

REGISTERED CHARITY NUMBER: 1179469

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
THE CONNAUGHT TRUST**

THE CONNAUGHT TRUST

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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THE CONNAUGHT TRUST

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

History and objectives

This is a medium sized fund that was originally created by the Duke of Connaught at the end of the 19th Century for the benefit and support of the 3rd Hampshire Volunteer Battalion. The fund has subsequently supported all units that occupied the Connaught Drill Hall in Portsmouth. As a result of changing military requirements, the last unit left the Drill Hall in 1999. At that time the trustees decided, with the consent of the Charity Commission, to expand the scope of the Trust so that today the trustees are able to assist MoD sponsored Reserve and Cadet units of all three services within a defined geographical area. The Trust became a Charitable Incorporated Organization (CIO) on 1st Jan 2019.

The Objectives of the CIO are:

- (1) To promote the military efficiency of all ranks serving in units of the Army Reserve, the Royal Naval Reserve, the Royal Marines Reserve, and the Royal Auxiliary Air Force and such other Reserve Units as established by the Ministry of Defence, in Hampshire and the Isle of Wight.
- (2) To support the charitable activities of units of the Army Cadet Force, the Sea Cadet Corps, the Air Training Corps, the Volunteer Cadet Corps, the Combined Cadet Force and such other Cadet Units recognised as a Service Cadet Organisation by the Ministry of Defence, in Hampshire and the Isle of Wight.
- (3) If and in so far as the income and capital of the CIO cannot be applied towards the objects above in the area specified, it may be applied towards the same objects in Berkshire, Dorset, Surrey, West Sussex and Wiltshire.

Procedures policy and grantmaking

The trustees meet for grant-giving purposes up to three times a year at roughly four-month intervals. At these meetings grant applications are discussed and considered on merit and availability of funds. Grants are normally made on a one-off basis up to £5,000. There have been comparatively few exceptions to this rule as the trustees would prefer to assist many organisations with a small grant rather than a few organisations with large grants. Guidance to Applicants is set out in the Grant Giving policy statement which sets out the criteria for grants and is available to view on the Trust's website. Applications are made on an interactive application form, also available from the Trust's website. This gives the trustees enough information to make their decision. When appropriate the Executive to the Trust and all trustees are available to discuss grant requirements with individual units. Units are encouraged to make efforts to raise funds themselves and to approach other grant giving organisations.

The trustees remain keen to support the state school CCF cadet expansion programme and efforts are being made to bring the Trust to the attention of these new units. The main method of promoting the aims of the Trust is through the Trust website, which is constantly updated, and this has helped improve the profile and accessibility of the Trust. The Trust also maintains a Facebook page and advertises in the Reserve and Cadet Link magazines produced by SERFCA. The trustees encourage photographs and expedition reports from recipients of grants once the activity has taken place as this feedback is used in the future promotion of the Trust.

THE CONNAUGHT TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

OBJECTIVES AND ACTIVITIES

PUBLIC BENEFIT

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities. The trustees are conscious that the use of charitable funds should have an element of benefit to the public.

The income from the Trust's investments is used to support the objectives of the Charity as outlined in the trustees' report. The trustees believe that the grants that they make both to the reserve and cadet forces throughout the area of the Trust's remit give public benefit. The grants aid a substantial number of people from all walks of life with military connections as well as give benefit to the communities in which the Reserves and Cadets are located.

ACHIEVEMENT AND PERFORMANCE

The application process this year was severely affected by the COVID pandemic. During 2020 the Trust received 27 applications (2019: 45) of which 12 were approved. Many applications had to be withdrawn or could not be granted because of COVID restrictions. In many cases the activities of units were severely curtailed and therefore applications for activities such as support for annual camp or adventure training that the Trust would normally receive did not occur. The total amount awarded during 2020 was £39,286 (2019: £110,051). 63% of the number of applications were received from Reserve and Cadet units in Hampshire and the IOW and 37% from the adjoining qualifying counties. The number of applications from Cadet units remained high comprising 56 % of the applications, receiving 72% (£28,186) of the total sums awarded. The grants supported various activities including the purchase of minibuses, rowing machines, classroom equipment, flight simulation equipment, trailers and a new ship's bell for HMS King Alfred. The trustees have decided that they will give the opportunity to eligible units to bid for the surplus sums not allocated this year through a special project named 'Project Bazooka'. A sum of £100,000 has been set aside for distribution at the end of 2021.

