

REGISTERED CHARITY NUMBER: 1175211

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
INTELLIGENCE CORPS ASSOCIATION**

Bright Brown Limited
Chartered Accountants
Exchange House
St. Cross Lane
Newport
Isle of Wight
PO30 5BZ

INTELLIGENCE CORPS ASSOCIATION

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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INTELLIGENCE CORPS ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charity's objects are:

- The promotion of the well-being and efficiency of Her Majesty's Army, and in particular the Intelligence Corps (the Corps), by such charitable means as the Trustee Board thinks fit including, but not limited to, fostering esprit de corps and maintaining contact between past and present members of the Corps.
- The education of the public in the role, history, traditions, customs and ethos of the Corps, including the provision of support to the Intelligence Corps Museum.
- The relief of qualifying beneficiaries who are in need, by reason of youth, age, ill health, disability, financial hardship or other disadvantage.
- The commemoration and remembrance of those members, or former members, of the Armed Forces of the Crown, in particular of the Intelligence Corps, who have lost their lives or suffered injury or put themselves at risk of loss of life or injury, in service to the public.
- Any other charitable purpose as the Board thinks fit for the benefit of qualifying beneficiaries - namely:
 - Past or present members of the Corps.
 - By exception, and at the discretion of the Trustee Board, those who can prove a substantive link with the Corps.
 - Dependants of those mentioned in the sub paragraphs above.

Public benefit

Members and former members of the Corps, with support of the charity, participate in, and organise, a range of activities which provide a public benefit.

Benevolent fund spending

During the reporting period total expenditure, before gains/losses on investments, from the Benevolent Fund was £105,266 which was spent directly on charitable activities, grants and donations. The beneficiaries were wide ranging and included veterans with disabilities who were in need of equipment to make life more comfortable.

Grants and Benevolence Sub-Committee

The trustees have appointed and empowered a Grants and Benevolence sub-committee to deal with the day to day processing of all grant requests. The sub-committee comprises: ICA Secretary (Chair), Corps COS, Corps SM and WO Templer Company. Whilst loans are occasionally approved, this is very much by exception, as the Trustees prefer to make a grant to alleviate hardship. Unanimous agreement on whether, and how much to award, is required for every application. For grants over £5,000 but below £10,000 the Corps Colonel and Deputy Colonel Commandant are required to give approval in addition to the Grants and Benevolence Sub Committee. For grants above £10,000 Trustee Board endorsement is required. All grants above £5,000 are reported to Trustees and ratified at the next Trustee Board meeting.

Policy on Making Benevolence Grants

Veterans - A case must be made by an independent caseworker. This is usually an adviser from an associated charity such as SSAFA or the RBL. They will study the individual's circumstances and make recommendations, confirming that the applicant has been truthful about their requirements and ensuring that they have applied for all appropriate state allowances before ICA is invited to make a contribution. Where possible, the Corps shares the contribution with other regimental associations and other charities. Each case is considered on its merits by the Grants and Benevolence sub-committee (as referred above) who aim to be as generous as possible.

INTELLIGENCE CORPS ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

OBJECTIVES AND ACTIVITIES

Serving Personnel - The case must be made through the chain of command to ensure that the Commanding Officer is aware of the welfare difficulties of his/her troops and to confirm that the applicant has exhausted all other potential civilian and military sources of funding to resolve the problem. Each case is considered on its merits by the Grants and Benevolence sub-committee (as referred above).

Policy on Making Grants other than Benevolence

To receive a grant, the applicant must prove that the proposed activity falls within the scope of the charitable funds and that they intend to carry it out in the most cost-effective manner. They must demonstrate that they have considered and obtained as much income as possible from other sources, both military grants and civilian grants/sponsorship where appropriate, as well as making a personal contribution. Each case is considered on its merits by the Grants and Benevolence sub-committee (referenced above) who aim to be as generous as possible. However, it should be noted that serving personnel not contributing under the Day's Pay Scheme may not be eligible.

Grant-making activities

During the year to 31 December 2020 the total expenditure, before gains/losses on investments, was £361,433. The fund was used to support the whole Corps 'family', including assistance to:

- Deployed troops and their families, as well as to those taking part in leadership and adventurous training exercises, sports and social activities.
- Benevolence support to serving and retired Corps members.
- Corps heritage through an annual grant to the Military Intelligence Museum.
- Remembrance activities.
- Strengthening esprit de corps and keeping members in touch with one another through the publication of the annual Corps journal, The Rose and the Laurel; the funding of Corps Day activities; and the administration of 14 regional branches.
- Limited aspects of recruiting and training, including the presentation of prizes and awards to top students and stable belts and rank slides to newly qualified Phase 2 Trainees.
- ICA Resettlement and Employment Cell (ICAREC), which assists service leavers with finding employment
- Maintaining regimental alliances.

The Association may also make grants to any charity or charitable fund with similar objectives with the aim of benefiting those listed above, for example the Army Benevolent Fund, SSAFA or The Royal British Legion (TRBL).

