-19 pandemic, or comparable activities, may be carried out in 2021 or 2022 with the support of the Charity; the previous budgets being rolled forward.

THE ROYAL SIGNALS CHARITY

formerly:- THE ROYAL CORPS OF SIGNALS BENEVOLENT FUND

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of Trustees' Responsibilities

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

The law applicable to Charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustees are required to:

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

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

Approved by the Trustees and signed on their behalf by:



Major General TG Inshaw CB
Chairman of The Royal Signals Trustee Limited

Date: **31 March 2021**

THE ROYAL SIGNALS CHARITY

formerly:- THE ROYAL CORPS OF SIGNALS BENEVOLENT FUND

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Opinion

We have audited the financial statements of The Royal Signals Charity ('the Charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2020 and of 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity 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 trustee's 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 Charity'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 contained within the annual report. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 7, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

THE ROYAL SIGNALS CHARITY

formerly:- THE ROYAL CORPS OF SIGNALS BENEVOLENT FUND

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Auditor's responsibilities for the audit of the financial statements

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

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011, together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Charity for fraud.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the recognition of income from donations and legacies, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Trustees about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence including that with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Crowe U.K. LLP, Statutory Auditor
Carrick House, Lypiatt Road
Cheltenham, GL50 2QJ

23 April 2021

Crowe U.K. LLP is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE ROYAL SIGNALS CHARITY
formerly:- THE ROYAL CORPS OF SIGNALS BENEVOLENT FUND
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020			2019		
		Unrestricted	Restricted	Total Funds	Unrestricted	Restricted	Total Funds
		£	£	£	£	£	£
INCOME FROM							
Donations and legacies	2	384,141	500,093	884,234	358,811	464,253	823,064
Other trading activities		10,203	19	10,222	95	17	112
Investments	3	97,976	176,134	274,110	106,689	188,971	295,660
Charitable activities	4	7,097	74,185	81,282	36,501	177,772	214,273
TOTAL INCOME		499,417	750,431	1,249,848	502,096	831,013	1,333,109
EXPENDITURE ON							
Raising funds		96,503	3,047	99,550	1,186	1,779	2,965
Charitable activities	5	674,020	792,506	1,466,526	582,570	1,027,831	1,610,401
TOTAL EXPENDITURE		770,523	795,553	1,566,076	583,756	1,029,610	1,613,366
Operating (deficit)/surplus		(271,106)	(45,122)	(316,228)	(81,660)	(198,597)	(280,257)
Net gains/(losses) on investment assets	8	208,262	374,402	582,664	445,015	788,231	1,233,246
Transfer between funds		-	-	-	-	-	-
NET INCOME / (EXPENDITURE) AND NET MOVEMENT IN FUNDS		(62,844)	329,280	266,436	363,355	589,634	952,989
Fund balances at 1 January		4,028,990	7,526,181	11,555,171	3,665,635	6,936,547	10,602,182
FUND BALANCES AT 31 DECEMBER		3,966,146	7,855,461	11,821,607	4,028,990	7,526,181	11,555,171
		Note 13	Note 12				

All activities in the year are continuing.
The Charity had no recognised gains or losses other than those included in the Statement of Financial Activities.
The notes on pages 13 to 21 form part of these financial statements.

THE ROYAL SIGNALS CHARITY
formerly:- THE ROYAL CORPS OF SIGNALS BENEVOLENT FUND
BALANCE SHEET AS AT 31 DECEMBER 2020


	Note	2020 £	2019 £
FIXED ASSETS			
Tangible Fixed Assets	7	716,523	767,641
Listed Investments	8	10,898,535	10,697,860
		<u>11,615,058</u>	<u>11,465,501</u>
CURRENT ASSETS			
Stock of Goods for Resale		74,036	-
Debtors	9	265,279	331,582
Cash at Bank and in Hand		416,736	146,906
		<u>756,051</u>	<u>478,488</u>
CREDITORS: amounts falling due within one year	10	(468,127)	(322,549)
NET CURRENT ASSETS		<u>287,924</u>	<u>155,939</u>
Provision for Liabilities and Charges	11	(81,375)	(66,269)
NET ASSETS		<u>11,821,607</u>	<u>11,555,171</u>
FUNDS			
Unrestricted:			
Designated Funds		109,012	116,511
General Funds		3,857,134	3,912,479
	13	<u>3,966,146</u>	<u>4,028,990</u>
Restricted Funds	12	<u>7,855,461</u>	<u>7,526,181</u>
		<u>11,821,607</u>	<u>11,555,171</u>

