

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
FOR
THE CONNAUGHT TRUST**

THE CONNAUGHT TRUST

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THE CONNAUGHT TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their report with the financial statements of the charity for the year ended 31 December 2022. 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

The charity was originally created 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 at Stanhope Road, 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 Air Force Reserve 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 three times a year at 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, 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 contained 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 considered necessary, 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 (Combined Cadet Force) cadet expansion programme (CEP) and efforts are being made to bring the Trust to the attention of these new units with the help of the school liaison officers at SERFCA (South East Reserve Forces and Cadets Association) and Wessex RFCA (Reserve Forces and Cadets Association). The Trust is pleased to have supported 7 CEP CCF detachments during 2022.

The main method of promoting the aims of the Trust is through the Trust website. The Trustees were concerned that the website needed a refresh and that the Trust could benefit from an active rather than passive approach to promoting the objects of the Trust. To this end a media consultant was appointed in September 2022 with the instructions to update the website, overhaul the application form and to raise the profile of the Trust within the beneficiary group. We are pleased that the new website went live in June 2023 and the new application form is in use. The Trust maintains Facebook and LinkedIn pages which are managed by the media consultant. The Trust also advertises in the Reserve and Cadet Link magazines produced by SERFCA and is looking to advertise in the newsletter produced by Wessex RFCA. 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 2022

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

During 2022 the Trust received 51 grant applications (2021: 45) of which 42 were approved. Two grants from the Sea Cadets and Hampshire & Isle Of Wight Army Cadet forces were refunded as the events for which the grant were intended could not go ahead due to the death of Her Late Majesty The Queen. The total amount awarded during 2022 was £133,823 (2021: £251,743 including the £100,000 Bazooka Grant). 49% of the number of applications (2021: 68%) were received from Reserve and Cadet units in Hampshire and the Isle of Wight and 51% (2021: 32%) from the adjoining qualifying counties. The number of applications from Cadet units remained high comprising 71% of the applications (36), receiving 88% (£118,105) of the total amount awarded. The grants supported various activities including support for Annual Camps, Battlefield Tours, the purchase of adventure training and military equipment, and funding for adventure training exercises such as sky diving. The provision of grants has a significant impact on recruitment and retention for the beneficiary units. During the year 3,680 reservists and cadets benefited from grants from the Trust.

FINANCIAL REVIEW

The Trust's overall investment income for 2022 was £289,865 (2021: £232,386). The income of the Trust comes from equity investments managed by Cazenove Capital, plus rents received from the three commercial investments owned by the Trust.

Current net assets of the fund stood at £180,688 (2021: £93,763) at the year end, including money put aside in designated funds for marketing and future property repairs; these funds stood at £17,080 and £86,822 at the year-end respectively.

RESERVES POLICY

The reserves policy of the Trust is for free reserves to cover one year of grants estimated at £100,000. The increase above the free reserves amount is held for specific projects to cover future repairs and maintenance of the Trust properties and marketing costs associated with promoting the Trust to its beneficiary units and individuals.

FUTURE PLANS

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 and have appointed a media consultant, Greenfieldsites, to help with promotion of the Trust.

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 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trust's Foundation Constitution provides for a minimum of three and a maximum of eight trustees. The Trustees review the skill set of the current Trustees and seek to recruit new Trustees to balance these skills as required. During the year Col T Wing resigned as a trustee, so that at year end there were five trustees. Col C Ackroyd was appointed Chairman for term of three years from 1 Jan 2021. The Chairman is responsible for ensuring that any new trustee receives appropriate training, is aware of the Charity Commission requirements and the laws governing trustees. The existing trustees have held office for periods varying from one to fifteen 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. Post year end two new Trustees were appointed, Sqn Ldr G Hughes and Major J Lacey.

The Trust's equity funds are managed by Cazenove Capital, which reports monthly through the Executive to the Trust and the fund manager attends either in person or remotely at least one annual meeting to report to all trustees. As well as the funds under management by Cazenove the Trust owns three commercial properties. The Trust uses an agent to manage one of the properties which is multi-let. The other two properties are managed directly by the Executive to the Trust.