ACHIEVEMENT AND PERFORMANCE

Charitable activities

In anticipation of celebrating the Corps 80th Anniversary in 2020, Trustees had made provision for generous funding in areas where collective activities were to be held. Unfortunately, nearly all this activity had to be cancelled or postponed due to COVID-19 restrictions. This, along with little or no sporting and adventurous training activity after March 2020, resulted in a significant build up in cash reserves, which Trustees agree to carry forward to 2021 to cover an anticipated increase in grant requests, and to support the delayed 80th Anniversary events - under the banner of Operation RESTITCH (the name for the re-stitching of the Corps Family back together again after COVID-19).

The Association received 92 requests, significantly fewer than the previous year (192), assessed to be due to COVID-19 restricting sporting, adventurous training and social activities. The number of benevolence and welfare requests remained in line with previous years. Of note was the fact that only three requests for assistance were received as a direct result of COVID-19, these were all met by Trustees and each situation resolved itself within three months of the initial request; two involved small subsidies to meet rent requirements at a time of reduced income, and the other received a 'government bounce-back loan' and ultimately did not need Association support. Examples of grant activities include:

INTELLIGENCE CORPS ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

ACHIEVEMENT AND PERFORMANCE

In the area of benevolence, Trustees were able to help serving and retired, regular and reserve, officers and soldiers, and their families, throughout the year. Examples within the serving cohort included a significant grant to a member whose child, on the advice of the National Specialist Paediatric Centre, required specialist day schooling to provide bespoke cognitive and pastoral care; the service person had been paying for this from their own pocket and the Association was pleased to be able to subsidise this to allow for a reasonable quality of life at home. At the other end of the scale, several smaller grants were made to cover the cost of, for example, car parking charges for a couple whose child required hospitalisation over an extended period of time; a specialist hearing test not available on the NHS for an autistic child, and a small amount to cover the cost for a junior soldier to hire a van to clear his recently deceased mother's effects from her home.

In support of unit activities, Trustees agreed to cover the cost of Family Deployment packs (to those families left behind while spouses deployed on operations overseas) and in Cyprus for the renovation of the unit Memorial Garden.

The retired cohort continued to be supported in the usual manner, with several small stipends paid to those National Service soldiers struggling with small pensions, and support for various white goods to those living on, or close to the breadline. Of note was support to a former soldier suffering with PTSD from a Balkans tour, when specialist counselling was found and paid for, along with arrears on household bills accrued during darker moments. The soldier responded well to counselling, although in a quirk of fate, suffered from sepsis after a walk in the woods and had to be rushed into A&E. Recovering from near death, the soldier however, required a double amputation below each knee as a consequence of the sepsis. Although now receiving appropriate support and care from local agencies and heading towards recovery, the Association remains on call to support if necessary.

As previously noted, there was little sport and adventurous training carried out after March 2020, although before the COVID-19 lockdown several winter sports activities were supported; this included financial support to 21 mainly Junior NCOs in Exercise Athena Blizzard, an Alpine Skiing expedition to France. Unusual events taking place outside UK were able to be supported, for example, the cost of the entrance fees for a member who ran the Marathon des Sables, the toughest race in the world, over six days and covering 156 miles across the desert, and similarly, entry costs for the Tallin Iron Man competitions were met.

Finally, Trustees were pleased to be able to provide assistance to the Military Intelligence Museum by way of a £15,000 stipend, and a one-off grant of £7,500 to the National Memorial Arboretum to assist in its time of need.

FINANCIAL REVIEW

Finance Committee

The Trustees have appointed and empowered a Finance Sub-Committee to bring a specific focus on financial matters in addition to the general scrutiny of finance conducted at full Trustee Board meetings. The sub-committee comprises: 3 Trustees, an external subject matter expert and the Corps Secretary. It exercises oversight of the operating budget and management of reserves.

The committee has recently worked with the Benevolence Sub-Committee to explore options for how our members' reserves funds can be used to optimal effect across a broader range of additional benevolent purposes. It is intended that these deliberations will lead to a program of new activities once the present uncertainties arising from Covid-19 have receded.

General

Total income for the year amounted to £499,850 (2019: £860,982). Total expenditure amounted to £361,433 (2019: £433,262). The Fund had total net incoming/(outgoing) resources for the year of £138,417 (2019: £427,720), before realised and unrealised gains/(losses) on investments of £(307,281) (2019: £273,989). There was an overall surplus/(deficit) for the year of £(168,864) (2019: £701,709). Total funds to carry forward at 31 December 2020 were £2,534,811 (2019: £2,703,675).