FINANCIAL REVIEW

The policy of the Trust as laid down by the Charity Commission is to expend all income derived from the Trust's investments. During the year under review the trustees were only able to allocate approximately 25% of the sums available due to the COVID pandemic and so it has been decided that the unallocated sums will be made available for Project Bazooka.

The Trust's overall income for 2020 was £196,173 (2019: £217,137), lower than the previous year as a result of the decision to sell St Catherine's Cottage with vacant possession with the result that there was a loss of rental income while the property was offered on the open market. The decision to sell St Catherine's Cottage was taken due to its management/repair liability and the regulatory risk involved with residential property. The proceeds from the sale will be reinvested. The income of the Trust comes from investments managed by Cazenove Capital, plus rents received from the several properties still owned by the Trust.

Current net assets of the fund stood at £5,006,261 at the year end, including money put aside in designated funds for marketing and future property repairs; these funds stood at £19,427 and £67,788 at the year-end respectively.

RESERVES POLICY

The reserve policy is to set aside enough sums in a property fund to cover future repairs and maintenance to the Trust properties and in a marketing fund to cover the costs of promoting the Trust to its beneficiary units and individuals.

FUTURE PLANS

In addition to Project Bazooka, the trustees plan to continue making grants in a similar way to the recent past. There is no intention to alter the policy that the Trust has adopted over the recent past. However, the trustees continually look to ways of expanding its coverage within its beneficiary group.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is a Charitable Incorporation Organisation (CIO), and its governance is set out in its Founding Constitution which was adopted on 1st Jan 2019.

THE CONNAUGHT TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trust's Foundation Constitution provides for a minimum of three and a maximum of eight trustees. During the year there were initially eight trustees which fell to six when sadly two long standing trustees, Colonel W Stevens and Major C Plummer, died during the year. Major A Barron and Colonel R P Bateman resigned as trustees at the end of the year and Brigadier M Sheen was appointed a trustee in November 2020. At year end there were five trustees. A Chairman is appointed for a term of up to three years. Major A J Barron was appointed Chairman for this year and he is responsible for ensuring that any new trustee receives appropriate training and is aware of the Charity Commission requirements and the laws governing trustees. The existing trustees have held office for periods varying from two to forty years. Trustees are appointed for a period of up to five years and can stand for reappointment subject to a maximum term of fifteen years. One trustee acts in a consultancy capacity as Executive to the Trust. He is responsible for the day to day administration of the Trust. He also investigates all grant applications before they are submitted to a full meeting of the trustees.

The Trust's funds are managed by Cazenove Capital, which reports monthly through the Executive to the Trust and a manager attends at least one annual meeting to report to all trustees. As well as the funds under management by Cazenove the Trust owns several properties. The Trust uses recognised agents to handle the management of most of these properties while the Executive to the Trust is responsible for the management of one property.

The Trust has successfully migrated its document base to The Cloud which has enabled all the trustees to access the Trust's data base and enables them easily to view applications and other relevant data.

The trustees have introduced a normal risk management process to assess business risks and implement risk management strategies. This involved identifying the types of risks the Trust faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the trustees have reviewed the adequacy of the Trust's current internal controls. The trustees are pleased to report that the Trust's internal financial controls conform to guidelines issued by the Charity Commission.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1179469

Principal address

Station House
North Street
Havant
Hampshire
PO9 1QU

Trustees

Charles Edward Haviland Ackroyd
Anthony John Barron
Richard Piers Bateman
Maurice John Sheen
Julian Francis Scutts Walker
Anthony Charles Robert Stickland
Terrence Edward Wing

Resigned 31 December 2020
Resigned 31 December 2020
Appointed 19 November 2020

Executive to the Trust

Julian Francis Scutts Walker

THE CONNAUGHT TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

Solicitors

Blake Morgan
New Kings Court
Tollgate
Chandler's Ford
Eastleigh
Hampshire
SO53 3LG

Investment Managers

Cazenove Capital
12 Moorgate
London
EC2R 6DA

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 12 Jul 21 and signed on its behalf by:


C E H Ackroyd - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE CONNAUGHT TRUST

Opinion

We have audited the financial statements of The Connaught Trust (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE CONNAUGHT TRUST

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors 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 a Report of the Independent Auditors 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.

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:

From discussion with management and those charged with governance information about the entity is documented to assess the activity within the organisation. We discuss management's assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues concerning income and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of Net Assets at £78,600. The organisation generates income from its investments so the value of the net assets is considered appropriate for the basis of materiality. Our overall assessment of risk was used to determine performance materiality of £70,700. Lower levels of materiality were adopted for income and expenditure of £7,000 on the basis that income and expenditure are significantly less than Net Assets.

