

# **THE ROYAL SIGNALS CHARITY**

## **Trustees' Report and Financial Statements**

**Year Ended 31 December 2021**

**Charity No : 284923**

<b>Contents</b>	<b>Page</b>
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 Signals Charity

**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 D McDowall CBE  
Major General J Stokoe CB CBE  
Brigadier RJ Carter  
Brigadier EM Flint  
Brigadier TJP Watts OBE  
Colonel MC Brookes ADC  
Lieutenant Colonel JM Picton QC  
Warrant Officer 2 MC Fitton

appointed:

Lt Col EA Mortimore from 30 September 2021  
Staff Sergeant JM Fatiaki from 1 January 2022

retired:

Colonel EA Byfield to 29 September 2021  
Warrant Officer 2 ALM Jarman to 31 December 2021

#### Secretary

Colonel DA Craft

#### Independent Auditor

Crowe U.K. LLP  
St James House, St James Square  
Cheltenham, Gloucestershire, GL50 3PR

#### 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**

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

The Trustees present their report and the financial statements of the Charity for the year ended 31 December 2021. 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"). 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 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 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**

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

#### **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 most of these and this continued throughout 2021.

## **THE ROYAL SIGNALS CHARITY**

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

#### **Activities (continued)**

The costs of the cancelled events and activities were written off in the financial statements for the year ended 31 December 2020, assuming that these could not be recovered or carried forward for future use. The sponsorship, grants and personal contributions attracted for these were carried forward to 2021 on the basis that they may have to be repaid. A few of these events and activities took place in 2021, a few costs have been reimbursed and a few grants have been repaid but the majority have again been carried forward into 2022.

A high proportion of the adventure training, yacht club and sports activities could not take place because of Covid-19, resulting in combined costs of £229K compared to the combined cost in 2020 of £318K.

The Royal Signals Institution (RSI) continued to promote professional development of the Officers and Soldiers of the Royal Signals, serving and retired. Despite Covid 19 restrictions a full programme of events (lectures, workshops, an annual seminar and an annual London lecture and dinner) took place. Corporate sponsorships had been received in 2020 and, due to the low activity in that year, were rolled forward into 2021. 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.

#### **Benevolence**

The total cost of benevolent welfare was £285,068 (2020: £339,647) including overheads directly attributable to welfare. Within that figure £42,250 (2020: £41,750) was paid to other charities with similar objectives, for their support of signallers. The number of beneficiaries (excluding Christmas grants) in 2021 was 299 (376 in 2020). These totals in 2020 and 2021 were relatively low, mainly because during the Covid-19 "lockdown" caseworkers were making fewer visits in support of applications.

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.

67% of the invested portfolio remained within the Armed Forces Charities Growth & Income Fund managed by BlackRock Investment Management (UK) Limited, the remaining 33% was held in Trojan 'S' shares fund of Troy Asset Management Limited.

Total dividend income amounted to £260,004 (2020: £274,015), £6,127 (2020: £21,109) arose from accumulating units and so was automatically re-invested, and from the income units £253,877 (2020: £252,906) arose in cash. Total gains of £1,130,857 (2020: £582,664) arose from the investments in the year.

## THE ROYAL SIGNALS CHARITY

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

#### Financial Review

Total income amounted to £1,307,801 (2020: £1,249,848). Subscription income increased to £735,065 in 2021 from £709,294 in 2020. Donations amounted to £79,661 (2020: £136,770) the difference was mainly due to the "#100for100" campaign in 2020. Legacies of £6,350 arose in 2021 (2020: £38,170).

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 £1,313,099 (2020: £1,566,076). The Covid-19 pandemic continued to cause significant distortion to the usual pattern of expenses.

Welfare grants in 2021 amounted to £245,773, in 2020 the total was £300,794 and in 2019 it was £375,166; the reductions were principally because social workers were making fewer visits, due to Covid19 restrictions. These restrictions caused few sporting, adventure training and other activities to take place. Sports groups were encouraged to use their underspent budgets to improve their equipment.

In 2020 the cost of Raising funds included £94,471 for the aborted Project 204 music festival; during 2021 £19,800 deposits were refunded. Income of £20,339 arose from 2020 memorabilia, however a provision of £27,500 was made against the unsold stock of centenary books. Extra grants were received for sporting activities. £76,600 income arose from RSI Corporate sponsors, which included 2020 receipts rolled forward due to the very low activity in that year.