The Trust's document base is in SharePoint. This enables all the trustees to access the Trust's data base which 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

C E H Ackroyd
A C R Stickland
D L Griffin
M J Sheen
J F S Walker
T E Wing
J D Lacey
G Hughes

Resigned 18/11/2022
Appointed 10/03/2023
Appointed 10/03/2023

Executive to the Trust

Julian Francis Scutts Walker

Auditors

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

THE CONNAUGHT TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022

REFERENCE AND ADMINISTRATIVE DETAILS

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 14 Jul 23 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 2022 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 2022 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.

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 and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of income. As a not for profit organisation raising income is its primary focus which is why income was used to determine the level of materiality. Due to the significant value of assets on the balance sheet, a separate materiality has been used for balance sheet items based on the net assets of the organisation. Our overall assessment of risk was used to determine performance materiality at an appropriate level.

Substantive audit tests were designed after assessing and performing walkthrough tests. The walkthrough testing confirmed documented systems which have been designed to act as a preventative measure against fraud and error which appear to be 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 going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to 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.

Morris Crocker is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.

**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
Station House
North Street
Havant
Hampshire
PO9 1QU

Date:1 August 2023.....

THE CONNAUGHT TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 Unrestricted funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2	-	12,018
Investment income	3	289,865	220,368
Total		<u>289,865</u>	<u>232,386</u>
EXPENDITURE ON			
Raising funds	4	29,900	9,708
Charitable activities	5		
Grantmaking		148,389	295,674
Total		<u>178,289</u>	<u>305,382</u>
Net gains/(losses) on investments		<u>(319,699)</u>	<u>164,167</u>
NET INCOME/(EXPENDITURE)		(208,123)	91,171
RECONCILIATION OF FUNDS			
Total funds brought forward		5,097,432	5,006,261
TOTAL FUNDS CARRIED FORWARD		<u><u>4,889,309</u></u>	<u><u>5,097,432</u></u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

2021 Funds were all unrestricted funds.

THE CONNAUGHT TRUST

BALANCE SHEET
31 DECEMBER 2022

	Notes	2022 Total funds £	2021 Total funds £
FIXED ASSETS			
Tangible assets	10	754	1,298
Heritage assets	11	64,110	76,183
Investments			
Investments	12	2,906,757	3,217,188
Investment property	13	1,737,000	1,709,000
		<u>4,708,621</u>	<u>5,003,669</u>
CURRENT ASSETS			
Debtors	14	10,237	5,717
Cash at bank		217,177	276,440
		<u>227,414</u>	<u>282,157</u>
CREDITORS			
Amounts falling due within one year	15	(46,726)	(188,394)
NET CURRENT ASSETS		<u>180,688</u>	<u>93,763</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,889,309</u>	<u>5,097,432</u>
NET ASSETS		<u>4,889,309</u>	<u>5,097,432</u>
FUNDS	16		
Unrestricted funds		<u>4,889,309</u>	<u>5,097,432</u>
TOTAL FUNDS		<u>4,889,309</u>	<u>5,097,432</u>

The financial statements were approved by the Board of Trustees and authorised for issue on
 14.5.22 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 2022

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)', including the provisions of Section 1A "Small Entities" 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 financial statements have been completed using pound sterling as the currency and all figures have been rounded to the nearest pound.

Going concern

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.

The charity recovers a proportion of its VAT due to being partially exempt for VAT purposes.

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 (independent examination for previous year) 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

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

Fixtures and fittings - 10% on cost and 10% on reducing balance

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. A formal valuation was made by professional valuers (D.M. Nesbit & Company) in 2020, the Trustees then review the heritage asset value on an annual basis.

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

THE CONNAUGHT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES - continued

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 on an open market basis. 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.

Fund accounting

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

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

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.

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.

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.