The financial statements were approved and authorised for issue by the Board of Trustees on **31 March 2021** and signed on its behalf by:



Major General TG Inshaw CB
Chairman of The Royal Signals Trustee Limited

and



Colonel DA Craft
Secretary of The Royal Signals Trustee Limited

The notes on pages 13 to 21 form part of these financial statements.

THE ROYAL SIGNALS CHARITY

formerly:- THE ROYAL CORPS OF SIGNALS BENEVOLENT FUND

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	<u>2020</u> £	<u>2019</u> £
Operating activities		
Net income / (expenditure) for the reporting period	266,436	952,989
Adjustments for:		
Depreciation charges	14,180	24,722
Loss/(Gain) on disposal of fixed assets	25,907	(12,798)
Dividends and interest from investments	(274,110)	(295,660)
(Gains) / Losses on investments	(582,664)	(1,233,246)
(Increase) / Decrease in stock of goods for resale	(74,036)	-
Decrease / (Increase) in debtors	66,303	(188,312)
Increase in creditors and provisions	160,684	13,485
Net cash used in operating activities	<u>(397,300)</u>	<u>(738,820)</u>
Cash flows from investing activities		
Interest and dividends	274,110	295,660
Accumulating dividends	(21,109)	(35,027)
Cash from investment income	253,001	260,633
Purchase of fixed assets	(62,556)	(14,364)
Proceeds of disposal of fixed assets	73,587	36,932
Purchase of investments	-	-
Proceeds from sale of investments	403,098	419,800
Net cash provided by investing activities	<u>667,130</u>	<u>703,001</u>
Change in cash and cash equivalents in the year	269,830	(35,819)
Cash and cash equivalents brought forward	146,906	182,725
Cash and cash equivalents carried forward	<u>416,736</u>	<u>146,906</u>

The notes on pages 13 to 21 form part of these financial statements.

THE ROYAL SIGNALS CHARITY

formerly:- THE ROYAL CORPS OF SIGNALS BENEVOLENT FUND

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

1. ACCOUNTING POLICIES

a. Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and Charities Act 2011. They have been prepared under the historical cost convention with the exception of investments which are included at market value. The Royal Signals Charity meets the definition of a public benefit entity under FRS 102.

The Charity has adequate resources to continue in operational existence for the foreseeable future. The Trustees continue to believe the going concern basis of accounting is appropriate in preparing the annual financial statements (see Risk Management in the Trustees' Report, page 6).

b. Tangible Fixed Assets and Depreciation

Headquarters Officers Mess assets were revalued at 1 January 2015; this was deemed to be historic cost on transition and therefore assumed not revalued going forward. All other assets costing more than £500 are capitalised at cost. As explained in note 7, historic assets owned prior to 1 January 1994 have not been capitalised.

Depreciation is applied on a straight line basis calculated to write off each asset over its estimated useful life and potential impairments are kept under review. The annual rates of depreciation are as follows:

Headquarters Officers Mess	1%
Bands	15%
Regimental Headquarters fixtures and fittings	33%
Yacht Club - small boats and dinghies	15%
- yachts	7%

Depreciation is not charged in the year of acquisition. Depreciation is not charged on historic assets as the residual value is considered to be higher than the carrying value. Assets are continuously reviewed for potential impairment.

c. Investments, Investment Income and Gains

Investments are held in the BlackRock, Armed Forces Charities Growth & Income Fund and Troy Asset Management, Trojan 'S' shares. They are valued at the bid price prevailing at the Balance Sheet date. Investment historic cost is the average cost per unit purchased or the market value when donated or transferred.