Before gains on investments the deficit for the year was £5,298 (2020: deficit £316,228). After the investment gains of £1,130,857 (2020: £582,664) the total of the fund balances was £12,947,166 (2020: £11,821,607).

At the end of the year the unrestricted Corps Funds amounted to £4,300,325 (2020: £3,966,146) and the total of restricted funds was £8,646,841 (2020: £7,855,461).

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 participators.

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.

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

**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 2020 and continued in 2021, with the resulting "lockdowns" 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 (£727k) 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 (£260k) which is assured by the reserve policy of the principal investment fund used. Casual donations are unlikely to exceed £100k 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 2021 the market value of the investment portfolio was £12M.

The Free Reserves (unrestricted and undesignated) amounted to £4,198K (2020: £3,857K), which would be sufficient to meet the short term results of the identified risks, see Note 13. The Designated Funds amounted to £102K (2020: £109K), and the Restricted Funds totalled £8,647K (2020: £7,855K), 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 still be carried out in 2022 with the support of the Charity; the previous budgets being rolled forward.

## THE ROYAL SIGNALS CHARITY

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

#### 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 2022**



### **Opinion**

We have audited the financial statements of The Royal Signals Charity ('the Charity') for the year ended 31 December 2021 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 2021 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

### INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

#### 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](http://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). 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, designing audit procedures to review the recognition of income from donations and legacies, 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.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

#### 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  
St James House, St James Square, Cheltenham, GL50 3PR

23 August 2022

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


	Note	2021			2020		
		Unrestricted	Restricted	Total Funds	Unrestricted	Restricted	Total Funds
		£	£	£	£	£	£
<b>INCOME FROM</b>							
Donations and legacies	2	348,683	472,393	821,076	384,141	500,093	884,234
Other trading activities		20,561	-	20,561	10,203	19	10,222
Investments	3	89,515	170,550	260,065	97,976	176,134	274,110
Charitable activities	4	17,762	188,337	206,099	7,097	74,185	81,282
<b>TOTAL INCOME</b>		<b>476,521</b>	<b>831,280</b>	<b>1,307,801</b>	<b>499,417</b>	<b>750,431</b>	<b>1,249,848</b>
<b>EXPENDITURE ON</b>							
Raising funds		8,965	1,896	10,861	96,503	3,047	99,550
Charitable activities	5	522,614	779,624	1,302,238	674,020	792,506	1,466,526
<b>TOTAL EXPENDITURE</b>		<b>531,579</b>	<b>781,520</b>	<b>1,313,099</b>	<b>770,523</b>	<b>795,553</b>	<b>1,566,076</b>
Operating (deficit)/surplus		(55,058)	49,760	(5,298)	(271,106)	(45,122)	(316,228)
Net gains/(losses) on investment assets	8	389,237	741,620	1,130,857	208,262	374,402	582,664
Transfer between funds		-	-	-	-	-	-
<b>NET INCOME / (EXPENDITURE) AND NET MOVEMENT IN FUNDS</b>		<b>334,179</b>	<b>791,380</b>	<b>1,125,559</b>	<b>(62,844)</b>	<b>329,280</b>	<b>266,436</b>
<b>Fund balances at 1 January</b>		<b>3,966,146</b>	<b>7,855,461</b>	<b>11,821,607</b>	<b>4,028,990</b>	<b>7,526,181</b>	<b>11,555,171</b>
<b>FUND BALANCES AT 31 DECEMBER</b>		<b>4,300,325</b>	<b>8,646,841</b>	<b>12,947,166</b>	<b>3,966,146</b>	<b>7,855,461</b>	<b>11,821,607</b>
		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**  
**BALANCE SHEET AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>FIXED ASSETS</b>			
Tangible Fixed Assets	7	714,079	716,523
Listed Investments	8	12,035,519	10,898,535
		<u>12,749,598</u>	<u>11,615,058</u>
<b>CURRENT ASSETS</b>			
Stock of Goods for Resale		37,309	74,036
Debtors	9	107,119	265,279
Cash at Bank and in Hand		604,976	416,736
		<u>749,404</u>	<u>756,051</u>
<b>CREDITORS: amounts falling due within one year</b>	10	(470,389)	(468,127)
<b>NET CURRENT ASSETS</b>		<u>279,015</u>	<u>287,924</u>
Provision for Liabilities and Charges	11	(81,447)	(81,375)
<b>NET ASSETS</b>		<u><u>12,947,166</u></u>	<u><u>11,821,607</u></u>
<b>FUNDS</b>			
<b>Unrestricted:</b>			
Designated Funds		102,226	109,012
General Funds		4,198,099	3,857,134
	13	<u>4,300,325</u>	<u>3,966,146</u>
<b>Restricted Funds</b>	12	8,646,841	7,855,461
		<u><u>12,947,166</u></u>	<u><u>11,821,607</u></u>