INTELLIGENCE CORPS ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL REVIEW

Principal funding sources

The primary sources of income are:

- Day's Pay Scheme (monies contributed by serving personnel and some reserve personnel)
- Investment income
- Quarterly Association subscriptions (from reserve personnel)
- Annual Association subscriptions - retired Intelligence Corps personnel and Associate Members of ICA
- Donations
- Corps Shop Profits
- Current Account Interest
- Bequeathments

Investment policy and objectives

The Trustees agree that the level of risk to be taken by the portfolio manager was to be no greater than medium and that the aim was to achieve a balance between growth in the restricted funds and income from the unrestricted funds.

Reserves policy

The policy to enable a larger operating budget had resulted in significant funding being made available to Commanding Officers and heads of department to better support the Intelligence Corps soldiers and officers under their command. Trustees consider that the continued accumulation of the remaining investment income will maintain the fund's overall value and enable functioning valuations to be offset in the long term.

Trustees recognise the requirement for adequate resource should the association suffer a significant financial shock and assess that any recovery plan would be able to be enacted within 15 months and would require up to £100,000 of free unrestricted reserves. Although the economic impact of Covid-19 in 2020 has affected our reserves' values, our financial resilience is such that it has not impaired our ability to continue the provision of benevolence. Due to COVID-19 restrictions, a handsome cash surplus accumulated throughout the year, which Trustees considered appropriate to carry forward as cash to offset any increased requests in benevolence or welfare in 2021. This situation will be examined towards the end of 2021 to consider if similar action should be taken going into 2022.

Examination of the unrestricted fund at year end, taking out tangible fixed assets, reveals free reserves of £756,028. As this adequately meets the reserves policy, the Trustees are content to continue with the reserve at this level, ensuring a regular review system is in place and have appointed and empowered a Finance Sub-Committee to conduct the reviews.

FUTURE PLANS

Up to 30% of our officers and soldiers continue to be either deployed on, or directly supporting, current operations. This level of demand looks set to endure and represents a higher percentage of commitment than most other areas of the Army. Notwithstanding this, or perhaps because of it, the 'Corps family' continues to be vibrant, strong and inclusive and it is recognised that the Association plays a vital role in supporting a successful and thriving Corps. ICA continues to support this aspect of the serving cohort as the primary object of the Association.

The Charity will continue to maximise support to serving personnel (Regular and Reservists) and their families in time of need. As a counterbalance to the operational demands, and as a retention incentive, the Trustees continue to regard opportunities for personal team development through sport, adventure training and leadership exercises as essential, and are keen to re-engage support once COVID-19 strictures allow.

INTELLIGENCE CORPS ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

FUTURE PLANS

Trustees place great emphasis on the concept of life-long belonging and on the support to those who have retired from the Corps, as well as to the widows, widowers and dependents of the Corps (and former Corps) members. Serving members will continue to be assisted in their transition to civilian life through a network of contacts, mainly retired Corps members, who can provide guidance and offer practical help in finding employment. Links within and between the Regional Branches of the Association will be strengthened, a high-quality Corps Journal will be produced annually and the Corps Day events, which are open to all, will continue to be organised annually as a central celebration at the home of the Corps in Chicksands.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document and is constituted as a charitable incorporated organisation.

Organisational structure

Significant work has been undertaken by the Trustees to convert the Association into a Charitable Incorporated Organisation, after a positive ballot of the membership. The CIO was established on 18 October 2017 and the charity is controlled by its Constitution.

The Intelligence Corps Association has a very small trading operation, which is used in pursuance of its primary purpose. It is effectively a service for ICA members, enabling them to purchase articles such as non-issue items of uniform (badges, berets, stable-belts and buttons); Corps mementoes; and intelligence-related books.

Appointment of Trustees

In line with Charity Commission advice and best practice, it was agreed to reduce from 18 to 12 the number of Trustees. This was agreed by Trustees and incorporated into Rules and Byelaws. The Constitution will be altered after a suitable period of time to allow the new structure to prove itself.

The Trustee Board comprises 12 Trustees:

- The Deputy Colonel Commandant (as Chair)
- 4 additional ex officio Trustees
- 2 Nominated Trustee
- 5 co-opted trustees.

The ex-officio trustees ('the office holders') for the time being are:

- The Deputy Colonel Commandant
- The Corps Colonel
- The Colonel Reserves
- The Corps Sergeant Major
- Chair - ICAREC

Decision making

Decisions on awarding grants up to the value of £5,000 are made by the Grants and Benevolence sub-committee (as referred above).

Day to day running of the charity is delegated to the Corps Secretary.

Induction and training of new trustees

All Trustees have been furnished with a copy of the governing document, the most recent annual report and accounts, and details of 'The Essential Trustee: What you need to know'.

INTELLIGENCE CORPS ASSOCIATION

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1175211

Principal address

Headquarters Intelligence Corps
Chicksands
Bedfordshire
SG17 5PR

Trustees

The charity has been given a dispensation by the Charity Commission from publishing the names of its Trustees.

