

THE ROYAL LOGISTIC CORPS
ASSOCIATION TRUST FUND
ANNUAL REPORT AND ACCOUNTS

31 DECEMBER 2019

(Charity Registered Number 1024036)



Moore (South) LLP
33 The Clarendon Centre
Salisbury Business Park
Salisbury
Wiltshire
SP1 2TJ

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**THE ROYAL LOGISTIC CORPS ASSOCIATION TRUST FUND
TRUSTEES REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

Legal and Administrative Details

- a) The Royal Logistic Corps Association Trust.
- b) The Royal Logistic Corps Association Trust is regulated by a Trust Deed No 1024036 dated 23 June 1993.
- c) 1st, 2nd, 3rd and 4th Deeds of Variation dated 6 January 1997, 21 March 2006, 16 November 2006 and 4 April 2012.

Trustees:

Managing Trustees (Ex Officio)

Lieutenant General Sir Mark William Poffley KBE OBE

(The Master General of Logistics)

Position Gapped

(Royal Logistic Corps Brigadier in Command)

Brigadier Michael Caldicott CBE MBE

(Commandant Defence College of Logistics, Policing and Administration)

Colonel Colin Francis MBE ADC

(Colonel The Royal Logistic Corps)

Warrant Officer Class One (Regimental Sergeant Major) Dean Burditt

(Regimental Sergeant Major 25 Training Support Regiment RLC)

Colonel Mark Siebenaller TD

(The Royal Logistic Corps Reserves Colonel)

Warrant Officer Class One (Corps Sergeant Major) Philip S Broom

(The Royal Logistic Corps Sergeant Major)

Colonel Neil Llewellyn – until May

Colonel Michael Dempsey – since May 2019

(Assistant Director Operations Combat Service Support Army Headquarters)

Managing Trustees (Co-opted)

Brigadier Christopher John Murray CBE

(Chairman of The Royal Logistic Corps Benevolent Committee)

Brigadier Richard E Parkinson

(Chairman of The Royal Logistic Corps and Forming Corps Association Committee)

Major General John Seumas Kerr CBE

(Chairman of The Royal Logistic Corps Museum Trust CIO & Heritage Committee)

Major General Adrian William Lyons CBE

(Chairman of The Royal Logistic Corps Finance Committee)

Major General David J Shouesmith

(Chairman of The Royal Logistic Corps Foundation)

Brigadier Paul Anthony Dennis Evans OBE

(President of the Royal Army Service Corps & Royal Corps of Transport Council)

Major General Malcom David Wood CBE

(President of the Royal Army Ordnance Corps Council)

Brigadier David S Clouston MBE

(Chairman of the Royal Pioneer Corps Association)

Lieutenant Colonel Nigel R Shepherd

(Chairman of the Army Catering Corps Association)

c) **Registered Address**

Regimental Headquarters The Royal Logistic Corps, Building 204, Worthy Down Camp, Winchester, Hampshire, SO21 2RG.

d) **Senior Management Personnel**

Lieutenant Colonel (Retired) Stephen Ahmed Yafai – Regimental Secretary

Lieutenant Colonel (Retired) Ian Geoffrey Stark – Regimental Treasurer

e) **Relevant Organisations**

<u>Auditors</u>	Moore (South) LLP 33 The Clarendon Centre Salisbury Business Park Salisbury, Wiltshire SP1 2TJ
<u>Bankers</u>	Holt's Military Banking Lawrie House, Victoria Road Farnborough Hampshire GU14 7NR
<u>Investment Advisors</u>	Armed Forces Common Investment Fund – managed through: BlackRock 12 Throgmorton Avenue London EC2N 2DL

f) **Restrictions**

The operational activities of the Trust are restricted to the terms of the declaration of Trust dated 23 June 1993 and subsequent deeds of variation dated 6 January 1997, 17 November 2005, 16 November 2006 and 4 April 2012.

g) **Investment Powers**

The Trust has invested its reserves in the Armed Forces Growth & Income Fund, a CAIF, which is managed by BlackRock and overseen by an Advisory Board (Armed Forces Charities Advisory Company (ACAC)) which is appointed by the Ministry of Defence. The Advisory Board comprises of City and Service Charities Representatives.

h) **Report by the Trustees**

1. The Trustees present their report and the audited financial statements of the charity for the year ended 31 December 2019. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP 2015) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, 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 Standard for Smaller Entities / Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014 (as amended by Update Bulletin 1 published on 2 February 2016).

2. The Trustees continue to remain confident that the objectives of the Trust, namely, *welfare and benevolence support for its past and present members* and *the efficiency of the Corps*, are being adhered to; also that their plans for the Trust are sound and well placed to meet the current and future needs of The RLC. Trustees strive to ensure that Trust activities include public benefit and community engagement wherever possible.

Structure, Governance and Management

3. The Royal Logistic Corps Association Trust, constituted under Trust Deed No 1024036 dated 23 June 1993, was established during the period immediately prior to the formation of The Royal Logistic Corps on 5 April 1993. The objects of the Trust are the promotion of the efficiency of The Royal Logistic Corps (RLC) and the relief of need for eligible personnel in such ways as the Managing Trustees may decide.

4. Trustees are appointed largely on an ex-officio basis to be representative of officers and soldiers of the serving Corps, RLC Veteran community and four predecessor Corps (Royal Army Service Corps & Royal Corps of Transport, Royal Army Ordnance Corps, Royal Pioneer Corps and Army Catering Corps) embedded within the Trust. The Chairmen of all the Trust's sub-committees are also Trustees. Trustees are invited to attend training on an opportunity basis through courses/presentations notified by our bankers, investment advisors and charity law firms. Trustees are issued with a copy of 'The Essential Trustee: What you need to know' on appointment and are also given a copy of the Trust Deed and 'Rules of The Royal Logistic Corps Association Trust'. Each Trustee completes a Trustee Declaration on appointment detailing other charitable trust interests along with details of any charity training attended. Declarations of interest are raised at each meeting.

