

THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Lieutenant General Sir Mark William Poffley KBE OBE
Brigadier Michael Caldicott CBE MBE
Brigadier Richard E Parkinson
Major General John Seumas Kerr CBE
Colonel Colin Francis MBE ADC
Colonel Mark Siebenaller TD
Colonel Michael Dempsey
Brigadier Christopher John Murray CBE
Major General Adrian William Lyons CBE
Major General Malcolm David Wood CBE
Brigadier David S Clouston MBE
Lieutenant Colonel Nigel R Shepherd
Major Gen D J Shouesmith
Brigadier P A Evans OBE
Warrant Officer Class One T Rennie
Colonel Gillian Wilkinson QVRM VR
Colonel Jonathan West ADC

Senior Management Personnel

Lieutenant Colonel (Retired) Stephen Ahmed Yafai – Regimental Secretary
Lieutenant Colonel (Retired) Ian Geoffrey Stark – Regimental Treasurer

Charity number

1024036

Auditor

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

Bankers

Holt's Military Banking
Lawrie House
Victoria Road
Farnborough
Hampshire
GU14 7NR

THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

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Investment advisors

Armed Forces Charity Growth and Income Fund
managed through:

BlackRock
12 Throgmorton Avenue
London
EC2N 2DL

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.

Investment Powers

The Trust has invested its reserves in the Armed Forces Charity 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.

THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

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THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their annual report and financial statements for the year ended 31 December 2020. 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 note 1 to the financial statements and comply with the trust'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 applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

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.

Objectives and activities

The Trust supports the activities of The RLC, the largest Corps in the Army totaling 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 £2.425M in 2020 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. With the curtailment of much of the sporting calendar and fraternal gatherings of the Corps and its associations all residual activity as a consequence was delivered well within budget. All of 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.

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. 2020 is the twenty seventh 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.

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 £78K.

The Trust has established its grant making policy to achieve its objectives for the public benefit. The Trust's aim is to support the activities of the RLC and its members. Grants totalling some £186K were made to support recreation, Corps sport and adventurous training activities. 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.

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. The Corps magazine 'Sustainer' will launch an online version in 2021.

THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Public Benefit

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.

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. The Covid19 pandemic curtailed Regimental functions such as the Tower of London luncheon aimed at continuing strong links with the City of London and close association with our four dedicated Livery Companies. In 2020 the Corps was unable to hold an annual Open Day, to which the public and local community would normally be encouraged to attend at no charge; this event now hosted by 29 Regiment RLC at their barracks in South Cerney will next be held in 2022. In addition, the Corps funds in a normal year Freedom Parades, Bands and Corps of Drums performances at a wide range of public events. These activities, many of which involve the wider civilian community, provide closer ties with society in general, but were unable to take place in 2020. However, resulting in its support to the Civil Authorities the Corps made a major contribution to the setting up of Nightingale hospitals, the distribution of PPE and Ambulance operations; the morale of our people involved was supported as appropriate by the Trust.

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 2020 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.

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 since 2019 financial underpinning from the RLC Association was agreed to ensure financial viability for future years.

Achievements and performance

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 totaling £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.

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 2020 benevolent or welfare cases received grants totaling £594,870 funded by RLC £324,987 and RCT £269,883. The number of cases increased considerably in 2018 and this trend continued throughout 2019. However, the challenges of case management across the service charity sector during a pandemic has seen a reduction in cases for 2020. It is anticipated that cases will rise considerably in 2021 and beyond as the UK unlocks.

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.

An additional benefit to a Day's Pay Scheme subscriber is the Medical Discharge Grant Scheme, now in its sixteenth year. In 2020, £32,000 was paid to eligible medically discharged soldiers to assist with their enforced return to civilian life, grants are based on £60 per year of service to a maximum of 10 years.

THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Financial review

A formal review is normally conducted every two years; the last one being a full capital reserves review 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. The major capital costs previously anticipated with the relocation of the home of The RLC to Worthy Down did not materialise.

Financial Reserves Policy

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

The Trust continued to support the affiliated Regular Band, the RLC 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.