Independent examiner

Bright Brown Limited
Chartered Accountants
Exchange House
St. Cross Lane
Newport
Isle of Wight
PO30 5BZ

Bankers

Holts,
Lawrie House,
Victoria Road,
Farnborough,
GU14 7NR

Investment managers

OLIM Limited
15 Berkley Street.
London,
W1J 8DY

Rathbones
8 Finsbury Circus.
London,
EC2M 7AZ

INTELLIGENCE CORPS ASSOCIATION

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

Approved by order of the board of trustees on 26 October 21 and signed on its behalf by:


Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
INTELLIGENCE CORPS ASSOCIATION**

Independent examiner's report to the trustees of Intelligence Corps Association

I report to the charity trustees on my examination of the accounts of Intelligence Corps Association (the Trust) for the year ended 31 December 2020.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of ACA which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



David Stevens
ACA
Bright Brown Limited
Chartered Accountants
Exchange House
St. Cross Lane
Newport
Isle of Wight
PO30 5BZ

Date: 26/10/2021

INTELLIGENCE CORPS ASSOCIATION

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | Notes | Unrestricted funds £ | Restricted fund £ | 2020 Total funds £ | 2019 Total funds £ |
|---|-------|----------------------------|-------------------------|-----------------------------|-----------------------------|
| INCOME AND ENDOWMENTS FROM | | | | | |
| Donations and legacies | 2 | 252,408 | 162,103 | 414,511 | 773,499 |
| Other trading activities | 3 | 21,607 | - | 21,607 | 29,222 |
| Investment income | 4 | 23,129 | 39,089 | 62,218 | 53,830 |
| Other income | | <u>1,514</u> | <u>-</u> | <u>1,514</u> | <u>4,431</u> |
| Total | | 298,658 | 201,192 | 499,850 | 860,982 |
| EXPENDITURE ON | | | | | |
| Raising funds | 5 | 21,801 | 6,133 | 27,934 | 27,385 |
| Charitable activities | 6 | | | | |
| Relief of hardship and other disadvantages | | - | 68,895 | 68,895 | 74,387 |
| General charitable purposes | | 134,060 | 43,425 | 177,485 | 152,290 |
| Commemoration and remembrance | | 259 | 3,831 | 4,090 | 42,770 |
| Promotion of the well-being and efficiency of her majesty's army | | <u>83,022</u> | <u>7</u> | <u>83,029</u> | <u>136,430</u> |
| Total | | 239,142 | 122,291 | 361,433 | 433,262 |
| Net gains/(losses) on investments | | <u>(113,694)</u> | <u>(193,587)</u> | <u>(307,281)</u> | <u>273,989</u> |
| NET INCOME/(EXPENDITURE) | | (54,178) | (114,686) | (168,864) | 701,709 |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | 895,945 | 1,807,730 | 2,703,675 | 2,001,966 |
| TOTAL FUNDS CARRIED FORWARD | | <u>841,767</u> | <u>1,693,044</u> | <u>2,534,811</u> | <u>2,703,675</u> |

The notes form part of these financial statements

INTELLIGENCE CORPS ASSOCIATION

BALANCE SHEET
31 DECEMBER 2020

| | Notes | Unrestricted funds £ | Restricted fund £ | 2020 Total funds £ | 2019 Total funds £ |
|--|-------|----------------------------|-------------------------|-----------------------------|-----------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 12 | 554 | - | 554 | 976 |
| Heritage assets | 13 | 24,000 | - | 24,000 | 24,000 |
| Investments | 14 | <u>662,072</u> | <u>1,527,310</u> | <u>2,189,382</u> | <u>2,066,099</u> |
| | | 686,626 | 1,527,310 | 2,213,936 | 2,091,075 |
| CURRENT ASSETS | | | | | |
| Stocks | 15 | 45,029 | - | 45,029 | 52,066 |
| Debtors | 16 | 2,328 | - | 2,328 | 151,991 |
| Cash at bank and in hand | | <u>114,243</u> | <u>165,734</u> | <u>279,977</u> | <u>417,000</u> |
| | | 161,600 | 165,734 | 327,334 | 621,057 |
| CREDITORS | | | | | |
| Amounts falling due within one year | 17 | <u>(6,459)</u> | - | <u>(6,459)</u> | <u>(8,457)</u> |
| NET CURRENT ASSETS | | <u>155,141</u> | <u>165,734</u> | <u>320,875</u> | <u>612,600</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>841,767</u> | <u>1,693,044</u> | <u>2,534,811</u> | <u>2,703,675</u> |
| NET ASSETS | | <u>841,767</u> | <u>1,693,044</u> | <u>2,534,811</u> | <u>2,703,675</u> |
| FUNDS | 18 | | | | |
| Unrestricted funds | | | | 841,767 | 895,945 |
| Restricted funds | | | | <u>1,693,044</u> | <u>1,807,730</u> |
| TOTAL FUNDS | | | | <u>2,534,811</u> | <u>2,703,675</u> |