5. The five Forming Corps donated the Trust's initial capital: the Royal Corps of Transport; Royal Army Ordnance Corps; Royal Pioneer Corps; Army Catering Corps; and the Royal Engineers (Postal and Courier Service). In addition, the Army Central Fund made a loan to start up the Trust. Income from officers and soldiers, through the Day's Pay Scheme contribution (changed to Payroll Giving in 2007), commenced in July 1993 and this remains a major source of Trust income to which was added since 2006 a parallel scheme for small annual donations from Reserve officers and soldiers; this latter scheme was revised in 2014. Since December 2015 all Reservists are required to join the same Payroll Giving scheme as their Regular counterparts; but they continue to pay a smaller annual donation reflecting their part time military salary.

6. A Secretary and a Treasurer, both Ministry of Defence employees, carry out the Trust's day-to-day work supported by a small clerical team. Accommodation, some communications and all utilities are provided from Public Funds. The Board of Trustees directs the work of the Secretary and Treasurer. The Trust's daily activity is overseen by the Colonel RLC, who is also a Trustee.

7. Trustees meet at least twice each year as a Committee but they have delegated aspects of Corps' activity to subordinate standing sub-committees comprising:

- RLC Heritage Committee (and linked to The RLC Museum Trust CIO)
- RLC Regimental Bands Committee
- RLC Benevolent Committee
- RLC Central Sports Committee
- Headquarters RLC Officers' Mess Committee
- The RLC and Forming Corps Association Committee
- RLC Finance Committee
- The RLC Foundation

All sub-committees are chaired by a Trustee. Membership of these sub-committees is generally limited to serving members of The RLC or ex-members of any of the Forming Corps or those who are co-opted to them for a specific purpose. All major issues are discussed by Trustees and a consensus view / decision taken and recorded in the minutes.

8. The Trust has adopted a Risk Matrix, to review major risks, which is viewed as a standing agenda item at each meeting. The key challenges for the Trust are to maintain income levels to support the full range of Trust responsibilities against a continuing backdrop of a reducing military strength and therefore income from the Day's Pay Scheme (DPS). The Army 2020, Army 2020 (Revised) and Future Reserves 20 reviews continue to impact on plans for the future size and shape of The RLC. The Corps also faces relocation of its regimental home by 2020. Trust sub-committees have been tasked to monitor the impact of the risks, to put systems and procedures in place to manage those risks, and to support the relocation issues.

9. In June 2009 HM The Queen agreed the appointment of The Master General of Logistics (MGL) as the titular Head of Corps. MGL oversees the development of the Regimental Association and chairs this Trust Fund and the MGL Executive Committee to which the following committees answer:

- The RLC Professional Development Committee
- The RLC and Forming Corps Association Committee
- The RLC Regimental Affairs Committee

10. The Trust's standing sub-committees submit separate budget proposals to Trustees to meet the various needs of benevolence, welfare, sports and adventure training, heritage, bands and Corps activity for the following year. Each of these standing Committees must remain in budget and report periodically to the Trustees.

Investing for the future

11. The Trustees' original 10-year plan, approved by the Charity Commissioners, was to build-up capital investments of £1M by the year 2000. This was achieved. However, this was substantially changed by the decision of the Forming Corps (RCT, RAOC, RPC and ACC) to hand over their funds with certain safeguarding provisos that varied from corps to corps, to The RLC. In 2006 RPC and ACC Associations transferred £1.6M and £1.4M respectively; the RAOC Association transferred £3.5M in 2007 and the RASC & RCT Institution, RASC & RCT Association and RASC & RCT Benevolent Fund followed in 2011 donating £0.7M, £1.6M and £11.2M respectively. The RASC & RCT Benevolent Fund had more limited objectives than the other funds; the Charity Commission therefore directed that the capital of this fund be held in a restricted fund within the main Trust Fund. This merger, finally completed on 9 July 2011, substantially increased reserves and the current position is such that the value of the overall investments within the RLC is £38.9M.

12. All of the Trust's investments are held in the Armed Forces Growth & Income Fund, a CAIF, which replaced The Armed Forces Common Investment Fund (AFCIF) in November 2019 and which is currently managed by BlackRock Investment Management (UK). The investment performance when viewed over five years continues to be strong and ahead of expectations; meeting fully our objective to grow the investments further, £847,282 of dividends were received in the year and £502,392 accumulated income was re-invested. A Finance sub-committee oversees the Trust and the chairman is also a director of AFCIF. A review of AFCIF and BlackRock to improve management and performance took place in 2011 and a further review of the Trust's Reserves and Funding Strategies was completed in March 2012 and again in November 2015. Having conducted an annual finance strategy review in 2017 there was a full capital reserves policy review in April 2018 taking a wider strategic viewpoint acknowledging; changing trends on wider welfare support to veterans and the serving soldiers of the Corps, including the Reserves; the potential to further augment DPS income within increasing annual budget allocations whilst managing overall growth of the funds. Trustees are satisfied that despite the planned reductions in the size of the serving Corps, the Trust's funds remain sufficient to continue to support the objectives appropriately and without detriment to Corps efficiency or support to those in need. Expenditure continues to be well managed and delivered within budget. The year 2018 marked the 25th Anniversary of the formation of The RLC and its Association Trust Fund; a range of celebrations lasted through to March 2019 and additional funds were allocated to support activities across the Corps to mark this landmark occasion.

13. The relocation of the Home of the Corps to Worthy Down commenced in December 2019 and the move of the Regimental Headquarters was completed by late January 2020. Setting up costs may yet place a substantial additional financial burden on Corps funds; Trustees have allocated £1M within the capital reserves to offset the anticipated costs and in 2015 agreed to underwrite additional costs specifically to support the redevelopment of the new museum through to Easter 2021 its planned reopening. The 2015 Finance Strategy Review and specifically the capital reserves policy review addressed the affordability of this support; which was reaffirmed in the 2018 review. Trustees continue to review future investment targets and regularly consider long-term investment, reserves and funding strategies.