Dividends, other investment income and income from cash deposits are accounted for when the Charity is entitled to them. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

d. Taxation

The entity is a registered Charity and, as such, claims tax exemptions from all its United Kingdom income and gains, properly applied for its charitable purposes. Income tax recoverable represents tax which is recoverable in respect of tax credits from dividends receivable during the year and from gift aid subscriptions on which tax has been paid by the subscriber during the year.

e. Funds

Restricted funds are amounts which have been earmarked by the donors for specific purposes. Unrestricted funds are expendable at the discretion of the Trustees. Designated funds are unrestricted funds set aside by the Trustees for specific purposes, but they remain at their discretion (see notes 12 and 13).

f. Income

Income from donations, fundraising and events are accounted for on a receipts basis unless the income will be received and its value can be measured with sufficient reliability. Those funds provided for a specific purpose are taken to a restricted fund.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution.

Subscriptions represent voluntary contributions received monthly from serving members and annually from retired officers of the Corps and are accounted for when they are receivable.

g. Grants Payable and Direct Charitable Expenditure

Grants paid and direct expenditure are accounted for when paid or when the liability is established with the third party. They are allocated to the particular activity where the cost relates directly to that activity and in accordance with the objectives of the Charity.

THE ROYAL SIGNALS CHARITY

formerly:- THE ROYAL CORPS OF SIGNALS BENEVOLENT FUND

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

1. ACCOUNTING POLICIES (Continued)

h. Support and Shared Costs

Support and Shared Costs comprise expenditure incurred directly in support of charitable objectives and are attributable to the Charity's activities. Governance costs represent professional and statutory fees and other costs incurred in running the Charity. They are allocated to activities in proportion to their utilisation.

i. Stock of Goods for Resale

Stock of goods for resale are valued at the lower of cost and net realisable value.

i. Debtors

Legacies receivable, subscriptions, loans and other debtors are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

j. Creditors

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. Provisions are not discounted to net present value as the difference would be immaterial to the financial statements.

k. 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. Investments are included at fair value.

l. Critical accounting judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to consider making any significant judgements and estimates where necessary. Apart from depreciation, there are no items in the financial statements where significant judgements and estimations have been made.

2. INCOME FROM DONATIONS AND LEGACIES

	2020 £	2019 £
Unrestricted Funds		
Proceeds from the closure of the Motorcycle Display Team	68,385	-
Subscriptions - One Day's Pay	296,671	296,110
Legacies	19,085	62,701
	<u>384,141</u>	<u>358,811</u>
Restricted Funds		
Donations	68,385	54,969
Subscriptions - One Day's Pay	406,813	403,704
Subscriptions - Retired Officers	5,810	5,580
Legacies	19,085	-
	<u>500,093</u>	<u>464,253</u>
Total Funds		
Donations	136,770	54,969
Subscriptions - One Day's Pay	703,484	699,814
Subscriptions - Retired Officers	5,810	5,580
Legacies	38,170	62,701
	<u>884,234</u>	<u>823,064</u>

Subscriptions from serving members of the Corps are collected under the "One Day's Pay" Payroll Giving Scheme. These are donated entirely voluntarily by the serving members of the Corps. Under Queen's Regulations (QR 5.613) the first 50% must be applied to Welfare purposes.

Soldiers' subscriptions are 110%. Warrant Officers and Senior Non-Commissioned Officers (SNCOs) subscribe at 140% of a days basic pay per annum of which 30% is used specifically for Sergeants' Messes. Officers' subscriptions are 190% of a days basic pay per annum of which 80% is used specifically in support of Officers' activities.

Retired Officers' subscriptions are voluntary and currently at a minimum of £10 a year.

Legacies are accrued for if they were notified as being receivable before the end of the year, either at the value actually received or estimated from the details of the estate provided by the executors.