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

.....
Trustee

The notes form part of these financial statements

INTELLIGENCE CORPS ASSOCIATION

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | Notes | 2020 £ | 2019 £ |
|---|-------|-----------------------|-----------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | <u>231,323</u> | <u>236,535</u> |
| Net cash provided by operating activities | | <u>231,323</u> | <u>236,535</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | - | (529) |
| Movement in fund managers cash balance | | (30,564) | 1,295 |
| Cash transferred to fund managers | | (400,000) | - |
| Interest received | | 174 | 411 |
| Dividends received | | <u>62,044</u> | <u>53,419</u> |
| Net cash (used in)/provided by investing activities | | <u>(368,346)</u> | <u>54,596</u> |
| Change in cash and cash equivalents in the reporting period | | <u>(137,023)</u> | <u>291,131</u> |
| Cash and cash equivalents at the beginning of the reporting period | | <u>417,000</u> | <u>125,869</u> |
| Cash and cash equivalents at the end of the reporting period | | <u><u>279,977</u></u> | <u><u>417,000</u></u> |

The notes form part of these financial statements

INTELLIGENCE CORPS ASSOCIATION

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2020 £ | 2019 £ |
|--|----------------|----------------|
| Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities) | (168,864) | 701,709 |
| Adjustments for: | | |
| Depreciation charges | 422 | 913 |
| Losses/(gain) on investments | 307,281 | (273,989) |
| Interest received | (174) | (411) |
| Dividends received | (62,044) | (53,419) |
| Decrease in stocks | 7,037 | 8,419 |
| Decrease/(increase) in debtors | 149,663 | (149,339) |
| (Decrease)/increase in creditors | (1,998) | 2,652 |
| Net cash provided by operations | <u>231,323</u> | <u>236,535</u> |

2. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1.1.20 £ | Cash flow £ | At 31.12.20 £ |
|--------------------------|----------------|------------------|------------------|
| Net cash | | | |
| Cash at bank and in hand | <u>417,000</u> | <u>(137,023)</u> | <u>279,977</u> |
| | <u>417,000</u> | <u>(137,023)</u> | <u>279,977</u> |
| Total | <u>417,000</u> | <u>(137,023)</u> | <u>279,977</u> |

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Day's Pay Scheme

Under the scheme, a day's pay per annum is volunteered by both officers and other ranks of the Corps to The Intelligence Corps Association. In order to comply with the Queens Regulation, at least half of the funds received by the charity are restricted and must be used for benevolent and welfare cases.

Intangible income

Intangible income, which comprises donated services, is included in income at a valuation which is an estimate of the financial cost borne by the donor.

Expenditure

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 a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Investment assets and income

Investments are carried in the balance sheet at market value. Surpluses and deficits arising on disposals are taken to the statement of financial activities. Unrealised gains and losses included in the statement of financial activities arise as a result of the revaluation of investments to market value at the balance sheet date. Realised and unrealised gains are not separated in the statement of financial activities.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery - 25% on cost

INTELLIGENCE CORPS ASSOCIATION

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

1. ACCOUNTING POLICIES - continued

Heritage assets

The Intelligence Corps Association holds heritage assets in the form of commissioned paintings which are held to preserve the heritage of the Intelligence Corps in order to fulfil its objective of promoting the well-being and efficiency of Her Majesty's Army, in particular the Intelligence Corps. These assets are included at their cost and not depreciated as they are deemed to not have a finite useful life.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. DONATIONS AND LEGACIES

| | 2020 | 2019 |
|--|----------------|----------------|
| | £ | £ |
| Donations | 79,029 | 454,416 |
| One days pay | 258,233 | 248,211 |
| Regional income | 499 | 4,027 |
| Intangible income - wages and salaries | 75,000 | 65,095 |
| Intangible income - rent, heat and light | 1,750 | 1,750 |
| | <u>414,511</u> | <u>773,499</u> |

3. OTHER TRADING ACTIVITIES

| | 2020 | 2019 |
|-------------|---------------|---------------|
| | £ | £ |
| Shop income | <u>21,607</u> | <u>29,222</u> |

INTELLIGENCE CORPS ASSOCIATION

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

4. INVESTMENT INCOME

| | 2020 | 2019 |
|--------------------------|---------------|---------------|
| | £ | £ |
| Dividends | 62,044 | 53,419 |
| Deposit account interest | 174 | 411 |
| | <u>62,218</u> | <u>53,830</u> |

5. RAISING FUNDS

Other trading activities

| | 2020 | 2019 |
|---------------|---------------|---------------|
| | £ | £ |
| Purchases | 63,150 | 78,070 |
| Closing stock | (45,029) | (52,066) |
| | <u>18,121</u> | <u>26,004</u> |

Investment management costs

| | 2020 | 2019 |
|----------------------|---------------|---------------|
| | £ | £ |
| Portfolio management | <u>9,813</u> | <u>1,381</u> |
| Aggregate amounts | <u>27,934</u> | <u>27,385</u> |