Judgements and key sources of estimation uncertainty

In the application of the company'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. Revision to accounting estimates are recognised in the period which the estimate is revised where the revision affects only that period, or in the period of the revision and future period whether revision affects both current and future periods.

The value of investment properties at the balance sheet date is reviewed annually by the Trustees. Due to being carried out by the Trustees this involves an element of estimation.

THE CONNAUGHT TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donation by Hants IOW Territorial Trust	-	12,018
	<u> </u>	<u> </u>

3. INVESTMENT INCOME

	2022	2021
	£	£
Rents received	141,438	95,593
Grant of the right of access across car park	22,500	-
Dividends from equities	125,879	123,957
Interest from cash deposits	48	818
	<u> </u>	<u> </u>
	289,865	220,368
	<u> </u>	<u> </u>

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

4. RAISING FUNDS

Investment management costs

	2022	2021
	£	£
Commission and management fees	1,000	1,000
Investment advice	6,671	(454)
Bad debts	18,888	-
Property repairs and maintenance	-	434
Insurance	968	1,025
Sundry expenses	72	708
Estate agent and survey fees	-	6,205
Printing and advertising	1,756	243
Depreciation	545	547
	<u> </u>	<u> </u>
	29,900	9,708
	<u> </u>	<u> </u>

5. CHARITABLE ACTIVITIES COSTS

	Grant funding of activities (see note 7)	Support costs (see note 8)	Totals
	£	£	£
Grantmaking	107,823	40,566	148,389
	<u> </u>	<u> </u>	<u> </u>

THE CONNAUGHT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2022	2021
	£	£
Book project costs	-	6,000
	<u> </u>	<u> </u>

7. GRANTS PAYABLE

	2022	2021
	£	£
Grantmaking	107,823	251,743
	<u> </u>	<u> </u>

THE CONNAUGHT TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. GRANTS PAYABLE - continued

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

	2022	2021
	£	£
Reserves		
4th Bn PWRR HQ	2,000	601
128 Coy REME	2,195	-
2Tp 579 Field Sqn RE	500	1,250
679 (Duke of Connaughts) Sqn AAC	1,724	-
C Coy 4 PWRR	3,500	-
C Coy 6th Bn The Rifles	750	-
MOD Leighton House	2,500	-
Royal Wessex Yeomanry	400	500
Southampton UOTC	2,200	980
Cadets		
1105 (City of Winchester) Sqn ATC	1,400	-
Alton School CCF	6,053	-
Andover College CCF	2,648	2,950
ARK Charter Academy CCF	-	9,016
Berkshire Army Cadet Force	5,000	7,479
Brakenhale School CCF (3 Awards)	12,930	5,000
Brighton Metropolitan College CCF	4,944	-
Canford School CCF	5,250	-
Central District Sea Cadets	5,000	7,350
Chichester Free School CCF	2,500	-
City of Portsmouth College CCF (2 Awards)	5,792	-
Claire's Court School CCF	-	5,000
Cowes Sea Cadets	-	4,680
Crawley Sea & Marine Cadets	-	2,500
Denefield School CCF	5,000	-
Effingham Schools Trust CCF	4,974	-
Farnham, Fleet and Aldershot Sea Cadets	-	2,000
Hampshire and Isle of Wight ACF (4 Awards)	17,588	7,376
Hampshire and Isle of Wight RAF	5,000	105,000
Headquarters Volunteer Cadet Corps	6,000	19,400
HMS Excellent VCC	5,000	-
John Madejski Academy	-	3,011
Littlehampton, Arundel and District Sea Cadets	3,350	3,863
Lord Wandsworth College	-	6,000
Maidenhead Sea Cadets	-	2,500
Marine Society and Sea Cadets	-	6,480
Newbury Sea Cadets	5,000	8,000
Petersfield School CCF	-	1,786
Poole Sea Cadets	2,000	-
Portsmouth Grammar School CCF	3,285	-
Portsmouth Sea Cadets	-	1,500
Southampton Sea Cadets	-	31,495
Surrey District Sea Cadets	4,000	-
Tisbury detachment Wiltshire ACF	1,308	-
UTC Reading CCF	4,032	1,576
Volunteer Cadet Corps Training Centre	-	4,500
	<hr/>	<hr/>
	133,823	251,743