Substantive audit tests were designed after assessing and testing systems and controls. The systems and controls which have been designed to act as a preventative measure against fraud and error were operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no ongoing going concern risk. The organisation has sufficient reserves and secure income streams. The audit undertook a review of budgets, management accounts and the review of board minutes and reached the same conclusion as management.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE CONNAUGHT TRUST**

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.



for and on behalf of Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Station House
North Street
Havant
Hampshire
PO9 1QU

Date: 20 July 2021

THE CONNAUGHT TRUST

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

	Notes	2020 Unrestricted funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2	19,410	-
Investment income	3	200,165	217,137
Other income		-	20,000
Total		<u>219,575</u>	<u>237,137</u>
 EXPENDITURE ON			
Raising funds	4	26,120	47,265
Charitable activities	5		
Grantmaking		69,653	150,601
Total		<u>95,773</u>	<u>197,866</u>
Net gains/(losses) on investments		<u>(224,448)</u>	<u>356,616</u>
NET INCOME/(EXPENDITURE)		<u>(100,646)</u>	<u>395,887</u>
 RECONCILIATION OF FUNDS			
Total funds brought forward		5,106,907	4,711,020
 TOTAL FUNDS CARRIED FORWARD		<u><u>5,006,261</u></u>	<u><u>5,106,907</u></u>

The notes form part of these financial statements

THE CONNAUGHT TRUST

BALANCE SHEET 31 DECEMBER 2020

	Notes	2020 Total funds £	2019 Total funds £
FIXED ASSETS			
Tangible assets	9	1,845	2,396
Heritage assets	10	75,315	55,905
Investments			
Investments	11	3,034,053	3,274,803
Investment property	12	1,320,000	1,315,000
		<u>4,431,213</u>	<u>4,648,104</u>
CURRENT ASSETS			
Debtors	13	11,593	7,340
Cash at bank		591,003	489,887
		<u>602,596</u>	<u>497,227</u>
CREDITORS			
Amounts falling due within one year	14	(27,548)	(38,424)
		<u>575,048</u>	<u>458,803</u>
NET CURRENT ASSETS			
		<u>5,006,261</u>	<u>5,106,907</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>5,006,261</u>	<u>5,106,907</u>
NET ASSETS			
		<u>5,006,261</u>	<u>5,106,907</u>
FUNDS	15		
Unrestricted funds		5,006,261	5,106,907
TOTAL FUNDS		<u>5,006,261</u>	<u>5,106,907</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 12 Feb 21 and were signed on its behalf by:


C E H Ackroyd - Trustee

THE CONNAUGHT TRUST

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

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, as modified by the revaluation of certain assets.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

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.

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.

Allocation and apportionment of costs

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

As grantmaking is the charity's only charitable activity a basis of apportionment relating to governance costs and support costs is not required.

Tangible fixed assets

Individual fixed assets costing £500 or more are capitalised at cost.

Heritage assets

The Trust's collection of oil paintings, prints and silver is reported in the Balance Sheet at fair value. Valuations are made by professional valuers (D.M. Nesbit & Company).

The oil paintings, prints and silver are deemed to have indeterminate lives and the Trustees do not therefore consider it appropriate to charge depreciation.

Investment properties

The value of investment properties at the balance sheet date is reviewed annually by the Trustees. In addition, an external professional revaluation of the properties is conducted every five years. Any surplus or deficit in the value of the properties is reflected in the Statement of Financial Activities.

Taxation

The charity is exempt from tax on its charitable activities.

THE CONNAUGHT TRUST

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

1. ACCOUNTING POLICIES - continued

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.

Financial instruments

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties and investments in complicated investment products.

Trade and other debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, deposits with banks and other short-term highly liquid investments and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings or current liabilities.

Trade and other creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Conversion to Charitable Incorporated Organisation

The charity registered as a CIO on 6 August 2018.

2. DONATIONS AND LEGACIES

	2020	2019
	£	£
Donation by Hants IOW Territorial Trust	19,410	-

3. INVESTMENT INCOME

	2020	2019
	£	£
Rents received	85,470	87,700
Dividends from equities	112,963	128,929
Interest from cash deposits	1,732	508
	<u>200,165</u>	<u>217,137</u>

All investment income is derived from assets held in the United Kingdom and overseas.