6. CHARITABLE ACTIVITIES COSTS

| | Direct Costs £ | Grant funding of activities (see note 7) £ | Support costs (see note 8) £ | Totals £ |
|---|----------------------|---|---------------------------------------|----------------|
| Relief of hardship and other disadvantages | - | 68,895 | - | 68,895 |
| General charitable purposes | 136,341 | 11,546 | 29,598 | 177,485 |
| Commemoration and remembrance | 4,090 | - | - | 4,090 |
| Promotion of the well-being and efficiency of her majesty's army | <u>13,488</u> | <u>69,541</u> | <u>-</u> | <u>83,029</u> |
| | <u>153,919</u> | <u>149,982</u> | <u>29,598</u> | <u>333,499</u> |

INTELLIGENCE CORPS ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. GRANTS PAYABLE

| | 2020 | 2019 |
|--|----------------|----------------|
| | £ | £ |
| Relief of hardship and other disadvantages | 68,895 | 74,387 |
| General charitable purposes | 11,546 | 10,891 |
| Promotion of the well-being and efficiency of her majesty's army | <u>69,541</u> | <u>117,342</u> |
| | <u>149,982</u> | <u>202,620</u> |

8. SUPPORT COSTS

| | Information technology | Governance costs | Totals |
|-----------------------------|---------------------------|---------------------|---------------|
| | £ | £ | £ |
| General charitable purposes | <u>20,458</u> | <u>9,140</u> | <u>29,598</u> |

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

During the year travel and subsistence expenses were paid on behalf of six trustee's totalling £1,972.

10. STAFF COSTS

| | 2020 | 2019 |
|--------------------|---------------|---------------|
| | £ | £ |
| Wages and salaries | <u>75,000</u> | <u>65,095</u> |
| | <u>75,000</u> | <u>65,095</u> |

The average monthly number of employees during the year was as follows:

| | 2020 | 2019 |
|-------------------------------|----------|----------|
| | | |
| Management and administration | <u>3</u> | <u>3</u> |

No employees received emoluments in excess of £60,000.

The wages and salaries figure includes donated services of £75,000 (2019: £65,095) for members of staff employed by the Ministry of Defence based on the rates of pay in place during the period.

The Corps Secretary is considered key management personnel, although the post is funded by the MOD. The total employee benefits for this post were £39,000.

INTELLIGENCE CORPS ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted funds £ | Restricted fund £ | Total funds £ |
|---|----------------------------|-------------------------|---------------------|
| INCOME AND ENDOWMENTS FROM | | | |
| Donations and legacies | 249,756 | 523,743 | 773,499 |
| Other trading activities | 29,222 | - | 29,222 |
| Investment income | 35,740 | 18,090 | 53,830 |
| Other income | 4,431 | - | 4,431 |
| Total | 319,149 | 541,833 | 860,982 |
| EXPENDITURE ON | | | |
| Raising funds | 26,564 | 821 | 27,385 |
| Charitable activities | | | |
| Relief of hardship and other disadvantages | - | 74,387 | 74,387 |
| General charitable purposes | 138,954 | 13,336 | 152,290 |
| Commemoration and remembrance | 13,895 | 28,875 | 42,770 |
| Promotion of the well-being and efficiency of her majesty's army | 136,407 | 23 | 136,430 |
| Total | 315,820 | 117,442 | 433,262 |
| Net gains on investments | 84,159 | 189,830 | 273,989 |
| NET INCOME | 87,488 | 614,221 | 701,709 |
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | 808,457 | 1,193,509 | 2,001,966 |
| TOTAL FUNDS CARRIED FORWARD | 895,945 | 1,807,730 | 2,703,675 |

INTELLIGENCE CORPS ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | |
|--|----------------------------|
| 12. TANGIBLE FIXED ASSETS | |
| | Plant and machinery £ |
| COST | |
| At 1 January 2020 and 31 December 2020 | <u>2,670</u> |
| DEPRECIATION | |
| At 1 January 2020 | 1,694 |
| Charge for year | <u>422</u> |
| At 31 December 2020 | <u>2,116</u> |
| NET BOOK VALUE | |
| At 31 December 2020 | <u>554</u> |
| At 31 December 2019 | <u>976</u> |
| 13. HERITAGE ASSETS | |
| | Total £ |
| MARKET VALUE | |
| At 1 January 2020 and 31 December 2020 | <u>24,000</u> |
| NET BOOK VALUE | |
| At 31 December 2020 | <u>24,000</u> |
| At 31 December 2019 | <u>24,000</u> |
| 14. FIXED ASSET INVESTMENTS | |
| | Listed investments £ |
| MARKET VALUE | |
| At 1 January 2020 | 2,066,099 |
| Additions | 1,882,995 |
| Disposals | (2,081,181) |
| Net gains/(losses) | 256,112 |
| Invested cash movements | <u>65,357</u> |
| At 31 December 2020 | <u>2,189,382</u> |
| NET BOOK VALUE | |
| At 31 December 2020 | <u>2,189,382</u> |
| At 31 December 2019 | <u>2,066,099</u> |

There were no investment assets outside the UK.