14. The Trust depends on income from the Day's Pay Scheme which changed to a Payroll Giving Scheme on the introduction of the Ministry of Defence's Joint Personnel Administration (JPA). In December 2015 this scheme was extended to include the Army Reserve. This voluntary scheme has very strong support within The RLC with 89% of eligible Regular personnel and a growing number of Reservists currently subscribing. Officers pay a proportion of the Day's Pay Scheme as a subscription towards operating the RLC Headquarters Officers' Mess. The drawdown of the Army, the significant reduction in the strength of The RLC and subsequent reduced income from the Day's Pay Scheme has been factored into the Finance strategy.

15. The RCT Medal Collection was gifted to The RLC Association Trust in 2011 with a £300K fund to sustain it; the latter is held in a restricted fund within the Trust. The aim is to retain the capital and use the income to maintain and enhance this nationally important collection. A substantial legacy enhanced the Medal Collection fund in 2013. A number of medals have been acquired during the year. The current value of the Medal fund is £586K.

16. The RLC places a strong emphasis on ensuring its Reserve forces are supported, insofar as is possible, in the same areas as the regular component of the Corps. A formalised Reserves Day's Pay Scheme comparable to that of the Regular component, was introduced in 2015. The 4,000 members of The RLC Reserves continue to benefit from benevolent grants, financial support for adventure training and sport, grants for Corps activities and the Corps journal. Trustees agreed a relaxation of the qualifying criteria for benevolence support for the Reserves effective from 2014 to embrace all those who complete initial Reserve training.

Public Benefit

17. Trustees are conscious that, whilst the charity predominantly supports the Service and Ex-Service community, they also have a responsibility to support the wider community. This is achieved through benevolence support, communications, fraternal activity, the museum and other heritage; but in compliance with the Objects of the Trust.

18. Our Colonel-in-Chief, HRH The Princess Royal, and our Deputy Colonels-in-Chief, HRH The Duke of Gloucester and The Duchess of Kent, continue to support the Corps. Most notably in March 2019 the Corps marked the conclusion of its 25th anniversary year with an all ranks dinner at the London Guildhall in the presence of HRH The Princess Royal. A Regimental function was held at the Tower of London to acknowledge the Corps' continuing strong links with the City of London and close association continues with our four dedicated Livery Companies. The Corps holds an annual Open Day to which the public and local community are encouraged to attend at no charge; 2019 saw the first event held away from its traditional home in Deepcut. The event this year was hosted by 29 Regiment RLC at their barracks in South Cerney. In addition, the Corps funds Freedom Parades, Bands and Corps of Drums which perform at a wide range of public events. These activities, many of which involve the wider civilian community, provide closer ties with society in general.

19. The RLC Museum, having opened in 1995, became a Charitable Trust in its own right on 7 September 2000 and converted to a CIO in 2017. It received a grant of £100K in 2019 from The RLC Association Trust Fund. A substantial element of the £1M earmarked for the relocation of the Home of the Corps will be available to re-establish the museum at Worthy Down in the period up to Easter 2021 and further financial support has been committed to the redevelopment, should it be required.

20. The Royal Logistic Corps Foundation was established in April 2015 to promote professional excellence within the Corps. Funding from the Trust supported the Foundation up to 2017. In 2018 it managed to be financially self-supporting but in 2019 support to the tune of £9K was provided and it is envisaged that some financial underpinning from the RLC Association will be required in future years.

Objectives and Activities

21. The Trust supports the activities of The RLC, the largest Corps in the Army totalling some 11,000 Regular and 4,000 Reserve soldiers. It also funds and manages the fraternal activities of the Associations of The RLC and its Predecessor Corps with 80 branches. Trustees set a budget of £2.288M in 2019 to provide support across the following key areas to meet the Trust's objects: benevolence, sport and adventurous training, heritage, bands and the headquarters messes, plus a range of regimental and association activities to promote the efficiency of the Corps. All of this was delivered within budget. All those Regular personnel who serve or have served in The RLC and any of its Predecessor Corps are eligible for benevolence support from the Trust. The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives in planning future activities of the Association Trust.

22. The main activity of the Trust was the continuing promotion of efficiency of The RLC and the provision of welfare and benevolence support to its dependencies, adjusting its policies and working practices to accommodate the Forming Corps Associations. 2019 is the twenty sixth full 12-month accounting period since formation and the pattern of income and expenditure continues in line with our current plan. However, expenditure has increased to meet the growing commitment to the benevolence and fraternity funding requirements of the enlarged Corps Associations, although this has not exceeded income.

23. All serving members of the Corps and those retired members of The RLC Association are kept in touch with the many aspects of Corps activities through the medium of the Corps journal '*The Sustainer*', now published four times a year. An annual professional '*RLC Foundation Review*' is also published by The RLC Foundation. This communication serves to provide closer links with industry and the general public. A total of 10 Newsletter Editions are also published for The RLC Association and our Forming Corps Associations. Total cost of Corps publications and distribution amounts to £73K.

24. The Trust has established its grant making policy to achieve its objectives for the public benefit. The Trusts aim is to support the activities of the RLC and its members. Grants totalling some £450K were made to support recreation with Corps sport at £365K, adventurous training activities at £44K and a further £41K was spent funding accommodation for RLC units at Low Gillerthwaite Field Centre (LGFC). Sport and adventure training are essential contributors to fitness; training and teamwork for the Army and it therefore remains a major item of Trust expenditure with direct benefit to our soldiers and promoting the efficiency of The Royal Logistic Corps. The withdrawal from Germany and a shift to contingency operations from 2015 justified the investment, for welfare reasons, in the shared use of a Corps adventurous training lodge, LGFC, in the Lake

District which was established in 2013 and following a review of the memorandum of understanding with the Trust in 2016, this is planned to continue at least for the next 5-10 years.

25. Trustees continue to review ways to improve communications with both the serving and the veteran communities, in addition to the journals and newsletters. The RLC Website went live in April 2015 and underwent a major refresh in 2019.

Achievement and Performance

26. The Trust has continued to meet the Trust's objectives through its activities. Support to Benevolence represents the greatest single financial outlay of the Trust and is delivered by funds coming from the RLC Day's Pay Scheme augmented by the RASC & RCT (Restricted) Benevolent Fund. In addition to individual welfare grants from the RLC and RCT funds, The Army Benevolent Fund received grants totalling £100K (£50K from The RLC and £50K from the RCT (Restricted) Benevolent fund), such grants being in accord with the Day's Pay Scheme philosophy and to help the wider Army community which is in line with its objectives.