THE CONNAUGHT TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. GRANTS PAYABLE - continued

4th Bn PWRR HQ (2021 grant)	(600)	
Central District Sea Cadets (2022 grant)	(3,500)	
HMS Excellent VCC (2019 grant)	(5,000)	
Hampshire and Isle of Wight ATC (2022 grant)	(1,500)	
Hampshire Lord Lieutenants Fund	(400)	
Southampton Sea Cadets (over accrued in 2021)	(15,000)	
	<u>107,823</u>	<u>251,743</u>

8. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Grantmaking	<u>2,403</u>	<u>59</u>	<u>38,104</u>	<u>40,566</u>

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

Management

	2022 Grantmaking £	2021 Total activities £
Marketing	1,527	620
Sundries	108	849
IT support	768	944
	<u>2,403</u>	<u>2,413</u>

Finance

	2022 Grantmaking £	2021 Total activities £
Bank charges	59	88
	<u>59</u>	<u>88</u>

Governance costs

	2022 Grantmaking £	2021 Total activities £
Accountancy	780	750
Auditors' remuneration	5,850	866
IE Fees	-	2,240
Executive to the Trust's fees	27,019	26,056
Trustees' expenses	2,105	2,679
Professional fees	2,350	2,839
	<u>38,104</u>	<u>35,430</u>

THE CONNAUGHT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

9. TRUSTEES' REMUNERATION AND BENEFITS

During the year, Julian Walker received consultancy fees totalling £27,019 (2021: £26,056) 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 2022 nor for the year ended 31 December 2021.

Trustees' expenses

During the year four trustees (2021: three) were reimbursed out of pocket expenses totalling £2,105 (2021: £2,679).

10. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1 January 2022 and 31 December 2022	7,119
DEPRECIATION	
At 1 January 2022	5,821
Charge for year	544
At 31 December 2022	6,365
NET BOOK VALUE	
At 31 December 2022	754
At 31 December 2021	1,298

11. HERITAGE ASSETS

MARKET VALUE	2022	2021	2020	2019	2018
At 1 January	76,183	75,315	55,905	55,905	59,605
Additions	280	868	19,410	-	-
Revaluations	(11,313)	-	-	-	(3,700)
Disposals	(1,040)	-	-	-	-
At 31 December	<u>64,110</u>	<u>76,183</u>	<u>75,315</u>	<u>55,905</u>	<u>55,905</u>
NET BOOK VALUE					
At 31 December	<u>64,110</u>	<u>76,183</u>	<u>75,315</u>	<u>55,905</u>	<u>55,905</u>

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.

In 2022, the carrying value of the heritage assets was reviewed by the Trustees and it was determined to decrease the heritage assets value by £11,313.

THE CONNAUGHT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

12. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2022	3,217,188
Additions	30,968
Disposals	(5,014)
Revaluations	(336,385)
At 31 December 2022	<u>2,906,757</u>
Cash available to invest	23
NET BOOK VALUE	
At 31 December 2022	<u>2,906,757</u>
At 31 December 2021	<u>3,217,188</u>

Analysis of investments by type:

	2022 £	2021 £
Equities	1,853,767	2,293,774
Bonds	333,920	283,592
Multi-Asset Funds	47,792	53,779
Property	204,929	226,476
Other	313,101	299,160
Cash held within the investment portfolio	153,248	60,407
	<u>2,906,757</u>	<u>3,217,188</u>

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

	2022 £	2021 £
Within the United Kingdom	1,215,548	1,024,434
Outside the United Kingdom	1,691,209	2,192,754
	<u>2,906,757</u>	<u>3,217,188</u>

THE CONNAUGHT TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

13. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2022	1,709,000
Revaluation	28,000
	<u>1,737,000</u>
At 31 December 2022	<u>1,737,000</u>
NET BOOK VALUE	
At 31 December 2022	<u>1,737,000</u>
At 31 December 2021	<u>1,709,000</u>
Fair value at 31 December 2022 is represented by:	
Valuation in 2022	<u>£</u> <u>1,737,000</u>

An external valuation was carried out in December 2021 by Primer Olds BAS an independent firm of Chartered Surveyors.