The financial statements were approved and authorised for issue by the Board of Trustees on **31 March 2022** 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**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021**

	<u>2021</u>	<u>2020</u>
	£	£
<b>Operating activities</b>		
Net income for the reporting period	1,125,559	266,436
Adjustments for:		
Depreciation charges	8,892	14,180
(Gain) / Loss on disposal of fixed assets	(2,555)	25,907
Dividends and interest from investments	(260,065)	(274,110)
(Gains) / Losses on investments	(1,130,857)	(582,664)
Decrease / (Increase) in stock of goods for resale	36,727	(74,036)
Decrease in debtors	158,160	66,303
Increase in creditors and provisions	2,334	160,684
<b>Net cash used in operating activities</b>	<u>(61,805)</u>	<u>(397,300)</u>
<b>Cash flows from investing activities</b>		
Interest and dividends	260,065	274,110
Accumulating dividends	(6,127)	(21,109)
Cash from investment income	253,938	253,001
Purchase of fixed assets	(6,448)	(62,556)
Proceeds of disposal of fixed assets	2,555	73,587
Proceeds from sale of investments	-	403,098
<b>Net cash provided by investing activities</b>	<u>250,045</u>	<u>667,130</u>
<b>Change in cash and cash equivalents in the year</b>	188,240	269,830
Cash and cash equivalents brought forward	416,736	146,906
<b>Cash and cash equivalents carried forward</b>	<u><u>604,976</u></u>	<u><u>416,736</u></u>

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

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

**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%

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

**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**

	2021 £	2020 £
<b>Unrestricted Funds</b>		
Donations	39,831	68,385
Subscriptions - One Day's Pay	308,177	296,671
Legacies	675	19,085
	<u>348,683</u>	<u>384,141</u>
<b>Restricted Funds</b>		
Donations	39,830	68,385
Subscriptions - One Day's Pay	418,805	406,813
Subscriptions - Retired Officers	8,083	5,810
Legacies	5,675	19,085
	<u>472,393</u>	<u>500,093</u>
<b>Total Funds</b>		
Donations	79,661	136,770
Subscriptions - One Day's Pay	726,982	703,484
Subscriptions - Retired Officers	8,083	5,810
Legacies	6,350	38,170
	<u>821,076</u>	<u>884,234</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**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**3. INCOME FROM INVESTMENTS**

	2021	2020
	£	£
Unrestricted Funds		
Gross Dividends	89,493	97,941
Interest on Deposit Accounts	22	35
	<u>89,515</u>	<u>97,976</u>
Restricted Funds		
Gross Dividends	170,511	176,074
Interest on Deposit Accounts	39	60
	<u>170,550</u>	<u>176,134</u>
Total Funds		
Gross Dividends	260,004	274,015
Interest on Deposit Accounts	61	95
	<u>260,065</u>	<u>274,110</u>

**4. INCOME FROM CHARITABLE ACTIVITIES**

	2021	2020
	£	£
Unrestricted Funds		
RSI Events and Advertisements	15,207	3,600
RSYC Charter Income	-	3,497
RSYC Profit on Disposals	2,555	-
	<u>17,762</u>	<u>7,097</u>
Restricted		
Grants from Other Organisations	87,893	44,035
Disposal of Redundant Corps Silverware	343	8,550
RSI Events and Advertisements	94,097	11,410
Wire Magazine subscriptions	6,004	10,190
	<u>188,337</u>	<u>74,185</u>
Total Funds	<u>206,099</u>	<u>81,282</u>