INTELLIGENCE CORPS ASSOCIATION

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

14. FIXED ASSET INVESTMENTS - continued

During the year, the charity invested funds of £400k from the Svendsen Legacy recieved to preserve the value of the legacy. The funds are held within the charity's restricted benevolent fund shown in note 18.

15. STOCKS

| | 2020 | 2019 |
|--------|---------------|---------------|
| | £ | £ |
| Stocks | <u>45,029</u> | <u>52,066</u> |

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2020 | 2019 |
|---------------|--------------|----------------|
| | £ | £ |
| Trade debtors | 2,328 | 1,991 |
| Other debtors | - | 150,000 |
| | <u>2,328</u> | <u>151,991</u> |

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2020 | 2019 |
|-----------------|--------------|--------------|
| | £ | £ |
| Trade creditors | 3,628 | 6,193 |
| Other creditors | <u>2,831</u> | <u>2,264</u> |
| | <u>6,459</u> | <u>8,457</u> |

18. MOVEMENT IN FUNDS

| | At 1.1.20 £ | Net movement in funds £ | At 31.12.20 £ |
|---------------------------|------------------|----------------------------------|---------------------|
| Unrestricted funds | | | |
| General fund | 811,586 | (55,558) | 756,028 |
| Trading fund | 79,344 | 2,070 | 81,414 |
| Prize fund | <u>5,015</u> | <u>(690)</u> | <u>4,325</u> |
| | 895,945 | (54,178) | 841,767 |
| Restricted funds | | | |
| Benevolence fund | 1,807,730 | (114,686) | 1,693,044 |
| TOTAL FUNDS | <u>2,703,675</u> | <u>(168,864)</u> | <u>2,534,811</u> |

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

18. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General fund | 275,619 | (217,483) | (113,694) | (55,558) |
| Trading fund | 22,979 | (20,909) | - | 2,070 |
| Prize fund | 60 | (750) | - | (690) |
| | 298,658 | (239,142) | (113,694) | (54,178) |
| Restricted funds | | | | |
| Benevolence fund | 201,192 | (122,291) | (193,587) | (114,686) |
| TOTAL FUNDS | <u>499,850</u> | <u>(361,433)</u> | <u>(307,281)</u> | <u>(168,864)</u> |

Comparatives for movement in funds

| | At 1.1.19 £ | Net movement in funds £ | Transfers between funds £ | At 31.12.19 £ |
|---------------------------|------------------|----------------------------------|------------------------------------|---------------------|
| Unrestricted funds | | | | |
| General fund | 730,646 | 86,185 | (5,245) | 811,586 |
| Trading fund | 77,811 | 1,533 | - | 79,344 |
| Prize fund | - | (230) | 5,245 | 5,015 |
| | 808,457 | 87,488 | - | 895,945 |
| Restricted funds | | | | |
| Benevolence fund | 1,193,509 | 614,221 | - | 1,807,730 |
| TOTAL FUNDS | <u>2,001,966</u> | <u>701,709</u> | <u>-</u> | <u>2,703,675</u> |

INTELLIGENCE CORPS ASSOCIATION

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

18. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General fund | 288,916 | (286,890) | 84,159 | 86,185 |
| Trading fund | 30,213 | (28,680) | - | 1,533 |
| Prize fund | <u>20</u> | <u>(250)</u> | <u>-</u> | <u>(230)</u> |
| | 319,149 | (315,820) | 84,159 | 87,488 |
| Restricted funds | | | | |
| Benevolence fund | 541,833 | (117,442) | 189,830 | 614,221 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| TOTAL FUNDS | <u>860,982</u> | <u>(433,262)</u> | <u>273,989</u> | <u>701,709</u> |

A current year 12 months and prior year 12 months combined position is as follows:

| | At 1.1.19 £ | Net movement in funds £ | Transfers between funds £ | At 31.12.20 £ |
|---------------------------|-------------------|----------------------------------|------------------------------------|---------------------|
| Unrestricted funds | | | | |
| General fund | 730,646 | 30,627 | (5,245) | 756,028 |
| Trading fund | 77,811 | 3,603 | - | 81,414 |
| Prize fund | <u>-</u> | <u>(920)</u> | <u>5,245</u> | <u>4,325</u> |
| | 808,457 | 33,310 | - | 841,767 |
| Restricted funds | | | | |
| Benevolence fund | 1,193,509 | 499,535 | - | 1,693,044 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| TOTAL FUNDS | <u>2,001,966</u> | <u>532,845</u> | <u>-</u> | <u>2,534,811</u> |

INTELLIGENCE CORPS ASSOCIATION**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020****18. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General fund | 564,535 | (504,373) | (29,535) | 30,627 |
| Trading fund | 53,192 | (49,589) | - | 3,603 |
| Prize fund | 80 | (1,000) | - | (920) |
| | 617,807 | (554,962) | (29,535) | 33,310 |
| Restricted funds | | | | |
| Benevolence fund | 743,025 | (239,733) | (3,757) | 499,535 |
| | | | | |
| TOTAL FUNDS | <u>1,360,832</u> | <u>(794,695)</u> | <u>(33,292)</u> | <u>532,845</u> |

Unrestricted funds

The charity's general fund consists of funds which the trustees are free to use in accordance with the charitable objects

The trading fund consists of funds relating to the operation of the charity's shop and other trading activities, the proceeds of which are available for use in accordance with the charitable objects.