27. The RLC has assumed total responsibility for all serving soldier benevolence from its Forming Corps. Following Convergence the RLC provides benevolence to the Veterans of the Forming Corps, although the RCT are funded by a separate restricted fund. In 2019 benevolent or welfare cases numbered 1278; receiving grants totalling £687,207 funded by RLC £463,277 and RCT £223,930. Despite a previously reported year on year reduction in cases the number of cases increased considerably in 2018 and this trend continued throughout 2019. Accordingly due to the relative complexity and cost of each case expenditure on benevolence and welfare was up by £138K against 2018 totals. Statistically there are a growing number of younger applicants.

28. All Regular Army members of The RLC contributing to the Day's Pay Scheme continue to be covered for accidental death or injury whilst off duty. Cover for this transitioned from commercial insurance, to being taken at risk under a scheme self-funded by the Trust. The amount payable for acceptable death or injury cases is to a maximum of £5K per accident. There were no payments during the year.

29. An additional benefit to a Day's Pay Scheme subscriber is the Medical Discharge Grant Scheme, now in its sixteenth year. In 2019, £46,436 was paid to 106 eligible medically discharged soldiers to assist with their enforced return to civilian life; an average grant of £577 per claimant, based on £60 per year of service to a maximum of 10 years.

Financial Review

30. A formal review is normally conducted every two years; the last one being in 2017. A more formal financial strategy review was conducted in April 2018 to coincide with the 25th Anniversary of the establishment of the Trust. To date the Trust's finances remain healthy despite fluctuations in growth of long term investments and a reduction in donations from the Day's Pay Scheme resultant from a downsizing of The RLC as a consequence of Army restructuring. There are likely to be major capital costs associated with the relocation of the home of The RLC to Worthy Down by 2020. These can be met without undermining financial reserves requirements.

Investment Policy and Performance

31. The requirement is that the Trust's investments produce a good level of return and growth. Any surplus income generated above annual expenditure should where practicable be reinvested for future growth. The RLC Association Trust Fund share holdings in AFG&IF are currently set at 60% distribution and 40% accumulation. RCT Restricted holdings are predominantly distribution shares but in a concerted effort to reduce excess of income annual underspend is gradually being placed into accumulation shares.

Financial Reserves Policy

32. The priorities set for the Trust reserves are that; they provide sufficient income to meet Association expenditure exceeding Day's Pay Scheme donations and that they act as a resource to support major capital investment by the Association Trust.

Efficiency of the Corps

33. The Trust continued to support the Regular RLC Band and Corps of Drums as well as The RLC Reserve Bands, Corps and Pipes of Drums. Funds were expended on Concert Dress for the Staff Band and ceremonial uniform for the Reserve Bands and Corps of Drums. The bands play an increasing role in community engagement and perform at many charitable and public events.

34. The Central Sergeants' Mess, which received a grant of £23K, continues to attract support from the Trustees in recognition of mess members' length of service and contribution to Corps funds and specifically to support the efficiency and morale of this mess. The Headquarters Officers' Mess Subscription Fund, to which officers pay some 50% of a Day's Pay, generated income of £103,500 from The RLC Association Trust Fund in 2019.

35. Grants continue to be made to assist units and formations in maintaining RLC traditions and heritage and fostering community engagement.

36. Trustees have sought guidance on their personal liability and indemnity and the Trust's insurance policy has been reviewed and updated accordingly. The Trust has undertaken a full risk assessment which is reviewed as a standing agenda item at each Trust meeting. Training of Trustees is undertaken by the Trust on an ad hoc basis.

Trustees Responsibilities Statement

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice including FRS102).

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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 on behalf of the Trustees on:



Lieutenant General Sir Mark William Poffley KBE OBE
Chairman of Trustees

**INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF
THE ROYAL LOGISTIC CORPS ASSOCIATION TRUST FUND**

Opinion

We have audited the financial statements of The Royal Logistic Corps Association Trust Fund (the ‘charity’) for the year ended 31 December 2019 which comprise Statement of Financial Activities, Balance Sheet, Cash flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2019 and of its incoming resources and application of resources, 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 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 audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the trustees’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 require 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 accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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.

Auditor's responsibilities for the audit of the financial statements

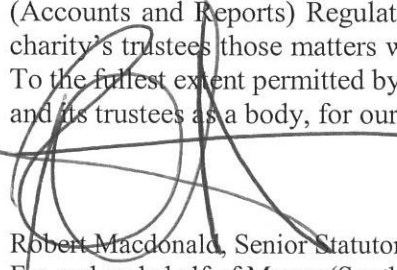
We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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.

Use of report

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Macdonald, Senior Statutory Auditor
For and on behalf of Moore (South) LLP
Chartered Accountants & Registered Auditors
33 The Clarendon Centre
Salisbury Business Park
Dairy Meadow Lane
Salisbury, Wiltshire
SP1 2TJ

7th September 2021

Moore (South) LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

ROYAL LOGISTIC CORPS ASSOCIATION TRUST FUND
STATEMENT OF FINANCIAL ACTIVITIES FOR
THE YEAR ENDING 31 DECEMBER 2019

			2019		2018
	Note	Unrestricted funds £	Restricted funds £	Total £	Total £ As Restated
Income and endowments from:					
Investment income	6	777,699	572,686	1,350,385	1,348,962
Voluntary income	7	1,241,465	23,435	1,264,900	1,295,078
Other income	8	2,853	81,522	84,375	30,700
Total income and endowments		2,022,017	677,643	2,699,660	2,674,740
Expenditure on:					
Charitable activities	9	1,962,425	494,015	2,456,440	2,459,546
Support and governance costs	10	55,529	11,848	67,377	61,304
Total expenditure		2,017,954	505,863	2,523,817	2,520,850
Net gains / (losses) on investments	3	2,800,783	2,043,940	4,844,723	(3,797,030)
Net income / (expenditure)		2,804,846	2,215,720	5,020,566	(3,643,140)
Transfers between funds	17	(43,594)	43,594	-	-
Net movement in funds		2,761,252	2,259,314	5,020,566	(3,643,140)
Reconciliation of funds:					
Total funds brought forward	17	19,475,528	15,337,311	34,812,839	38,455,979
Total funds carried forward	17	22,236,780	17,596,625	39,833,405	34,812,839