THE ROYAL SIGNALS CHARITY

formerly:- THE ROYAL CORPS OF SIGNALS BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**3. INCOME FROM INVESTMENTS**

	2020	2019
	£	£
Unrestricted Funds		
Gross Dividends	97,941	106,668
Interest on Deposit Accounts	35	21
	<u>97,976</u>	<u>106,689</u>
Restricted Funds		
Gross Dividends	176,074	188,935
Interest on Deposit Accounts	60	36
	<u>176,134</u>	<u>188,971</u>
Total Funds		
Gross Dividends	274,015	295,603
Interest on Deposit Accounts	95	57
	<u>274,110</u>	<u>295,660</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	2020	2019
	£	£
Unrestricted Funds		
RSI Journal Advertisements	3,600	4,125
RSYC Charter Income	3,497	19,578
RSYC Profit on Yacht Disposal	-	12,798
	<u>7,097</u>	<u>36,501</u>
Restricted		
Grants from Other Organisations	44,035	64,192
Disposal of Redundant Corps Silverware	8,550	-
RSI Events and Advertisements	11,410	71,979
Officers' Dinner Club	-	30,323
Wire Magazine subscriptions	10,190	10,403
Reunions	-	875
	<u>74,185</u>	<u>177,772</u>
Total Funds	<u>81,282</u>	<u>214,273</u>

5. EXPENDITURE ON CHARITABLE ACTIVITIES

	2020	2019
	£	£
Unrestricted Funds		
Grants Payable and Expenditure		
Sporting	112,374	130,068
Sailing	40,661	52,528
Adventure Training	123,693	62,666
Messes, Heritage and History	110,000	110,000
Other Assistance to the serving Corps	70,261	35,838
Bands	14,532	13,320
Events and Activities		
Corps Property maintenance and control	14,385	14,035
RSI events, awards and magazine	40,726	39,818
Wire Magazine	42,567	41,716
Reunions and other costs	28,154	-
Support and Shared costs		
Corps Activities	57,512	63,841
Governance	19,155	18,740
	<u>674,020</u>	<u>582,570</u>

THE ROYAL SIGNALS CHARITY

formerly:- THE ROYAL CORPS OF SIGNALS BENEVOLENT FUND

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

5. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

	2020 £	2019 £
Restricted Funds		
Grants Payable and Expenditure		
Welfare	339,647	411,138
Sporting	34,035	47,514
Sailing	-	12,178
Adventure Training	7,500	-
Messes, Heritage and History	113,262	171,639
Other Assistance to the serving Corps	22,439	19,992
Events and Activities		
Corps Property maintenance and control	15,551	14,016
RSI events, awards and magazine	67,932	94,342
Officers' Dinner Club	99	47,911
Wire Magazine	10,190	10,403
Reunions and other costs	70,216	81,659
Support and Shared costs		
Welfare	20,726	22,232
Veterans	27,635	29,643
Officer Activities	34,544	37,053
Governance	28,730	28,111
	<u>792,506</u>	<u>1,027,831</u>
Total Funds		
Grants Payable and Expenditure		
Welfare	339,647	411,138
Sporting	146,409	177,582
Sailing	40,661	64,706
Adventure Training	131,193	62,666
Messes, Heritage and History	223,262	281,639
Other Assistance to the serving Corps	92,700	55,830
Bands and Display Team	14,532	13,320
Events and Activities		
Corps Property maintenance and control	29,936	28,051
RSI events, awards and magazine	108,658	134,160
Officers' Dinner Club	99	47,911
Wire Magazine	52,757	52,119
Reunions and other costs	98,370	81,659
Support and Shared costs		
Welfare	20,726	22,232
Veterans	27,635	29,643
Corps and Officer Activities	92,056	100,894
Governance	47,885	46,851
	<u>1,466,526</u>	<u>1,610,401</u>

All welfare grants are to third party organisations and made for the benefit of both serving and retired members of the Corps (Regulars and Reserves) and their families.

The Royal Signals Institution (RSI) fosters professional development amongst the serving Corps, the retired Corps and their close colleagues in Defence and Industry.