The prize fund consists of funds that the trustees have set aside to be paid in prizes in order to promote the Corps in line with the charity's objects.

Restricted funds

The charity's benevolent fund may only be applied towards the cost of supporting the families and members of the Corps in relief and hardship. Income received into the fund can only be used for benevolent and welfare cases, in line with the charity's policy.

19. RELATED PARTY DISCLOSURES**The Military Intelligence Museum**

During the year the charity paid grants of £15,000 to the Military Intelligence Museum for the purpose of educating the public in the role, history, traditions, customs and ethos of the corps.

INTELLIGENCE CORPS ASSOCIATION

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | 2020 £ | 2019 £ |
|--|-----------------|-----------------|
| INCOME AND ENDOWMENTS | | |
| Donations and legacies | | |
| Donations | 79,029 | 454,416 |
| One days pay | 258,233 | 248,211 |
| Regional income | 499 | 4,027 |
| Intangible income - wages and salaries | 75,000 | 65,095 |
| Intangible income - rent, heat and light | <u>1,750</u> | <u>1,750</u> |
| | 414,511 | 773,499 |
| Other trading activities | | |
| Shop income | 21,607 | 29,222 |
| Investment income | | |
| Dividends | 62,044 | 53,419 |
| Deposit account interest | <u>174</u> | <u>411</u> |
| | 62,218 | 53,830 |
| Other income | | |
| Postage and packing | 1,444 | 996 |
| Other income | 70 | 45 |
| Corps day | <u>-</u> | <u>3,390</u> |
| | <u>1,514</u> | <u>4,431</u> |
| Total incoming resources | 499,850 | 860,982 |
| EXPENDITURE | | |
| Other trading activities | | |
| Purchases | 61,080 | 76,537 |
| Profit share to Military Intelligence Museum | 2,070 | 1,533 |
| Closing stock | <u>(45,029)</u> | <u>(52,066)</u> |
| | 18,121 | 26,004 |
| Investment management costs | | |
| Portfolio management | 9,813 | 1,381 |
| Charitable activities | | |
| Wages | 75,000 | 65,095 |
| Carried forward | 75,000 | 65,095 |

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INTELLIGENCE CORPS ASSOCIATION

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

| | 2020 £ | 2019 £ |
|---|------------------|----------------|
| Charitable activities | | |
| Brought forward | 75,000 | 65,095 |
| Insurance | 924 | 844 |
| Postage and stationery | 4,824 | 1,714 |
| Advertising | - | 750 |
| Sundries | 231 | 423 |
| Regional expenses | 7,155 | 13,919 |
| Staff costs | 1,656 | 1,157 |
| Intelligencer prize costs | 250 | 250 |
| ICAREC costs | 144 | 2,958 |
| Parritt prize costs | 250 | 250 |
| Journal costs | 16,289 | 15,850 |
| Functions | 12,378 | 48,934 |
| Presentations | 987 | 97 |
| Other property expenses | 2,295 | 2,272 |
| Funeral costs | 975 | 2,521 |
| Memorials | 2,597 | 12,460 |
| Donations | 9,250 | 100 |
| Welfare travel | 40 | 298 |
| 80th Anniversary | 17,720 | - |
| Bank charges | 532 | 986 |
| Plant and machinery | 422 | 913 |
| Grants | <u>149,982</u> | <u>202,620</u> |
| | 303,901 | 374,411 |
| Support costs | | |
| Information technology | | |
| Website costs (inc SCRM) | 20,458 | 8,022 |
| Governance costs | | |
| Independent examiner's | 1,620 | 1,800 |
| IE non-IE work | 5,188 | 4,944 |
| Professional fees | 360 | 9,240 |
| Corps governance | <u>1,972</u> | <u>7,460</u> |
| | <u>9,140</u> | <u>23,444</u> |
| Total resources expended | <u>361,433</u> | <u>433,262</u> |
| Net income before gains and losses | 138,417 | 427,720 |
| Realised recognised gains and losses | | |
| Net gains/(losses) on investments | <u>(307,281)</u> | <u>273,989</u> |
| Net (expenditure)/income | <u>(168,864)</u> | <u>701,709</u> |

This page does not form part of the statutory financial statements