THE CONNAUGHT TRUST

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

4. RAISING FUNDS

Investment management costs

	2020	2019
	£	£
Commission and management fees	2,453	8,524
Investment advice	14,866	14,809
Property repairs and maintenance	4,715	5,067
Insurance	2,163	1,412
Professional fees	-	12,585
Sundry expenses	1,372	1,814
Dilapidation expenditure	-	2,500
Depreciation	551	554
	<u>26,120</u>	<u>47,265</u>

5. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 6)	Support costs (see note 7)	Totals
	£	£	£
Grantmaking	<u>35,787</u>	<u>33,866</u>	<u>69,653</u>

6. GRANTS PAYABLE

	2020	2019
	£	£
Grantmaking	<u>35,787</u>	<u>108,811</u>

THE CONNAUGHT TRUST

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

6. GRANTS PAYABLE - continued

The total grants paid to institutions during the year was as follows:

	2020	2019
	£	£
4th Bn PWRR	-	8,820
457 (HY) Bty RA	2,000	-
679 Duke of Connaughts Sqn AAC	600	3,830
295 (HY) Bty RA	-	4,128
MOD Leighton House	-	2,000
6th Battalion The Rifles	(1,500)	4,109
7th Battalion The Rifles	-	2,500
2 Tp 579 Field Sqn RE	3,000	-
Blighmont ARC	-	1,190
HMS King Alfred, Whale Island	8,500	1,636
Southampton University OTC	-	4,500
Hampshire and Isle of Wight ACF	-	2,000
Berkshire Army Cadet Force	-	4,500
Dorset Army Cadet Force	-	2,500
Cadet Training Centre, Frimley Park	-	1,500
Steyning Army Cadet Force	-	1,200
Central District Sea Cadets	1,700	-
Basingstoke Sea Cadets	-	3,454
Cowes Sea Cadets	-	2,500
Crawley Sea & Marine Cadets	3,800	-
Horsham Sea Cadets	-	5,000
Parkstone Sea Cadets	-	4,000
Southampton Sea Cadets	5,000	-
Salisbury Sea Cadets	1,100	3,500
Staines and Egham Sea Cadets	-	5,000
Canford School CCF	-	2,500
Poole High School CCF	-	9,686
Hampshire and Isle of Wight ATC	3,707	4,478
3 AEF, RAF	-	150
Farnborough Air Training Corps	-	5,000
Headquarters Volunteer Cadet Corps	2,880	4,800
Volunteer Cadet Corps Training Centre	-	3,330
Royal Marines Volunteer Cadet Corps	5,000	9,800
Hampshire and IOW Lord Lieutenants Fund	-	1,200
	<u>35,787</u>	<u>108,811</u>

THE CONNAUGHT TRUST

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

7. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Grantmaking	<u>780</u>	<u>33</u>	<u>33,053</u>	<u>33,866</u>

Support costs, included in the above, are as follows:

Management

	2020 Grantmaking £	2019 Total activities £
IT support	<u>780</u>	<u>5,410</u>

Finance

	2020 Grantmaking £	2019 Total activities £
Bank charges	<u>33</u>	<u>50</u>

Governance costs

	2020 Grantmaking £	2019 Total activities £
Auditors' remuneration	5,380	6,403
Executive to the Trust's fees	25,608	27,760
Trustees' expenses	1,565	1,180
Professional fees	<u>500</u>	<u>987</u>
	<u>33,053</u>	<u>36,330</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

During the year, Julian Walker received consultancy fees totalling £25,608 (2019: £27,760) for his role as Executive to the Trust.

Apart from the above, there was no trustee's remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

During the year two trustees (2019: two) were reimbursed out of pocket expenses totalling £1,565 (2019: £1,180).

THE CONNAUGHT TRUST

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

9. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1 January 2020 and 31 December 2020	7,119
DEPRECIATION	
At 1 January 2020	4,723
Charge for year	551
At 31 December 2020	5,274
NET BOOK VALUE	
At 31 December 2020	1,845
At 31 December 2019	2,396

10. HERITAGE ASSETS

	Total £
MARKET VALUE	
At 1 January 2020	55,905
Additions	19,410
At 31 December 2020	75,315
NET BOOK VALUE	
At 31 December 2020	75,315
At 31 December 2019	55,905

In 2018 the heritage assets, consisting of silver, oil paintings and prints, were professionally valued by D.M. Nesbit & Company on an open market basis.

In 2020, heritage assets with a market value £19,410, consisting of silver were transferred to the Trust in November 2020 from Hampshire & Isle of Wight Territorial Trust. Before the transfer these heritage assets were professionally valued by D.M. Nesbit & Company on an open market basis.