Welfare Grants includes payments to other charities for the furtherance of the Charity's objectives:

	2020 £	2019 £
Army Benevolent Fund	35,000	35,000
various nursing homes with ex Royal Signals residents	6,750	7,500
	<u>41,750</u>	<u>42,500</u>

THE ROYAL SIGNALS CHARITY

formerly:- THE ROYAL CORPS OF SIGNALS BENEVOLENT FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020
6. EXPENDITURE DISCLOSURES

	2020	2019
	£	£
Shared Support Costs		
Unrestricted Funds		
Accounts & Management Salaries Shared	44,037	50,613
IT Support and Equipment Costs	6,306	4,541
Postage	839	632
Bank Charges	1,180	391
Depreciation	145	145
Total Shared Support Costs	52,507	56,322
Direct Corps Administration	2,242	4,556
	<u>54,749</u>	<u>60,878</u>
Restricted Funds		
Accounts & Management Salaries Shared	71,849	82,578
IT Support and Equipment Costs	10,289	7,408
Postage	1,368	1,032
Bank Charges	1,925	637
Depreciation	237	236
	<u>85,668</u>	<u>91,891</u>
Total Funds		
Accounts & Management Salaries Shared	115,886	133,191
IT Support and Equipment Costs	16,595	11,949
Postage	2,207	1,664
Bank Charges	3,105	1,028
Depreciation	382	381
Total Shared Support Costs	138,175	148,213
Direct Corps Administration	2,242	4,556
	<u>140,417</u>	<u>152,769</u>
Attributed to:		
Unrestricted Funds		
Corps Fund	54,749	60,878
Restricted Funds		
Officers Fund	41,452	44,463
Welfare	8,290	8,892
Veterans	35,926	38,536
	<u>140,417</u>	<u>152,769</u>
Total Expenditure included the following costs		
Unrestricted Funds		
Staff Costs Wages and Salaries	72,704	78,747
Social Security Costs	7,912	8,384
Pension Scheme Costs	2,624	2,363
	<u>83,240</u>	<u>89,494</u>
Depreciation Charges for the Year	<u>10,351</u>	<u>20,893</u>
Restricted Funds		
Staff Costs Wages and Salaries	186,856	195,892
Social Security Costs	12,159	12,985
Pension Scheme Costs	4,685	4,189
	<u>203,700</u>	<u>213,066</u>
Depreciation Charges for the Year	<u>3,829</u>	<u>3,829</u>
Total Funds		
Staff Costs Wages and Salaries	259,560	274,639
Social Security Costs	20,071	21,369
Pension Scheme Costs	7,309	6,552
	<u>286,940</u>	<u>302,560</u>
Depreciation Charges for the Year	<u>14,180</u>	<u>24,722</u>

THE ROYAL SIGNALS CHARITY

formerly:- THE ROYAL CORPS OF SIGNALS BENEVOLENT FUND

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

6. EXPENDITURE DISCLOSURES (continued)

No employee earned £60,000 or more (2019: One over £60,000).

The average number of employees in the year was 4 full time (2019: 4) and 4 part time = 2.5 full-time equivalents (2019: 4 = 2.5 full-time equivalents).

The Charity benefits from staff costs, administration and building running costs paid for by the Ministry of Defence, contributing to esprit de corps. It is not practical to quantify such costs with any certainty.

	2020 £	2019 £
Governance Costs included the following		
Unrestricted Funds		
Audit	6,240	6,300
Legal Fees	3,040	1,834
Investment Advice	7,622	7,195
Trustee Expenses	1,394	2,330
Trustee Meetings	39	427
Trustee Liability Insurance	820	654
	<u>19,155</u>	<u>18,740</u>
Restricted Funds		
Audit	9,360	9,450
Legal Fees	4,559	2,751
Investment Advice	11,432	10,793
Trustee Expenses	2,090	3,494
Trustee Meetings	59	641
Trustee Liability Insurance	1,230	982
	<u>28,730</u>	<u>28,111</u>
Total Funds		
Audit	15,600	15,750
Legal Fees	7,599	4,585
Investment Advice	19,054	17,988
Trustee Expenses	3,484	5,824
Trustee Meetings	98	1,068
Trustee Liability Insurance	2,050	1,636
	<u>47,885</u>	<u>46,851</u>

4 Trustees (2019: 6) received the above reimbursements of expenses (travel, subsistence and accommodation) none of which were paid to third parties.