**5. EXPENDITURE ON CHARITABLE ACTIVITIES**

	2021	2020
	£	£
Unrestricted Funds		
Grants Payable and Expenditure		
Sporting	107,768	112,374
Sailing	26,409	40,661
Adventure Training	9,711	123,693
Messes, Heritage and History	110,000	110,000
Other Assistance to the serving Corps	58,648	70,261
Bands	11,365	14,532
Events and Activities		
Corps Property maintenance and control	14,372	14,385
RSI events, awards and publishing	50,517	40,726
Wire Magazine	50,175	42,567
Reunions and other costs	-	28,154
Support and Shared costs		
Corps Activities	66,228	57,512
Governance	17,421	19,155
	<u>522,614</u>	<u>674,020</u>



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

<b>5. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)</b>	<u>2021</u> £	<u>2020</u> £
<b>Restricted Funds</b>		
Grants Payable and Expenditure		
Welfare	285,068	339,647
Sporting	78,000	34,035
Sailing	7,393	-
Adventure Training	-	7,500
Messes, Heritage and History	62,085	113,262
Other Assistance to the serving Corps	16,897	22,439
Events and Activities		
Corps Property maintenance and control	20,592	15,551
RSI events, awards and publishing	130,208	67,932
Officers' Dinner & Social	5,168	99
Wire Magazine	6,004	10,190
Reunions and other costs	46,879	70,216
Support and Shared costs		
Welfare	23,800	20,726
Veterans	31,733	27,635
Officer Activities	39,667	34,544
Governance	26,130	28,730
	<u>779,624</u>	<u>792,506</u>
<b>Total Funds</b>		
Grants Payable and Expenditure		
Welfare	285,068	339,647
Sporting	185,768	146,409
Sailing	33,802	40,661
Adventure Training	9,711	131,193
Messes, Heritage and History	172,085	223,262
Other Assistance to the serving Corps	75,545	92,700
Bands and Display Team	11,365	14,532
Events and Activities		
Corps Property maintenance and control	34,964	29,936
RSI events, awards and publishing	180,725	108,658
Officers' Dinner & Social	5,168	99
Wire Magazine	56,179	52,757
Reunions and other costs	46,879	98,370
Support and Shared costs		
Welfare	23,800	20,726
Veterans	31,733	27,635
Corps and Officer Activities	105,895	92,056
Governance	43,551	47,885
	<u>1,302,238</u>	<u>1,466,526</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:	<u>2021</u> £	<u>2020</u> £
Army Benevolent Fund	35,000	35,000
various nursing homes with ex Royal Signals residents	7,250	6,750
	<u>42,250</u>	<u>41,750</u>

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

**6. EXPENDITURE DISCLOSURES**

	2021	2020
	£	£
<b>Shared Support Costs</b>		
Unrestricted Funds		
Accounts & Management Salaries Shared	49,970	44,037
IT Support and Equipment Costs	8,869	6,306
Postage	625	839
Bank Charges	468	1,180
Depreciation	361	145
<b>Total Shared Support Costs</b>	<b>60,293</b>	<b>52,507</b>
Direct Corps Administration	2,761	2,242
	<b>63,054</b>	<b>54,749</b>
Restricted Funds		
Accounts & Management Salaries Shared	81,529	71,849
IT Support and Equipment Costs	14,470	10,289
Postage	1,021	1,368
Bank Charges	764	1,925
Depreciation	590	237
	<b>98,374</b>	<b>85,668</b>
<b>Total Funds</b>		
Accounts & Management Salaries Shared	131,499	115,886
IT Support and Equipment Costs	23,339	16,595
Postage	1,646	2,207
Bank Charges	1,232	3,105
Depreciation	951	382
<b>Total Shared Support Costs</b>	<b>158,667</b>	<b>138,175</b>
Direct Corps Administration	2,761	2,242
	<b>161,428</b>	<b>140,417</b>
<b>Attributed to:</b>		
Unrestricted Funds		
Corps Fund	63,054	54,749
Restricted Funds		
Officers Fund	47,600	41,452
Welfare	9,520	8,290
Veterans	41,254	35,926
	<b>161,428</b>	<b>140,417</b>
<b>Total Expenditure</b> included the following costs		
Unrestricted Funds		
<b>Staff Costs</b>		
Wages and Salaries	82,212	72,704
Social Security Costs	7,384	7,912
Pension Scheme Costs	2,738	2,624
	<b>92,334</b>	<b>83,240</b>
<b>Depreciation Charges for the Year</b>	<b>4,721</b>	<b>10,351</b>
Restricted Funds		
<b>Staff Costs</b>		
Wages and Salaries	193,618	186,856
Social Security Costs	15,014	12,159
Pension Scheme Costs	5,076	4,685
	<b>213,708</b>	<b>203,700</b>
<b>Depreciation Charges for the Year</b>	<b>4,171</b>	<b>3,829</b>
<b>Total Funds</b>		
<b>Staff Costs</b>		
Wages and Salaries	275,830	259,560
Social Security Costs	22,398	20,071
Pension Scheme Costs	7,814	7,309
	<b>306,042</b>	<b>286,940</b>
<b>Depreciation Charges for the Year</b>	<b>8,892</b>	<b>14,180</b>