THE CONNAUGHT TRUST

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

11. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2020	3,274,803
Additions	2,826,374
Disposals	(2,837,676)
Revaluations	(229,448)
At 31 December 2020	<u>3,034,053</u>
NET BOOK VALUE	
At 31 December 2020	<u>3,034,053</u>
At 31 December 2019	<u>3,274,803</u>

Analysis of investments by type:

	2020 £	2019 £
Equities	1,942,901	2,460,445
Bonds	261,813	241,870
Multi-Asset Funds	87,229	102,037
Property	418,446	252,208
Other	245,725	205,525
Cash held within the investment portfolio	77,939	12,718
	<u>3,034,053</u>	<u>3,274,803</u>

Analysis of investments between those held within or outside the United Kingdom:

	2020 £	2019 £
Within the United Kingdom	1,269,601	2,300,522
Outside the United Kingdom	<u>1,764,452</u>	<u>974,281</u>
	<u>3,034,053</u>	<u>3,274,803</u>

12. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2020	1,315,000
Revaluation	5,000
At 31 December 2020	<u>1,320,000</u>
NET BOOK VALUE	
At 31 December 2020	<u>1,320,000</u>
At 31 December 2019	<u>1,315,000</u>

In accordance with the accounting policies, the value of the investment properties held by the charity are reviewed by the Trustees annually.

THE CONNAUGHT TRUST

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

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Other debtors	30	2,856
Accrued income	8,866	652
Prepayments	2,697	3,832
	<u>11,593</u>	<u>7,340</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
VAT	1,780	4,822
Grants payable	400	5,400
Deferred income (see below)	9,023	9,859
Accrued expenses	16,345	18,343
	<u>27,548</u>	<u>38,424</u>

	2020 £	2019 £
Deferred income		
Brought forward	9,859	9,500
Amount released to incoming resources	(9,859)	(9,500)
Amount deferred in year	9,023	9,859
	<u>9,023</u>	<u>9,859</u>

15. MOVEMENT IN FUNDS

	At 1.1.20 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	5,019,692	(96,913)	4,922,779
Repairs to Property Fund	67,788	(3,733)	64,055
Marketing Fund	19,427	-	19,427
	<u>5,106,907</u>	<u>(100,646)</u>	<u>5,006,261</u>
TOTAL FUNDS	<u>5,106,907</u>	<u>(100,646)</u>	<u>5,006,261</u>

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	219,575	(92,040)	(224,448)	(96,913)
Repairs to Property Fund	-	(3,733)	-	(3,733)
	<u>219,575</u>	<u>(95,773)</u>	<u>(224,448)</u>	<u>(100,646)</u>
TOTAL FUNDS	<u>219,575</u>	<u>(95,773)</u>	<u>(224,448)</u>	<u>(100,646)</u>

THE CONNAUGHT TRUST

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

15. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	At 31.12.19 £
Unrestricted funds			
General fund	4,621,767	397,925	5,019,692
Repairs to Property Fund	69,826	(2,038)	67,788
Marketing Fund	19,427	-	19,427
	<u>4,711,020</u>	<u>395,887</u>	<u>5,106,907</u>
TOTAL FUNDS	<u>4,711,020</u>	<u>395,887</u>	<u>5,106,907</u>

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	237,137	(195,828)	356,616	397,925
Repairs to Property Fund	-	(2,038)	-	(2,038)
	<u>237,137</u>	<u>(197,866)</u>	<u>356,616</u>	<u>395,887</u>
TOTAL FUNDS	<u>237,137</u>	<u>(197,866)</u>	<u>356,616</u>	<u>395,887</u>

The repairs to property fund is designated to provide future repairs to the investment properties at 149 West Street, Fareham, and St. Catherine's Cottage, Fareham.

The marketing fund is designated to assist with future expenditure incurred on promoting the trust to the wider network.

16. CONTINGENT ASSETS

Prior to the year end, on 4 November 2020, the trustees of the Hampshire and Isle of Wight Territorial Trust resolved to transfer all of the assets comprising silver and investments to the Connaught Trust. It had been hoped that this would be achieved by the end of December 2020 but due to COVID restrictions, as at the year end of 31 December 2020, only assets amounting £19,140 had been transferred and included in these accounts within donations and heritage assets. The remaining assets due to be transferred post year end have not been recognised in these accounts due to not currently being quantifiable.

THE CONNAUGHT TRUST

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

17. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2020.