In accordance with the accounting policies, the value of the investment properties held by the charity are reviewed by the Trustees annually. In December 2022 the review resulted in a £28,000 gain on revaluation.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Other debtors	30	30
Accrued income	9,210	3,616
Prepayments	997	2,071
	<u>10,237</u>	<u>5,717</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
VAT	5,891	9,402
Grants payable	7,195	149,000
Deferred income (see below)	25,095	25,039
Accrued expenses	8,545	4,953
	<u>46,726</u>	<u>188,394</u>

	2022 £	2021 £
Deferred income		
Brought forward	25,039	9,023
Amount released to incoming resources	(25,039)	(9,023)
Amount deferred in year	25,095	25,039
Carried forward	<u>25,095</u>	<u>25,039</u>

THE CONNAUGHT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

16. MOVEMENT IN FUNDS

	At 1.1.22 £	Net movement in funds £	At 31.12.22 £
Unrestricted funds			
General fund	4,985,985	(206,596)	4,779,389
Repairs to Property Fund	86,822	-	86,822
Marketing Fund	18,607	(1,527)	17,080
Book project	6,018	-	6,018
	<u>5,097,432</u>	<u>(208,123)</u>	<u>4,889,309</u>
TOTAL FUNDS	<u>5,097,432</u>	<u>(208,123)</u>	<u>4,889,309</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	289,865	(176,762)	(319,699)	(206,596)
Marketing Fund	-	(1,527)	-	(1,527)
	<u>289,865</u>	<u>(178,289)</u>	<u>(319,699)</u>	<u>(208,123)</u>
TOTAL FUNDS	<u>289,865</u>	<u>(178,289)</u>	<u>(319,699)</u>	<u>(208,123)</u>

Comparatives for movement in funds

	At 1.1.21 £	Net movement in funds £	At 31.12.21 £
Unrestricted funds			
General fund	4,899,778	86,207	4,985,985
Repairs to Property Fund	87,256	(434)	86,822
Marketing Fund	19,227	(620)	18,607
Book project	-	6,018	6,018
	<u>5,006,261</u>	<u>91,171</u>	<u>5,097,432</u>
TOTAL FUNDS	<u>5,006,261</u>	<u>91,171</u>	<u>5,097,432</u>

THE CONNAUGHT TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

16. 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	220,368	(298,328)	164,167	86,207
Repairs to Property Fund	-	(434)	-	(434)
Marketing Fund	-	(620)	-	(620)
Book project	12,018	(6,000)	-	6,018
	<u>232,386</u>	<u>(305,382)</u>	<u>164,167</u>	<u>91,171</u>
TOTAL FUNDS	<u>232,386</u>	<u>(305,382)</u>	<u>164,167</u>	<u>91,171</u>

The repairs to property fund is designated to provide future repairs to all the trust's investment property.

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

The book project fund is a result of the dissolution of the Hampshire & Isle of Wight Territorial Trust who transferred its remaining assets circa £12,000 in cash and some silver to The Connaught Trust. It was agreed that the funds would be used to fund the publication of a book on the history of the Territorial Army in Hampshire and the Isle of Wight.

17. OTHER FINANCIAL COMMITMENTS

As at 31st December 2022, the Trust had committed to pay £12,750 to Medina Publishing for publishing copies of 'The Book'.

18. RELATED PARTY DISCLOSURES

During the year, the Trust sold heritage assets with the value of £570 to one of the trustees, C E H Ackroyd. There were no other related party transactions for the year ended 31 December 2022.

There were no related party transactions for the year ended 31 December 2021.