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

THE ROYAL LOGISTIC CORPS ASSOCIATION TRUST FUND
BALANCE SHEET
THE YEAR ENDING 31 DECEMBER 2019

	Note	2019 £	2018 £ As Restated
Fixed assets			
Tangible assets	2	3,203	2,139
Investments	3	38,931,849	34,584,734
		38,935,052	34,586,873
Current assets			
Debtors	4	110,784	108,461
Cash at bank and in hand		795,559	134,627
		906,343	243,088
Creditors: amounts falling due within one year	5	7,990	17,122
Net current assets / (liabilities)		898,353	225,966
Total assets less current liabilities		39,833,405	34,812,839
Net assets / (liabilities)		39,833,405	34,812,839
Charity Funds			
Restricted funds	17	17,596,625	15,337,311
Unrestricted funds	17	21,206,020	18,431,896
Designated funds	16	1,030,760	1,043,632
Total charity funds / (deficit)		39,833,405	34,812,839

The financial statements were approved and authorised for issue by the Board on 3rd September 2021.

Signed on behalf of the board of trustees



Lieutenant General Sir Mark William Poffley KCB OBE
Chairman of Trustees



Lieutenant Colonel (Retired) Ian Geoffrey Stark FCMI
Regimental Treasurer

The notes on pages 14 to 26 form part of these financial statements.

Charity registration number: 1024036

THE ROYAL LOGISTIC CORPS ASSOCIATION TRUST FUND
CASH FLOW STATEMENT
THE YEAR ENDING 31 DECEMBER 2019

	Note	2019 £	2018 £ As Restated
Net cash flow from operating activities	20	(1,184,826)	(1,195,710)
Cash flow from investing activities			
Payments to acquire tangible fixed assets	2	(2,235)	(1,612)
Investment disposal proceeds	3	1,000,000	150,000
Interest received	6	711	178
Dividends received	6	847,282	847,282
Net cash flow from investing activities		1,845,758	995,848
Net increase / (decrease) in cash and cash equivalents		660,932	(199,862)
Cash and cash equivalents at start date 2019		134,627	334,490
Cash and cash equivalents at end date 2019		795,559	134,627
Cash and cash equivalents consist of:			
Cash at bank and in hand		795,559	134,627
Cash and cash equivalents at end date 2019		795,559	134,627

THE ROYAL LOGISTIC CORPS ASSOCIATION TRUST FUND
NOTES TO THE ACCOUNTS
THE YEAR ENDING 31 DECEMBER 2019

1. ACCOUNTING POLICIES

1.1 Basis of preparation of Financial Statements

The financial statements have been prepared on a going concern basis under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2015) preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Charities Act 2011. The transition to FRS 102 was from 1 January 2016.

The Trust constitutes a public benefit entity as defined by FRS 102.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. With respect to the next reporting period, 2020, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets (see the investment policy and performance and risk management sections of the trustees' report for more information).

1.2 Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost or valuation less depreciation except where in the Trustees opinion it is more appropriate to write the asset off in the period in which it is acquired.

Where depreciation is provided it is calculated using the following rates:

Office Equipment & Furniture	5 years straight line basis
Ceremonial Accoutrements and Sundry, Corps Property	10 years straight line basis

1.3 Investments

Investments are held in the Armed Forces Common Investment Fund at market value.

Investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

1.4 Grants, Donations, Legacies, and Similar Incoming Resources

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Donations, are recognised when the Trust has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

1.5 Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

1.6 Taxation

The Trust is exempt from UK Corporation Tax and is not VAT registered.

1.7 Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Trust.

1.8 Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

1.9 Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.10 Financial Instruments

Basic financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Cash at bank is classified as a basic financial instrument and is measured at face value.

Basic financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost.

Other financial assets

Investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

THE ROYAL LOGISTIC CORPS ASSOCIATION TRUST FUND
NOTES TO THE ACCOUNTS - contd.
THE YEAR ENDING 31 DECEMBER 2019

2. TANGIBLE FIXED ASSETS

<u>Cost</u>	<u>£</u>
Cost brought forward 1 st January 2019	52,377
Additions	2,235
Disposals/Transfer	—
Cost as at 31 st December 2019	<u>54,612</u>
 <u>Depreciation</u>	
Depreciation brought forward 1 st January 2019	50,238
Charged in Year	1,171
Eliminated on disposals	—
Depreciation as at 31 st December 2019	<u>51,409</u>
Book value 31 st December 2019	<u>3,203</u>
Book value 31 st December 2018	<u>2,139</u>

Central Property

The Trust has purchased items of sundry Corps property which is loaned for long term use by units. In common with Army accepted accounting practise it is shown as an expense by the Trust in the year of acquisition and is placed on the central property register for control purposes. Although these items remain the property of the Trust they do not form part of the property carried on the balance sheet.

RLC and Forming Corps Property

The Royal Logistic Corps Association Trust has property and Corps items from its forming Corps. In 2008 the RASC & RCT Institution gifted their paintings and Silver, less twelve memorial pieces, to the RLC Association Trust. The RAOC, RPC and ACC donated their property prior to convergence in 2007. The RASC & RCT Institution gifted the RCT Medal Collection and Memorial Silver to the RLC Association Trust in 2011. The RLC now owns and is responsible for the safe keeping and maintenance of all RLC and Forming Corps heritage items.

As part of the transfer agreements the Trust is responsible for insuring the property and for carrying out valuations every five years.

THE ROYAL LOGISTIC CORPS ASSOCIATION TRUST FUND

NOTES TO THE ACCOUNTS - contd.

THE YEAR ENDING 31 DECEMBER 2019

Register

The Trustees consider that the items held on the Central Property Register are adequately controlled under current military and auditing procedures.