Key Personnel

No Trustee (2019: None) received any remuneration or benefit from the Fund or any Related Parties.

The Regimental Secretary, the Assistant Regimental Secretary and the Communications and Heritage Officer are employees of the Ministry of Defence. Honorariums, and Salaries during appointment vacancies, were paid at a total cost to the Charity of £10,040 (2019: £29,057).

The Corps Accountant and RSI Director are employees of the Charity at a total cost of £118,844 (2019: £118,848).

7. TANGIBLE FIXED ASSETS

	HQ Officers Mess £	Historic Assets £	Regimental HQ £	Yacht Club £	Bands £	Total £
2020						
Cost / Deemed cost						
At 1 January 2020	360,000	309,173	4,864	180,825	31,933	886,795
Additions	-	59,702	2,854	-	-	62,556
Cost of Disposals	-	-	-	(111,167)	(21,798)	(132,965)
At 31 December 2020	<u>360,000</u>	<u>368,875</u>	<u>7,718</u>	<u>69,658</u>	<u>10,135</u>	<u>816,386</u>
Accumulated Depreciation						
At 1 January 2020	17,116	-	4,482	69,466	28,090	119,154
Charge for Year	3,600	-	382	8,677	1,521	14,180
Eliminated on Disposals	-	-	-	(11,673)	(21,798)	(33,471)
At 31 December 2020	<u>20,716</u>	<u>-</u>	<u>4,864</u>	<u>66,470</u>	<u>7,813</u>	<u>99,863</u>
Net Book Values						
At 31 December 2020	<u>339,284</u>	<u>368,875</u>	<u>2,854</u>	<u>3,188</u>	<u>2,322</u>	<u>716,523</u>
At 31 December 2019	<u>342,884</u>	<u>309,173</u>	<u>382</u>	<u>111,359</u>	<u>3,843</u>	<u>767,641</u>

THE ROYAL SIGNALS CHARITY

formerly:- THE ROYAL CORPS OF SIGNALS BENEVOLENT FUND

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

7. TANGIBLE FIXED ASSETS (continued)

	HQ Officers Mess £	Historic Assets £	Regimental HQ £	Yacht Club £	Bands £	Total £
2019						
Cost / Deemed cost						
At 1 January 2019	360,000	294,809	4,864	284,490	31,933	976,096
Additions	-	14,364	-	-	-	14,364
Cost of Disposals	-	-	-	(103,665)	-	(103,665)
At 31 December 2019	360,000	309,173	4,864	180,825	31,933	886,795
Accumulated Depreciation						
At 1 January 2019	13,516	-	4,101	129,777	26,569	173,963
Charge for Year	3,600	-	381	19,220	1,521	24,722
Eliminated on Disposals	-	-	-	(79,531)	-	(79,531)
At 31 December 2019	17,116	-	4,482	69,466	28,090	119,154
Net Book Values						
At 31 December 2019	342,884	309,173	382	111,359	3,843	767,641
At 31 December 2018	346,484	294,809	763	154,713	5,364	802,133

The assets above relate directly to charitable purposes.

The assets are kept continuously under review for potential impairment.

Headquarters Officers Mess

A professional valuation in 2014 of the furniture in the Headquarters Officers Mess totalled £360,000, all of which are assets for which the risks and rewards belong to the Charity. This was deemed to be historic cost on transition and therefore assumed not revalued going forward.

Historic Assets

Reliable cost information is not available for historic assets acquired prior to 1 January 1994 which have not been capitalised. Recent valuations of silverware and paintings in the Headquarters Officers Mess totalled over £1.25 million and other locations were assessed in the year.

Since 1 January 1994 historic assets have been acquired for the Blandford Garrison Church £22,365, the National Arboretum Memorial £22,186 and Silver and Artworks £324,325 (2019: £264,623). Depreciation is not charged on historic assets as their residual value is considered to be higher than their carrying value.