The Central Sergeants' Mess, which received a much reduced grant of £6K, 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 £98,000 from The RLC Association Trust Fund in 2020, expending £51K on events prior to lockdown along with grants and refurbishment of mess property over the course of the year.

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

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.

Investment Policy and Performance

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.

The trustees have assessed the major risks to which the trust is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Plans for future periods

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 £40.1M.

All of the Trust's investments are held in the Armed Forces Charity 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 global Pandemic had a major impact during the first quarter with investments down considerably, but these stabilised and rallied during the course of the year recovering to year start value. Therefore, investment performance when viewed over five years continues to be strong and ahead of expectations; meeting fully our objective to grow the investments further. A Finance sub-committee oversees the Trust and the chairman is also a director of AFCG&IF Advisory Committee. A review of AFCG&IF 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 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 are proving less than anticipated; 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. It is intended that this capital reserve will be withdrawn at the end of 2021. Trustees continue to review future investment targets and regularly consider long-term investment, reserves and funding strategies.

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 strong support within The RLC with 80% 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.

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. The collection is currently being prepared for re-homing in a purpose built display room in the new RLC Museum allowing greater public access. The Medal fund having contributed to this project currently stands at £541K.

THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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.

Structure, governance and management

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.

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 link to '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, which is updated annually, detailing other charitable trust interests along with details of any charity training attended. Declarations of interest are raised at each meeting.

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.

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.

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.

THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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 have all recently shaped the size and structures of The RLC. The Corps relocated successfully its regimental home in January 2020 to Worthy Down Camp in Hampshire.

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

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.

Statement of trustees' responsibilities

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

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 trust and of the incoming resources and application of resources of the trust for that year.

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 presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the trust and 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 trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees' report was approved by the Board of Trustees.

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Trustee

Date:

THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

Opinion

We have audited the financial statements of The Royal Logistics Corps Association Trust Fund (the 'trust') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 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 2020 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 trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the trust'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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

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 statement of trustees' responsibilities, 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 trust'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 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 the Act 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.

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the accounts due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charity.

THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

Our approach was as follows:

- The engagement partner selected staff for the audit, led by persons who it was deemed had sufficient experience and who had the required competence and skills to be able to identify or recognise non-compliance with laws and regulations.
- We assessed the risk of irregularities as part of our audit planning, and ongoing review, including those due to fraud, management override was identified as a significant fraud risk. This is due to the ability to bypass controls through inappropriate expenditure and accounting policies adopted.
- Completeness of income was identified as a significant risk to the audit, as income may not be recognised in accordance with the SORP and restricted and unrestricted income may not be classified correctly.
- The risk associated with non-disclosure of related party transactions is deemed a significant risk, due to the trustees potentially being involved with other charities and organisations which could be unknown to the management team.
- We obtained an understanding of the legal and regulatory requirements applicable to the charity and we considered the most significant to be the Charities Act 2011, the Charity SORP and UK financial reporting standards as issued by the Financial Reporting Council. We considered how the charity complies with these requirements by discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations. Consideration was also made of the internal controls in place to mitigate the identified risks.
- We assessed the control environment, documenting the systems, controls and processes adopted. The audit approach incorporated a combination of controls where appropriate, analytical review and substantive procedures involving tests of transactions and balances. Any irregularities noted were discussed with management and additional corroborative evidence was obtained as required.
- We obtained an understanding and assessed the impact of Covid-19 on the operations of the charity and adapted our audit approach accordingly. We enquired and obtained evidence to support the going concern assumption and dovetailed this with work undertaken on management override.

To address the risk of fraud through management override we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify any unusual transactions;
- tested items of expenditure to ensure that they were valid and appropriate;
- reviewed sensitive nominal codes;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- reviewed the disclosures within the accounts to ensure they meet the requirements of the accounting standards and relevant legislation.