3. INVESTMENTS

	2019			2018
	£			£
	Unrestricted	Restricted	Total	Total
Market value at 1 January 2019	20,095,119	14,489,615	34,584,734	38,030,262
Acquisitions at cost - Accumulation	-	-	-	-
- Income	-	-	-	-
Transfer between funds	-	-	-	-
Income Re-invested	337,675	164,717	502,392	501,502
Cost of disposal	(1,000,000)	-	(1,000,000)	(150,000)
Gains / (Losses) in the year	<u>2,800,783</u>	<u>2,043,940</u>	<u>4,844,723</u>	<u>(3,797,030)</u>
Market value at 31 December 2019	<u>22,233,577</u>	<u>16,698,272</u>	<u>38,931,849</u>	<u>34,584,734</u>

Portfolio Structure

	2019			2018
	£			£
	Unrestricted	Restricted	Total	Total
Listed investments:				
Armed Forces Common Investment Fund				
Accumulation Units	9,620,682	4,985,236	14,605,918	13,246,589
Income Units	<u>12,612,895</u>	<u>11,713,036</u>	<u>24,325,931</u>	<u>21,338,145</u>
	<u>22,233,577</u>	<u>16,698,272</u>	<u>38,931,849</u>	<u>34,584,734</u>

Holdings in Excess of 5% of Portfolio

Armed Forces Common Investment Fund	Unrestricted	100%	22,233,577	100%	20,095,119
Armed Forces Common Investment Fund	Restricted	100%	16,698,272	100%	14,489,615
Cash			0.00	0.00	0.00

4. DEBTORS

	2019	2018
	£	£
Due within one year:		
RAOC Officers' Club	-	76
Payroll Giving Donation	90,137	90,278
RLC Museum Shop (postage)	3,360	2,232
RLC Museum Shop (credit card)	16,725	15,875
RLC Museum (postage)	<u>562</u>	<u>-</u>
	<u>110,784</u>	<u>108,461</u>

THE ROYAL LOGISTIC CORPS ASSOCIATION TRUST FUND

NOTES TO THE ACCOUNTS – contd.

THE YEAR ENDING 31 DECEMBER 2019

5. CREDITORS

	2019	2018
	£	£
Due within one year:		
RHQ RLC Admin – Audit	7,800	9,000
Trade Creditors	190	-
RLC Museum Shop	-	411
Annuities from 2019 not yet issued	-	7,711
	<u>7,990</u>	<u>17,122</u>
Due after more than one year:	-	-

6. INVESTMENT INCOME

<u>INVESTMENT INCOME</u>				
	2019			2018
		£		£
	Unrestricted	Restricted	Total	Total
Dividends Received	439,313	407,969	847,282	847,282
Reinvested Dividends	337,675	164,717	502,392	501,502
Bank Interest	<u>711</u>	<u>-</u>	<u>711</u>	<u>178</u>
	777,699	572,686	1,350,385	1,348,962

In 2018 of the investment income, £407,970 was attributable to restricted income funds with the balance of £439,312 adding to unrestricted funds.

7. VOLUNTARY INCOME

<u>EXPENDITURE</u>				
	2019			2018
		£		£
	Unrestricted	Restricted	Total	Total
Day's Pay Scheme	1,079,785	-	1,079,785	1,097,817
Donations	10,433	-	10,433	9,258
Forming Corps Donations	1,467	-	1,467	14,713
MOD – Staff etc	149,780	-	149,780	149,780
Benevolence Fund	-	23,435	23,435	23,510
	1,241,465	23,435	1,264,900	1,295,078

8. OTHER INCOME

	2019			2018
	£	£	£	£
	Unrestricted	Restricted	Total	As Restated Total
RLC Association Membership	2,853	-	2,853	1,875
RLC Foundation	<u>-</u>	<u>81,522</u>	<u>81,522</u>	<u>28,825</u>
	2,853	81,522	84,375	30,700

THE ROYAL LOGISTIC CORPS ASSOCIATION TRUST FUND
NOTES TO THE ACCOUNTS – contd.
THE YEAR ENDING 31 DECEMBER 2019

9. DIRECT CHARITABLE EXPENDITURE

GRANTS	2019		2018	
	£	£	£	£
	Unrestricted	Restricted	Total	Total
Grants to institutions				
ABF The Soldiers Charity	50,000	50,000	100,000	100,000
Museum	100,000	-	100,000	100,000
DEFLOG VQ Trust	-	24,817	24,817	-
Unit Grants	24,172	-	24,172	26,197
Expenses RLC Band	14,020	-	14,020	11,287
HQ Officers' Mess	-	103,500	103,500	83,792
HQ Sgts' Mess	22,951	-	22,951	28,069
	<u>211,143</u>	<u>178,317</u>	<u>389,460</u>	<u>349,345</u>
Grants to individuals				
Adventure Training / LGFC	84,771	-	84,771	73,915
Sports	353,716	-	353,716	289,344
Coaching	5,494	-	5,494	7,892
Benevolence	463,277	223,930	687,207	641,694
Medical Discharges	46,436	-	46,436	58,380
Donations / PR	18	-	18	-
	<u>953,712</u>	<u>223,930</u>	<u>1,177,642</u>	<u>1,071,225</u>
Total Grant Expenditure	<u>1,164,855</u>	<u>402,247</u>	<u>1,567,102</u>	<u>1,420,570</u>

In 2018 of the grant expenditure, £378,898 was attributable to restricted funds with the balance of £1,041,672 coming from unrestricted funds.