8. INVESTMENTS - LISTED

	2020 £	2019 £
Market Value at 1 January	10,697,860	9,849,387
Additions	21,109	35,027
Disposal Proceeds	(403,098)	(419,800)
Gains/(Losses) in year	582,664	1,233,246
Market Value at 31 December	10,898,535	10,697,860
Historic Cost	9,403,470	9,746,901
Held in:-		
BlackRock, Armed Forces Charities Growth & Income Fund	7,359,226	7,263,084
Troy Asset Management, Trojan 'S' shares		
Accumulation Units	3,539,309	3,434,776
	10,898,535	10,697,860

9. DEBTORS

	2020 £	2019 £
Subscriptions	57,578	56,793
Loans	1,080	7,580
Other Debtors	191,768	36,616
Prepayments	14,853	230,593
	265,279	331,582

Debtors do not include any amounts due in more than one year, apart from Loans.

THE ROYAL SIGNALS CHARITY

formerly:- THE ROYAL CORPS OF SIGNALS BENEVOLENT FUND

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

10. CREDITORS: amounts falling due within one year

	2020	2019
	£	£
Balance with Related Entities	126,175	94,469
Social Security and Other Taxes	7,504	7,409
Balances held as Agent (see note 15)	48,913	101,494
Other Creditors	25,085	38,812
Accruals	20,270	24,570
Deferred Income and Provisions		
Brought forward from prior year	55,795	25,410
Used or repaid in year	(48,695)	(25,410)
Arising in the year	233,080	55,795
Carried forward	240,180	55,795
	468,127	322,549

Deferred Income arises when receipts relate to activities planned for the future.

11. PROVISIONS FOR LIABILITIES AND CHARGES

	2020	2019
	£	£
Employees' Retirement Provision	81,375	66,269

Provision for the amounts due to employees upon their retirement in accordance with their employment contract.

12. RESTRICTED FUNDS

	1 January	Income	Expenditure	Investment (Losses) / Gains	31 December
	£	£	£	£	£
2020					
Welfare & Veterans Fund	4,915,990	456,388	(476,618)	267,751	5,163,511
Officers' Activities Fund	1,999,344	174,946	(156,942)	73,381	2,090,729
Sergeants' Messes Fund	173,967	56,181	(92,325)	9,475	147,298
Disbanded Units - PRI Fund	337,722	8,685	(13,943)	18,467	350,931
Disbanded Units - Officers Messes Fund	71,781	1,844	(2,000)	3,921	75,546
Disbanded Units - Sergeants Messes Fund	27,377	662	(2,000)	1,407	27,446
Other Corps Activity Income received and expended in year for specific purposes	-	51,725	(51,725)	-	-
	7,526,181	750,431	(795,553)	374,402	7,855,461
2019					
Welfare & Veterans Fund	4,474,559	433,251	(552,081)	560,261	4,915,990
Officers' Activities Fund	1,829,160	256,483	(235,032)	148,733	1,999,344
Sergeants' Messes Fund	232,064	59,156	(146,310)	29,057	173,967
Disbanded Units - PRI Fund	311,034	9,335	(21,592)	38,945	337,722
Disbanded Units - Officers Messes Fund	66,031	1,982	(4,500)	8,268	71,781
Disbanded Units - Sergeants Messes Fund	23,699	711	-	2,967	27,377
Other Corps Activity Income received and expended in year for specific purposes	-	70,095	(70,095)	-	-
	6,936,547	831,013	(1,029,610)	788,231	7,526,181

Restricted Funds arise from income received for specified purposes and are held separately until expended.

Welfare & Veterans Fund - This Restricted Fund serves members of the Corps, fostering comradeship and providing welfare support to those in need. It receives donations, legacies, and other voluntary income that have been canvassed for welfare purposes. It receives grants from the Army Benevolent Fund to augment, on a case-by-case basis, the welfare grants made. Welfare grants and costs are initially funded by "One Day's Pay" Subscriptions as described in Note 2.

Officers' Activities Fund - This Fund receives part of Subscriptions, described in note 2, for Officers' purposes, such as dinners, Officers' Messes and other costs specifically for the benefit of Officers.