In response to the risk of irregularities with regards to completeness of income we:

- completed analytical work,
- reviewed third party documentation to confirm that relevant entries were reflected in the accounting records;
- reviewed closing fund balances for any misallocation of income sources and
- reviewed minutes of trustee meetings to confirm any income sources mentioned were included correctly within the accounts and identified if there were mentions of any restrictions placed on income.

THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

In response to the risk of irregularities with regards to non-disclosure of related parties we:

- reviewed trustee's declaration of interests for mention of possible related parties;
- performed searches of public registers for any related parties associated with trustees;
- agreed disclosures to source records, including approval; and
- reviewed minutes of meetings for mention of any potential related party.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Other matters

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 auditors' 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.

Moore (South) LLP

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**Chartered Accountants
Statutory Auditor**

33 The Clarendon Centre
Salisbury Business Park
Dairy Meadow Lane
Salisbury
Wiltshire
SP1 2TJ

Moore (South) LLP is eligible for appointment as auditor of the trust by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

Current financial year

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
	Notes				
<u>Income and endowments from:</u>					
Donations and legacies	3	1,250,644	230,044	1,480,688	1,264,900
Investments	4	782,230	590,095	1,372,325	1,350,385
Other income	5	25	1,995	2,020	84,375
Total income		2,032,899	822,134	2,855,033	2,699,660
<u>Expenditure on:</u>					
Charitable activities	6	1,715,382	269,883	1,985,265	2,523,817
Other	11	88	-	88	-
Total resources expended		1,715,470	269,883	1,985,353	2,523,817
Net gains/(losses) on investments	12	1,129,600	834,472	1,964,072	4,844,723
Net movement in funds		1,447,029	1,386,723	2,833,752	5,020,566
Fund balances at 1 January 2020		22,236,780	17,596,625	39,833,405	34,812,839
Fund balances at 31 December 2020		23,683,809	18,983,348	42,667,157	39,833,405

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

All income and expenditure derive from continuing activities.

THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

Prior financial year

		Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes			
<u>Income and endowments from:</u>				
Donations and legacies	3	1,241,465	23,435	1,264,900
Investments	4	777,699	572,686	1,350,385
Other income	5	2,853	81,522	84,375
Total income		2,022,017	677,643	2,699,660
<u>Expenditure on:</u>				
Charitable activities	6	2,017,954	505,863	2,523,817
Total resources expended		2,017,954	505,863	2,523,817
Net gains/(losses) on investments	12	2,800,783	2,043,940	4,844,723
Gross transfers between funds		(43,594)	43,594	-
Net movement in funds		2,761,252	2,259,314	5,020,566
Fund balances at 1 January 2019		19,475,528	15,337,311	34,812,839
Fund balances at 31 December 2019		22,236,780	17,596,625	39,833,405

THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	13	9,615		3,203	
Investments	15	41,398,063		38,931,849	
		41,407,678		38,935,052	
Current assets					
Debtors	17	369,889		110,784	
Cash at bank and in hand		909,080		795,559	
		1,278,969		906,343	
Creditors: amounts falling due within one year					
Other creditors	18	19,490		7,990	
Net current assets		1,259,479		898,353	
Total assets less current liabilities		42,667,157		39,833,405	
Income funds					
Restricted funds	19	18,983,348		17,596,625	
<u>Unrestricted funds</u>					
Designated funds	20	905,113		1,030,760	
General unrestricted funds		22,778,696		21,206,020	
		23,683,809		22,236,780	
		42,667,157		39,833,405	

The financial statements were approved by the Trustees on

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Trustee

THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash absorbed by operations	23		(747,348)		(1,276,165)
Investing activities					
Purchase of tangible fixed assets		(9,311)		(2,235)	
Proceeds on disposal of investments		(502,145)		389,084	
Investment income received		1,372,325		1,350,385	
Net cash generated from investing activities			860,869		1,737,234
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			113,521		461,069
Cash and cash equivalents at beginning of year			795,559		334,490
Cash and cash equivalents at end of year			909,080		795,559

THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

The Royal Logistics Corps Association Trust Fund is an unincorporated charity.