CORPS EXPENSES	2019		2018	
	£	£	£	£
	Unrestricted	Restricted	Total	Total
Corps Activities	193,934	-	193,934	217,749
Corps Weekend	47,548	-	47,548	47,670
CRLO/Recruiting Expenses	47,396	-	47,396	34,942
Insurance	11,201	-	11,201	10,970
Property Refurbishment	1,900	-	1,900	330
Wreaths/Other	1,295	-	1,295	889
RLC Journals/Publications	73,098	-	73,098	109,466
Memorials	2,470	-	2,470	1,350
RHQ Staff Salaries	242,909	-	242,909	230,765
RLC Foundation Salaries	-	79,181	79,181	68,462
Office Accommodation	35,450	-	35,450	35,450
Professional Development	2,275	-	2,275	20,342
Contingency	13,020	-	13,020	35,379
RLC Branding	109,261	-	109,261	204,839
RLC Foundation	-	12,587	12,587	20,134
Marketing and Advertising	3,688	-	3,688	-

THE ROYAL LOGISTIC CORPS ASSOCIATION TRUST FUND
NOTES TO THE ACCOUNTS – contd.
THE YEAR ENDING 31 DECEMBER 2019

Coach Refurbishment	10,740	-	10,740	-
Admin Other	<u>1,385</u>	<u>-</u>	<u>1,385</u>	<u>239</u>
	<u>797,570</u>	<u>91,768</u>	<u>889,338</u>	<u>1,038,976</u>

In 2018 of the corps expenditure, £108,938 was attributable to restricted funds with the balance of £930,038 coming from unrestricted funds.

Total Direct Charitable Expenditure	<u>1,962,425</u>	<u>494,015</u>	<u>2,456,440</u>	<u>2,459,546</u>
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10. SUPPORT AND GOVERNANCE COSTS

	2019			2018
	£	£	£	£
	Unrestricted	Restricted	Total	Total
Postage	3,981	-	3,981	3,725
Stationery	849	-	849	1,581
Telephone	1,494	-	1,494	1,460
Travel	1,919	-	1,919	1,951
Computer Software/IT	27,343	-	27,343	16,151
Medal Fund Expenditure	-	11,848	11,848	22,149
Property Depreciation	1,171	-	1,171	1,592
Bank Charges	<u>4,692</u>	<u>-</u>	<u>4,692</u>	<u>2,189</u>
	<u>41,449</u>	<u>11,848</u>	<u>53,297</u>	<u>50,798</u>

GOVERNANCE COSTS

	2019			2018
	£	£	£	£
	Unrestricted	Restricted	Total	Total
Amounts payable to the auditor for:				
- Statutory Audit	10,752	-	10,752	7,500
- Other Financial Services	3,000	-	3,000	1,500
Legal Fees	-	-	-	344
Management Committee	<u>328</u>	<u>-</u>	<u>328</u>	<u>1,162</u>
	<u>14,080</u>	<u>-</u>	<u>14,080</u>	<u>10,506</u>

Total Support and Governance Costs	55,529	11,848	67,377	61,304
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In 2018 of governance costs, £37,385 was attributable to unrestricted funds and the balance of £23,919 coming from restricted funds.

11. STAFFING COSTS

No employees received total employee benefits (excluding employer pension costs) of more than £60,000.

	2019			2018
	£	£	£	£
Staff costs were:	Unrestricted	Restricted	Total	Total
Wages and salaries	<u>£242,909</u>	<u>£93,376</u>	<u>£336,285</u>	<u>£334,495</u>

This figure includes RCT Restricted funded benevolence staff salaries.

THE ROYAL LOGISTIC CORPS ASSOCIATION TRUST FUND

NOTES TO THE ACCOUNTS - contd.

THE YEAR ENDING 31 DECEMBER 2019

The average number of staff calculated as full time equivalents during the year was:

	<u>2019</u>	<u>2018</u>
Corps expenses	6	6
Administration	<u>2</u>	<u>2</u>
	<u>8</u>	<u>8</u>

12. TRUSTEES' REMUNERATION

During the year the Trust paid an appointment grant of £2,000 to CJ Francis (2018: Nil) under the Trust's constitution.

No Trustees received reimbursement of expenses for attending meetings (2018: Nil).

13. RELATED PARTY TRANSACTIONS

The Royal Logistics Corps Museum Trust CIO shares key management and two Trustees with the Trust. During the year the Trust made a £100,000 donation to The Royal Logistics Corps Museum Trust CIO. At the year end, The Royal Logistics Corps Museum Trust CIO owed £20,646 to the Trust.

14. HERITAGE ASSETS

Due to the historic nature of the medal collection and that it is not a realisable asset; the value of the medals is not included in the balance sheet. This complies with FRS102 and the Charities SORP.

15. LEGACY – MEDAL FUND

Includes a legacy (on the sale of property) of £136,198.13 in 2013 which was used to off-set the deficiency in this account. Of this sum a total of £100K was invested in the AFCIF Medal Collection account and the balance to the Restricted Medals fund.

16. DESIGNATED FUNDS

	2019			
	£			
RELOCATION OF THE CORPS	Opening Balance	Transfer to Fund	Expenditure	Closing Balance
Central Sergeants' Mess – Relocation	50,000	-	-	50,000
HQ RLC Officers' Mess – Relocation	200,000	-	-	200,000
Home of the Corps (Heritage) - Relocation	<u>750,000</u>	-	-	<u>750,000</u>
	<u>1,000,000</u>	=	=	<u>1,000,000</u>

This represents the total amount the Trustees are currently committed to paying towards the cost of moving the Corps, including the HQ Officers' and Sergeants' Messes, due to MOD plans to close Deepcut by 2020.

THE ROYAL LOGISTIC CORPS ASSOCIATION TRUST FUND

NOTES TO THE ACCOUNTS - contd.

THE YEAR ENDING 31 DECEMBER 2019

OTHER DESIGNATED FUNDS	Opening Balance	Transfer to Fund	Expenditure	Closing Balance
HQ RLC Officers' Mess Refurbishment	4,632	-	(4,632)	-
Heritage (Portraits)	11,000	2,000	-	13,000
RLC Soccer	4,000	-	(4,000)	-
Heritage – Coach Refurbishment	9,000	2,500	(10,740)	760
HQ RLC Officers' Mess – RLC 25 Silver	10,000	-	(10,000)	-
RLC Yacht Club	<u>5,000</u>	<u>12,000</u>	<u>-</u>	<u>17,000</u>
	<u>43,632</u>	<u>16,500</u>	<u>(29,372)</u>	<u>30,760</u>
 Total Designated Funds	 <u>1,043,632</u>	 <u>16,500</u>	 <u>(29,372)</u>	 <u>1,030,760</u>