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

**6. EXPENDITURE DISCLOSURES (continued)**

One employee earned £60,000 or more (2020: No employees).

The average number of employees in the year was 4 full time (2020: 4) and 4 part time = 2.5 full-time equivalents (2020: 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.

	2021 £	2020 £
<b>Governance Costs</b> included the following		
Unrestricted Funds		
Audit	6,408	6,240
Legal Fees	911	3,040
Investment Advice	8,418	7,622
Trustee Expenses	590	1,394
Trustee Meetings	190	39
Trustee Liability Insurance	904	820
	<u>17,421</u>	<u>19,155</u>
Restricted Funds		
Audit	9,612	9,360
Legal Fees	1,366	4,559
Investment Advice	12,626	11,432
Trustee Expenses	884	2,090
Trustee Meetings	286	59
Trustee Liability Insurance	1,356	1,230
	<u>26,130</u>	<u>28,730</u>
Total Funds		
Audit	16,020	15,600
Legal Fees	2,277	7,599
Investment Advice	21,044	19,054
Trustee Expenses	1,474	3,484
Trustee Meetings	476	98
Trustee Liability Insurance	2,260	2,050
	<u>43,551</u>	<u>47,885</u>

2 Trustees (2020: 4) received the above reimbursements of expenses (travel, subsistence and accommodation) none of which were paid to third parties.

**Key Personnel**

No Trustee (2020: None) received any remuneration or benefit from the Fund or any Related Parties.

The Regimental Secretary, the Assistant Regimental Secretary and the Communications Officer are employees of the Ministry of Defence. Honorariums were paid at a total cost to the Charity of £20,281 (2020: £10,040).

The Corps Accountant and RSI Director are employees of the Charity at a total cost of £126,862 (2020: £118,844).

<b>7. TANGIBLE FIXED ASSETS</b>	HQ Officers Mess £	Historic Assets £	Regimental HQ £	Yacht Club £	Bands £	Total £
<b>2021</b>						
Cost / Deemed cost						
At 1 January 2021	360,000	368,875	7,718	69,658	10,135	816,386
Additions	-	1,236	-	-	5,212	6,448
Cost of Disposals	-	-	-	(34,391)	-	(34,391)
At 31 December 2021	<u>360,000</u>	<u>370,111</u>	<u>7,718</u>	<u>35,267</u>	<u>15,347</u>	<u>788,443</u>
Accumulated Depreciation						
At 1 January 2021	20,716	-	4,864	66,470	7,813	99,863
Charge for Year	3,600	-	951	3,188	1,153	8,892
Eliminated on Disposals	-	-	-	(34,391)	-	(34,391)
At 31 December 2021	<u>24,316</u>	<u>-</u>	<u>5,815</u>	<u>35,267</u>	<u>8,966</u>	<u>74,364</u>
Net Book Values						
At 31 December 2021	335,684	370,111	1,903	-	6,381	714,079
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>

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

**7. TANGIBLE FIXED ASSETS (continued)**

	HQ Officers Mess £	Historic Assets £	Regimental HQ £	Yacht Club £	Bands £	Total £
<b>2020</b>						
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	360,000	368,875	7,718	69,658	10,135	816,386
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	20,716	-	4,864	66,470	7,813	99,863
Net Book Values						
At 31 December 2020	339,284	368,875	2,854	3,188	2,322	716,523

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 £325,561 (2020: £324,325). Depreciation is not charged on historic assets as their residual value is considered to be higher than their carrying value.