1.1 Accounting convention

The financial statements have been prepared in accordance with the trust's [governing document], the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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)" (effective 1 January 2019). The trust is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the trust.

1.4 Income

Income is recognised when the trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the trust has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the trust has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

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 award 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.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	20% Straight Line
Computers	20% Straight Line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.10 Financial instruments

The trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the trust's balance sheet when the trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the trust's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

In the application of the trust's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Donations and gifts	12,272	230,044	242,316	11,900	-	11,900
MOD - Staff etc	149,780	-	149,780	149,780	-	149,780
Day's Pay Scheme	1,088,592	-	1,088,592	1,079,785	-	1,079,785
Benevolence Fund	-	-	-	-	23,435	23,435
	<u>1,250,644</u>	<u>230,044</u>	<u>1,480,688</u>	<u>1,241,465</u>	<u>23,435</u>	<u>1,264,900</u>
Donations and gifts						
Donations	7,843	-	7,843	10,433	-	10,433
Forming Corps						
Donations	4,429	-	4,429	1,467	-	1,467
RLC Foundation	-	66,546	66,546	-	-	-
RAOC Funds Introduced	-	163,498	163,498	-	-	-
	<u>12,272</u>	<u>230,044</u>	<u>242,316</u>	<u>11,900</u>	<u>-</u>	<u>11,900</u>

The grant from the MoD represents the trustees' estimated value of the salaries of the RHQ staff (on mark time rates of pay). It also includes an estimated value of the premises and utilities provided from public funds.

4 Investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Income from listed investments	781,626	590,095	1,371,721	776,988	572,686	1,349,674
Interest receivable	604	-	604	711	-	711
	<u>782,230</u>	<u>590,095</u>	<u>1,372,325</u>	<u>777,699</u>	<u>572,686</u>	<u>1,350,385</u>

THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Other income

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
RLC Association Membership	25	-	25	2,853	-	2,853
RLC Foundation	-	1,995	1,995	-	81,522	81,522
	<u>25</u>	<u>1,995</u>	<u>2,020</u>	<u>2,853</u>	<u>81,522</u>	<u>84,375</u>

THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Charitable activities

	Corps Expenses 2020 £	Corps Expenses 2019 £
Staff costs	349,991	322,090
Corps Activities	48,646	206,522
Corps Weekend	900	47,548
CRLO/Recruiting Expenses	23,737	47,396
Insurance	14,000	11,201
Property Refurbishment	6,523	1,900
Wreaths/Other	222	1,295
RLC Journals/Publications	78,134	73,098
Memorials	504	2,470
Office Accommodation	35,450	35,450
Professional Development	17,646	2,275
Contingency	26,071	13,020
RLC Branding	9,029	109,261
Marketing and Advertising	4,220	3,688
Coach Refurbishment	-	10,740
Admin Other	910	1,385
	<u>615,983</u>	<u>889,339</u>
Grant funding of activities (see note 7)	1,095,952	1,567,101
Share of support costs (see note 8)	261,311	53,297
Share of governance costs (see note 8)	12,019	14,080
	<u>1,985,265</u>	<u>2,523,817</u>
Analysis by fund		
Unrestricted funds	1,715,382	2,017,954
Restricted funds	269,883	505,863
	<u>1,985,265</u>	<u>2,523,817</u>

THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Grants payable

	Corps Expenses 2020 £	Corps Expenses 2019 £
Grants to institutions:		
ABF The Soldiers Charity	100,000	100,000
Museum	100,000	100,000
DEFLOG VQ Trust	-	24,817
Unit Grants	19,482	24,172
Expenses RLC Band	12,015	14,020
HQ Officers' Mess	51,018	103,500
HQ Sgts' Mess	5,552	22,951
	<hr/> 288,067	<hr/> 389,460
Grants to individuals:		
Adventure Training / LGFC	53,269	84,771
Sports	122,100	353,716
Coaching	5,646	5,494
Benevolence	594,870	687,207
Medical Discharges	32,000	46,436
Donations / PR	-	18
	<hr/> 807,885	<hr/> 1,177,642
Total Grant Expenditure	<hr/> <hr/> 1,095,952	<hr/> <hr/> 1,567,101

THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Support costs

	Support costs	Governance costs	2020	Support costs	Governance costs	2019
	£	£	£	£	£	£
Depreciation	2,812	-	2,812	1,171	-	1,171
Postage	5,943	-	5,943	3,981	-	3,981
Stationery	924	-	924	849	-	849
Telephone	944	-	944	1,494	-	1,494
Travel	1,569	-	1,569	1,919	-	1,919
Computer Software/IT	28,158	-	28,158	27,343	-	27,343
Bank Charges	1,288	-	1,288	4,692	-	4,692
Medal Fund Expenditure	109,650	-	109,650	11,848	-	11,848
Repairs and maintenance	110,023	-	110,023	-	-	-
Audit fees	-	8,390	8,390	-	10,752	10,752
Accountancy	-	3,500	3,500	-	3,000	3,000
Management Committee	-	129	129	-	328	328
	<u>261,311</u>	<u>12,019</u>	<u>273,330</u>	<u>53,297</u>	<u>14,080</u>	<u>67,377</u>
Analysed between						
Charitable activities	<u>261,311</u>	<u>12,019</u>	<u>273,330</u>	<u>53,297</u>	<u>14,080</u>	<u>67,377</u>

Governance costs includes payments to the auditors of £8,390 (2019- £10,752) for audit fees.

9 Trustees

During the year the Trust paid £Nil (2019: an appointment grant of £2,000 was paid to CJ Francis) under the Trust's constitution.

Two Trustees received reimbursement of expenses for attending meetings during the year, Colonel Francis (Col RLC) received £711.55 and Major General Wood received £35.50 (2019: Nil).

10 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Corps expenses	6	6
Administration	2	2
Total	<u>8</u>	<u>8</u>

THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Employees (Continued)

Employment costs	2020 £	2019 £
Wages and salaries	336,285	322,090

There were no employees whose annual remuneration was £60,000 or more.

11 Other

	Unrestricted funds 2020 £	Total 2019 £
Net loss on disposal of tangible fixed assets	88	-
	88	-

12 Net gains/(losses) on investments

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Revaluation of investments	1,129,600	834,472	1,964,072	2,800,783	2,043,940	4,844,723

THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13 Tangible fixed assets

	Plant and equipment £	Computers £	Total £
Cost			
At 1 January 2020	54,612	-	54,612
Additions	3,011	6,300	9,311
Disposals	(219)	-	(219)
At 31 December 2020	57,404	6,300	63,704
Depreciation and impairment			
At 1 January 2020	51,409	-	51,409
Depreciation charged in the year	1,552	1,260	2,812
Eliminated in respect of disposals	(132)	-	(132)
At 31 December 2020	52,829	1,260	54,089
Carrying amount			
At 31 December 2020	4,575	5,040	9,615
At 31 December 2019	3,203	-	3,203

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.

Register

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

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.

THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Fixed asset investments

	Cash in portfolio
Cost or valuation	
At 1 January 2020	38,931,849
Valuation changes	1,964,071
Income Re-invested	502,143
At 31 December 2020	41,398,063
Carrying amount	
At 31 December 2020	41,398,063
At 31 December 2019	38,931,849

	2020 £	2019 £
Investments at fair value comprise:		
Armed Forces Common Investment Fund - Accumulation Units	15,515,102	14,605,918
Armed Forces Common Investment Fund - Income Units	25,882,961	24,325,931
	41,398,063	38,931,849

16 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.