17. FUNDS

	Opening Balance	Income	Expenditure	Gain/(Loss) or Investment	Transfers between funds	Closing Balance
As Restated						
RASC & RCT Benevolent Funds	770,754	431,404	(353,111)	-	43,594	892,641
RCT Medal Fund	26,016	-	(11,848)	-	-	14,168
RLC Foundation	32,405	81,522	(12,587)	-	-	101,340
HQ Officers' Mess Subscription Fund(1)	13,008	-	(103,500)	-	-	(90,492)
Def Log VQ Trust	<u>5,513</u>	<u>-</u>	<u>(24,817)</u>	<u>-</u>	<u>-</u>	<u>(19,304)</u>
	<u>847,696</u>	<u>512,926</u>	<u>(505,863)</u>	<u>-</u>	<u>43,594</u>	<u>898,353</u>
 RASC & RCT Benevolent Funds Investments	 13,977,615	 164,717	 -	 2,043,940	 -	 16,186,272
RCT Medal Fund – Investments	<u>512,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>512,000</u>
	<u>14,489,615</u>	<u>164,717</u>	<u>-</u>	<u>2,043,940</u>	<u>-</u>	<u>16,698,272</u>
 Total Restricted Funds	 <u>15,337,311</u>	 <u>677,643</u>	 <u>(505,863)</u>	 <u>2,043,940</u>	 <u>43,594</u>	 <u>17,596,625</u>
 Unrestricted	 18,431,896	 2,022,017	 (1,988,582)	 2,800,783	 (60,094)	 21,206,020
Designated	1,043,632	-	(29,372)	-	16,500	1,030,760
 Total Unrestricted	 <u>19,475,528</u>	 <u>2,022,017</u>	 <u>(2,017,954)</u>	 <u>2,800,783</u>	 <u>(43,594)</u>	 <u>22,236,780</u>
 <u>Total Funds</u>	 <u>34,812,839</u>	 <u>2,699,660</u>	 <u>(2,523,817)</u>	 <u>4,844,723</u>	 <u>-</u>	 <u>39,833,405</u>

THE ROYAL LOGISTIC CORPS ASSOCIATION TRUST FUND

NOTES TO THE ACCOUNTS - contd.

THE YEAR ENDING 31 DECEMBER 2019

- (1) The Headquarters Officers' Mess Subscription Fund (HQOMSF), formerly a separate fund, was incorporated into the RLC Association Trust Fund on 30th June 2007. In 2006 the fund transferred £50,000 across to the RLC Association and at time of incorporation had net assets worth £25,381.21. Since then expenditure has been managed within the Trust's annual budget. However, within the RLC Day's Pay Scheme, Officers specifically gift an additional half day's pay towards the HQ Officers' Mess and from 2018, with relocation from Deepcut to Worthy Down in mind; the HQOMSF is now reflected as a Restricted fund in the accounts. Where previously any underspend has largely been absorbed to the greater benefit of The RLC Association as a whole, in 2016 & 2017 underspend was placed into designated funds towards refurbishment and a RLC 25th anniversary commemorative piece. In future the complete movement of mess funds will be captured against the HQOMSF Restricted Fund.

The unrestricted funds are available to be spent for any of the purposes of the charity. Unrestricted funds have been split between general and designated funds.

Designated funds are to be used for the projects as per note 16.

Restricted funds are available solely for the specific purpose for which they were established. Under Forming Corps convergence the RASC & RCT fund was gifted strictly for benevolence support. The RCT Medal Collection came with its own fund for maintenance and development of the collection. Whereas the Def Log VQ Trust made regular grants to the RLC Association towards the professional development of serving members of the Corps; since April 2015 it has also financially underpinned the RLC Foundation. Support to the RLC Foundation from Def Log VQ Trust residual funds ceased on 31 Dec 17.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	2019			2018
	Unrestricted	Restricted	Total	Total
	£	£	£	£
				As Restated
Tangible Assets	3,203	-	3,203	2,139
Investments	22,233,577	16,698,272	38,931,849	34,584,734
Cash	-	795,559	795,559	134,627
Current Liabilities	-	(7,990)	(7,990)	(17,122)
Current Assets	-	110,784	110,784	108,461
	22,236,780	17,596,625	39,833,405	34,812,839

19. FINANCIAL INSTRUMENTS

	2019	2018
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>110,784</u>	<u>108,461</u>
Measured at fair value through net income / expenditure	<u>38,931,849</u>	<u>34,584,734</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>7,990</u>	<u>17,122</u>

THE ROYAL LOGISTIC CORPS ASSOCIATION TRUST FUND
NOTES TO THE ACCOUNTS - contd.
THE YEAR ENDING 31 DECEMBER 2019

20. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2019	2018
	£	£
		As Restated
Net income/(expenditure) for the reporting period	175,843	153,890
Adjusted for:		
Reinvested dividends	(502,392)	(501,502)
Dividend income received	(847,282)	(847,282)
Depreciation of tangible fixed assets	1,171	1,587
Bank Interest	(711)	(178)
(Increase)/decrease in debtors	(2,323)	(6,423)
Increase/(decrease) in creditors	<u>(9,132)</u>	<u>4,198</u>
Net cash used in operating activities	<u>(1,184,826)</u>	<u>(1,195,710)</u>

21. ANALYSIS OF CHANGES IN NET DEBT

	As at 1 Jan 2019	Cashflow	As at 31 Dec 2019
	£	£	£
Cash at bank and in hand	<u>134,627</u>	<u>660,932</u>	<u>795,559</u>

22. PRIOR YEAR RESTATEMENT

Other income per financial statements as at 31 December 2018	1,875
Introduction of missing RLC Foundation income	<u>28,825</u>
Restated other income per financial statements as at 31 December 2018	<u>30,700</u>

Cash at bank and in hand as at 31 December 2018	105,802
Introduction of missing RLC Foundation bank account	<u>28,825</u>
Restated cash at bank and in hand as at 31 December 2018	<u>134,627</u>

It was identified that a bank account set up in 2018 for RLC Foundation income and expenditure was not included in the 2018 accounts. This has been amended through a prior year restatement to amend the cash at bank and in hand and to recognise the balance as additional restricted other income.