**8. INVESTMENTS - LISTED**

	2021 £	2020 £
Market Value at 1 January	10,898,535	10,697,860
Additions	6,127	21,109
Disposal Proceeds	-	(403,098)
Gains in year	1,130,857	582,664
Market Value at 31 December	12,035,519	10,898,535
Historic Cost	9,409,597	9,403,470
Held in:-		
BlackRock, Armed Forces Charities Growth & Income Fund	8,056,585	7,359,226
Troy Asset Management, Trojan 'S' shares		
Accumulation Units	3,978,934	3,539,309
	12,035,519	10,898,535

**9. DEBTORS**

	2021 £	2020 £
Subscriptions	60,016	57,578
Loans	1,080	1,080
Other Debtors	10,009	191,768
Prepayments	36,014	14,853
	107,119	265,279

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

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

**10. CREDITORS: amounts falling due within one year**

	2021 £	2020 £
Balance with Related Entities	151,731	126,175
Social Security and Other Taxes	7,884	7,504
Balances held as Agent (see note 15)	24,493	48,913
Other Creditors	31,805	25,085
Accruals	32,420	20,270
Deferred Income and Provisions		
Brought forward from prior year	240,180	55,795
Used or repaid in year	(90,445)	(48,695)
Arising in the year	72,321	233,080
Carried forward	222,056	240,180
	<u>470,389</u>	<u>468,127</u>

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

**11. PROVISIONS FOR LIABILITIES AND CHARGES**

	2021 £	2020 £
Employees' Retirement Provision	81,447	81,375

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

**12. RESTRICTED FUNDS**

	1 January £	Income £	Expenditure £	Investment Gains £	31 December £
<b>2021</b>					
Welfare & Veterans Fund	5,163,511	420,870	(397,621)	535,778	5,722,538
Officers' Activities Fund	2,090,729	254,015	(225,410)	143,459	2,262,793
Sergeants' Messes Fund	147,298	54,170	(43,149)	15,282	173,601
Disbanded Units - PRI Fund	350,931	8,404	(23,943)	36,556	371,948
Disbanded Units - Officers Messes Fund	75,546	1,784	-	7,760	85,090
Disbanded Units - Sergeants Messes Fund	27,446	640	-	2,785	30,871
Other Corps Activity Income received and expended in year for specific purposes	-	91,397	(91,397)	-	-
	<u>7,855,461</u>	<u>831,280</u>	<u>(781,520)</u>	<u>741,620</u>	<u>8,646,841</u>
<b>2020</b>					
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)	-	-
	<u>7,526,181</u>	<u>750,431</u>	<u>(795,553)</u>	<u>374,402</u>	<u>7,855,461</u>

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.

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

**13. UNRESTRICTED FUNDS**

	1 January £	Transfers £	Transactions £	31 December £
<b>2021</b>				
Designated Funds				
Yacht Club, vessel replacements and expeditions	101,597	-	-	101,597
Corps - Yacht Club Offshore Account	7,415	(6,786)	-	629
Total Designated Funds	109,012	(6,786)	-	102,226
Corps - General Fund	3,857,134	6,786	334,179	4,198,099
	<u>3,966,146</u>	<u>-</u>	<u>334,179</u>	<u>4,300,325</u>
<b>2020</b>				
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>

Designated Funds are Unrestricted Funds that have been set aside at the discretion of the Trustees. The Yacht Club Expedition Fund is an unexpended grant that has been allowed to be carried forward and the Yacht Club Offshore Account accumulated charter fees for the use of the yachts, and is used for offshore races and events.

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 (2020: £110,000).

At the end of the year the debts with The Royal Signals Museum and its subsidiary company amounted to £151,731 payable (2020: £126,175 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 2021 the balance held amounted to £17,834 (2020: £42,254).

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 2021 the balance held amounted to £57,925 (2020: £59,701).

**16. ALLOCATION OF NET ASSETS**

	Unrestricted £	Restricted £	Total £
<b>2021</b>			
Tangible Fixed Assets	51,833	662,246	714,079
Investments	4,050,924	7,984,595	12,035,519
Current Assets less Current Liabilities and Provisions	197,568	-	197,568
	<u>4,300,325</u>	<u>8,646,841</u>	<u>12,947,166</u>
<b>2020</b>			
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>