17 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Other debtors	150,373	110,784
Prepayments and accrued income	219,516	-
	369,889	110,784

THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

18 Other creditors falling due within one year

	2020	2019
	£	£
Trade creditors	190	190
Accruals and deferred income	19,300	7,800
	<u>19,490</u>	<u>7,990</u>

THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2019	Movement in funds				Movement in funds				Balance at 31 December 2020
		Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 1 January 2020	Incoming resources	Resources expended	Revaluations, gains and losses	
	£	£	£	£	£	£	£	£	£	
RASC & RCT Benevolent Funds	770,754	431,404	(353,111)	43,594	-	892,641	401,319	(269,883)	-	1,024,077
RCT Medal Fund	26,016	-	(11,848)	-	-	14,168	19,382	-	-	33,550
RLC Foundation	32,405	81,522	(12,587)	(19,304)	-	101,340	66,546	-	-	167,886
HQ Officers' Mess Subscription Fund	13,008	-	(103,500)	-	-	(90,492)	-	-	-	(90,492)
Deflog VQ Trust	5,513	-	(24,817)	19,304	-	-	-	-	-	-
RASC & RCT Benevolent Funds - Investments	13,977,615	164,717	-	-	2,043,940	16,186,272	169,851	-	731,023	17,087,146
RCT Medal Fund - Investments	512,000	-	-	-	-	512,000	1,538	-	103,449	616,987
RAOC	-	-	-	-	-	-	163,498	-	-	163,498
DIFFERENCE TO ANALYSE	-	-	-	-	-	(19,304)	-	-	-	(19,304)
	15,337,311	677,643	(505,863)	43,594	2,043,940	17,596,625	822,134	(269,883)	834,472	18,983,348

THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 Restricted funds

(Continued)

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.

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.

THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

20 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 January 2019	Incoming resources	Resources expended	Balance at 1 January 2020	Incoming resources	Resources expended	Balance at 31 December 2020
	£	£	£	£	£	£	£
HQ RLC Officers' Mess Refurbishme nt	4,632	-	(4,632)	-	-	-	-
Heritage (Portraits)	11,000	2,000	-	13,000	-	-	13,000
RLC Soccer Heritage – Coach Refurbishme nt	4,000	-	(4,000)	-	-	-	-
HQ RLC Officers' Mess – RLC 25 Silver	9,000	2,500	(10,740)	760	-	-	760
RLC Yacht Purchase Fund	10,000	-	(10,000)	-	-	-	-
Relocation - Central Sergeants' Mess	5,000	12,000	-	17,000	12,000	-	29,000
Relocation - HQ RLC Officers' Mess	50,000	-	-	50,000	-	-	50,000
Relocation - Home of the Corps (Heritage)	200,000	-	-	200,000	-	-	200,000
	750,000	-	-	750,000	-	(137,647)	612,353
	<u>1,043,632</u>	<u>16,500</u>	<u>(29,372)</u>	<u>1,030,760</u>	<u>12,000</u>	<u>(137,647)</u>	<u>905,113</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 LOGISTICS CORPS ASSOCIATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

21 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:						
Tangible assets	9,615	-	9,615	3,203	-	3,203
Investments	23,693,930	17,704,133	41,398,063	22,233,577	16,698,272	38,931,849
Current assets/ (liabilities)	(58,398)	1,317,877	1,259,479	-	898,353	898,353
	<u>23,645,147</u>	<u>19,022,010</u>	<u>42,667,157</u>	<u>22,236,780</u>	<u>17,596,625</u>	<u>39,833,405</u>

THE ROYAL LOGISTICS CORPS ASSOCIATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

22 Related party transactions

Transactions with related parties

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.

During the year, honoraria were paid to the Regimental Secretary, Lieutenant Colonel (retired) S A Yafai of £4,500 and to the Regimental Treasurer, Lieutenant Colonel (retired) I G Stark of £3,750.

23 Cash generated from operations	2020 £	2019 £
Surplus for the year	2,833,752	5,020,566
Adjustments for:		
Investment income recognised in statement of financial activities	(1,372,325)	(1,350,385)
Loss on disposal of tangible fixed assets	88	-
Fair value gains and losses on investments	(1,964,072)	(4,844,723)
Depreciation and impairment of tangible fixed assets	2,812	1,171
Movements in working capital:		
(Increase) in debtors	(259,105)	(110,784)
Increase in creditors	11,500	7,990
Cash absorbed by operations	(747,350)	(1,276,165)

24 Analysis of changes in net funds

The trust had no debt during the year.