Sergeants' Messes Fund - This Fund receives part of Subscriptions, described in note 2, for Sergeants' Messes' improvements and other costs specifically for the benefit of Warrant Officers and SNCOs.

Disbanded Units Funds - These Funds arise from disbanded units and are held to assist with the formation of new units and for morale and efficiency purposes similar to the main objects of the Charity. They may not however be used for welfare.

Corps - grant for yacht purchase - A grant was received in 2018 for the purchase of a yacht. Upon completion of the purchase, the restriction was satisfied and so the funds were transferred to Unrestricted Funds.

THE ROYAL SIGNALS CHARITY

formerly:- THE ROYAL CORPS OF SIGNALS BENEVOLENT FUND

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

13. UNRESTRICTED FUNDS

	1 January £	Transfers £	Transactions £	31 December £
2020				
Designated Funds				
Yacht Club, vessel replacements and expeditions	101,597	-	-	101,597
Corps - Yacht Club Offshore Account	7,549	(134)	-	7,415
Other minor replacement Funds	7,365	(7,365)	-	-
Total Designated Funds	116,511	(7,499)	-	109,012
Corps - General Fund	3,912,479	7,499	(62,844)	3,857,134
	<u>4,028,990</u>	<u>-</u>	<u>(62,844)</u>	<u>3,966,146</u>
2019				
Designated Funds				
Yacht Club, vessel replacements and expeditions	101,597	-	-	101,597
Corps - Yacht Club Offshore Account	16,157	(8,608)	-	7,549
Other minor replacement Funds	7,365	-	-	7,365
Total Designated Funds	125,119	(8,608)	-	116,511
Corps - General Fund	3,540,516	8,608	363,355	3,912,479
	<u>3,665,635</u>	<u>-</u>	<u>363,355</u>	<u>4,028,990</u>

Designated Funds are Unrestricted Funds that have been set aside at the discretion of the Trustees. These are for the replacement of assets, as denoted in their titles, the Yacht Club Expedition Fund is an unexpended grant that has been allowed to be carried forward and the Yacht Club Offshore Account which accumulates charter fees for the use of the yachts which is applied to their maintenance.

The transactions of the "Corps - General Fund" are as shown on page 10, Statement of Financial Activities, Unrestricted Funds.

14. RELATED PARTY TRANSACTIONS

The Charity is related to The Royal Signals Museum (an incorporated charity) and its subsidiary The Royal Signals Museum Trading Company Limited due to their related objectives and activities.

In the year grants were made to The Royal Signals Museum of £110,000 (2019: £110,000).

At the end of the year the debts with The Royal Signals Museum and its subsidiary company amounted to £126,175 payable (2019: £94,469 payable).

15. AGENCY TRANSACTIONS

The Charity acts as agent for activities related to its Morale and Efficiency Objectives:-

The **Royal Signals Officers Domestic Fund** purchases wines, etc for the HQ Officers' Mess and maintains the wine cellar, its income arises from the consumption of wines at special events. It also operates a second hand uniform sales and rental facility. At 31 December 2020 the balance held amounted to £42,254 (2019: £38,560).

The **Royal Signals Rugby Club** sells tickets for national rugby matches (Army v Navy and Army v RAF) and applies the profits to boost the finances of the Corps' rugby season. At 31 December 2020 the balance held amounted to £6,659 (2019: £62,933).

16. ALLOCATION OF NET ASSETS

	Unrestricted £	Restricted £	Total £
2020			
Tangible Fixed Assets	52,913	663,610	716,523
Investments	3,706,684	7,191,851	10,898,535
Current Assets less Current Liabilities and Provisions	206,549	-	206,549
	<u>3,966,146</u>	<u>7,855,461</u>	<u>11,821,607</u>
2019			
Tangible Fixed Assets	174,499	593,142	767,641
Investments	3,772,370	6,925,490	10,697,860
Current Assets less Current Liabilities and Provisions	82,121	7,549	89,670
	<u>4,028,990</u>	<u>7,526,181</u>	<u>11,555,171</u>