



ARMED  
SERVICES  
TRAUMA  
REHABILITATION  
OUTCOME  
STUDY

Charity number: 1190361

# ADVANCE Charity

*The ADVANCE (Armed Forces Trauma Rehabilitation Outcome Study) Charity*

Report and financial statements

For the period ended 30 June 2021

# Contents

<b>Reference and administrative information.....</b>	<b>2</b>
<b>Trustees' annual report.....</b>	<b>4</b>
<b>1 Objectives and activities.....</b>	<b>4</b>
1.1 Purposes and aims.....	4
1.2 Achievements and performance.....	7
1.2.1 Achievements and performance of the ADVANCE Charity.....	7
1.2.2 Achievements and performance of the ADVANCE Study.....	10
1.3 Beneficiaries of our services.....	12
1.4 Objects and activities for the public benefit.....	12
<b>2 Finance review.....</b>	<b>13</b>
2.1 Investment.....	14
2.1.1 Main portfolio.....	14
2.1.2 Number 2 portfolio – cash account.....	15
2.1.3 Number 3 portfolio – TBI funds.....	15
2.2 Reserves policy.....	16
<b>3 Going concern.....</b>	<b>16</b>
<b>4 Principal risks and uncertainties.....</b>	<b>16</b>
<b>5 Fundraising.....</b>	<b>17</b>
<b>6 Plans for the future.....</b>	<b>17</b>
<b>7 Structure, governance and management.....</b>	<b>17</b>
7.1 Appointment of trustees.....	18
7.2 Trustee induction and training.....	18
7.3 Related parties and relationships with other organisations.....	18
<b>Statement of responsibilities of the trustees.....</b>	<b>19</b>
<b>Independent auditor's report.....</b>	<b>20</b>
<b>Statement of financial activities (incorporating an income and expenditure account)....</b>	<b>24</b>
<b>Balance sheet.....</b>	<b>25</b>
<b>Statement of cash flows.....</b>	<b>26</b>
<b>Notes to the financial statements.....</b>	<b>27</b>

# Reference and administrative information

**Charity number:** 1190361  
**Country of registration:** England and Wales

**Registered office and operational address:**

Guy Scadding Building, National Heart & Lung Institute, Dovehouse Street, London, SW3 6LY

**The Charity's context**

The ADVANCE Charity was originally set up as a charitable trust in 2018 (Charity Registration Number 1182395) and called the 'Armed Services Trauma Rehabilitation Outcome Study' or the 'ADVANCE Study'. However, the Charity changed its governance structure from a charitable trust to a charitable incorporated organisation (CIO) on 30 November 2020. At the same time, the Charity's official name was changed to the 'ADVANCE (Armed Services Trauma Rehabilitation Outcome Study) Charity', or the 'ADVANCE Charity'. Operationally, the Charity did not change when the governance structure changed to a CIO.

**Trustees:**

Trustees who served during the reporting period and up to the date of this report are listed below. They were appointed during June – September 2019, apart from Duncan Wilson who was appointed in March 2021.

- Admiral of the Fleet the Lord Boyce (Chair)
- Dr David Henson
- Dr Emily Mayhew
- Professor Sir Anthony Newman Taylor
- Mr Robert Robson (Treasurer)
- Professor Sir Simon Wessely
- Air Vice-Marshal (Professor) Rich Withnall (ex officio trustee in his capacity as Medical Director of UK Defence Medical Services until 17 March 2021; elected as a trustee in his own right thereafter)
- Brigadier Duncan Wilson (ex officio trustee in his capacity as Medical Director of UK Defence Medical Services from 17 March 2021 to date)

A Trustee tenure schedule is maintained to ensure a managed turnover of trustees.

**Executive Secretary / Operations Manager:** Dr Maija Maskuniitty

**Independent Investment Advisor:** David Miller (Executive Director, Quilter Cheviot Investment Management)

ADVANCE Charity (1190361)

For the period ended 30 June 2021

**Bankers:** C. Hoare & Co.  
37 Fleet Street  
London  
EC4P 4DQ

**Solicitor:** Farrer & Co  
66 Lincoln's Inn Fields  
London  
WC2A 3LH

**Auditor:** Sayer Vincent LLP  
Chartered Accountants and Statutory Auditor  
Invicta House  
108-114 Golden Lane  
London  
EC1Y 0TL

**Investment Manager:** Investec Wealth & Investment  
30 Gresham Street  
London  
EC2V 7QN

# Trustees' annual report

The Trustees present their report and the audited financial statements for the period ended 30 June 2021.

Reference and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the Charity's constitution and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

## 1 Objectives and activities

### 1.1 Purposes and aims

The ADVANCE Charity was set up in 2018, with the main aim to enable the ADVANCE Study. The ADVANCE Study itself started in 2014.

The ADVANCE Study – or Armed Services Trauma Rehabilitation Outcome Study – is a 20-year cohort study investigating the long-term physical and psycho-social outcomes of battlefield casualties. The study is a collaboration between Imperial College London (ICL), King's College London (KCL) and the Academic Department of Military Rehabilitation (ADMR) (Stanford Hall, Ministry of Defence) in Nottinghamshire.

ADVANCE follows more than 550 battlefield casualties, and an equivalent number of matched uninjured servicemen as a control group, from the UK Armed Forces following deployment to Afghanistan between 2002 and 2014. The aim is to use the knowledge gained from the Study to support and plan the best care possible for present and future generations of injured servicemen and women. There is no other study of its kind underway anywhere in the world.

For scientific reasons the difficult decision was made at the start of the study to make ADVANCE a male-only cohort study, and this was agreed by the research ethics committee. This is because there were only very few female UK military combat casualties in Afghanistan, and consequently no scientifically or clinically meaningful and translatable results could be drawn by studying this small female sub-group. Furthermore, due to the physiological differences between women and men, it is not clinically or scientifically feasible to study females and males as a combined cohort.

Initial funding for the ADVANCE Study was received from Help for Heroes in 2014, and a LIBOR grant was received from the Treasury in 2016. These grants were awarded directly to ADMR and Imperial College London, respectively, and a sub-award of the LIBOR grant was given to King's College.

The ADVANCE Charity entered on the Register of Charities in England and Wales in March 2019. The Board of Trustees in its current form was appointed mainly during June – September 2019, and the Board replaced the ADVANCE Strategic Steering Group, which used to be the advisory body for the Study before the Charity was set up.

The ADVANCE Charity exists solely to enable, fund and support the ADVANCE Study research programme. It is primarily a grant-making charity and aims to ensure that there are sufficient funds to complete the 20-year study.

The overall objects of the Charity are:

- to promote education of the public, patients and healthcare specialists in relation to all aspects of medical and psycho-social outcomes of British casualties suffering combat and severe trauma;
- to share information and skills among different medical disciplines that see these types of conditions and related disorders;
- to enhance research, diagnosis and treatment of combat and severe trauma;
- to help support and plan the best care possible for present and future generations of injured servicemen and women.

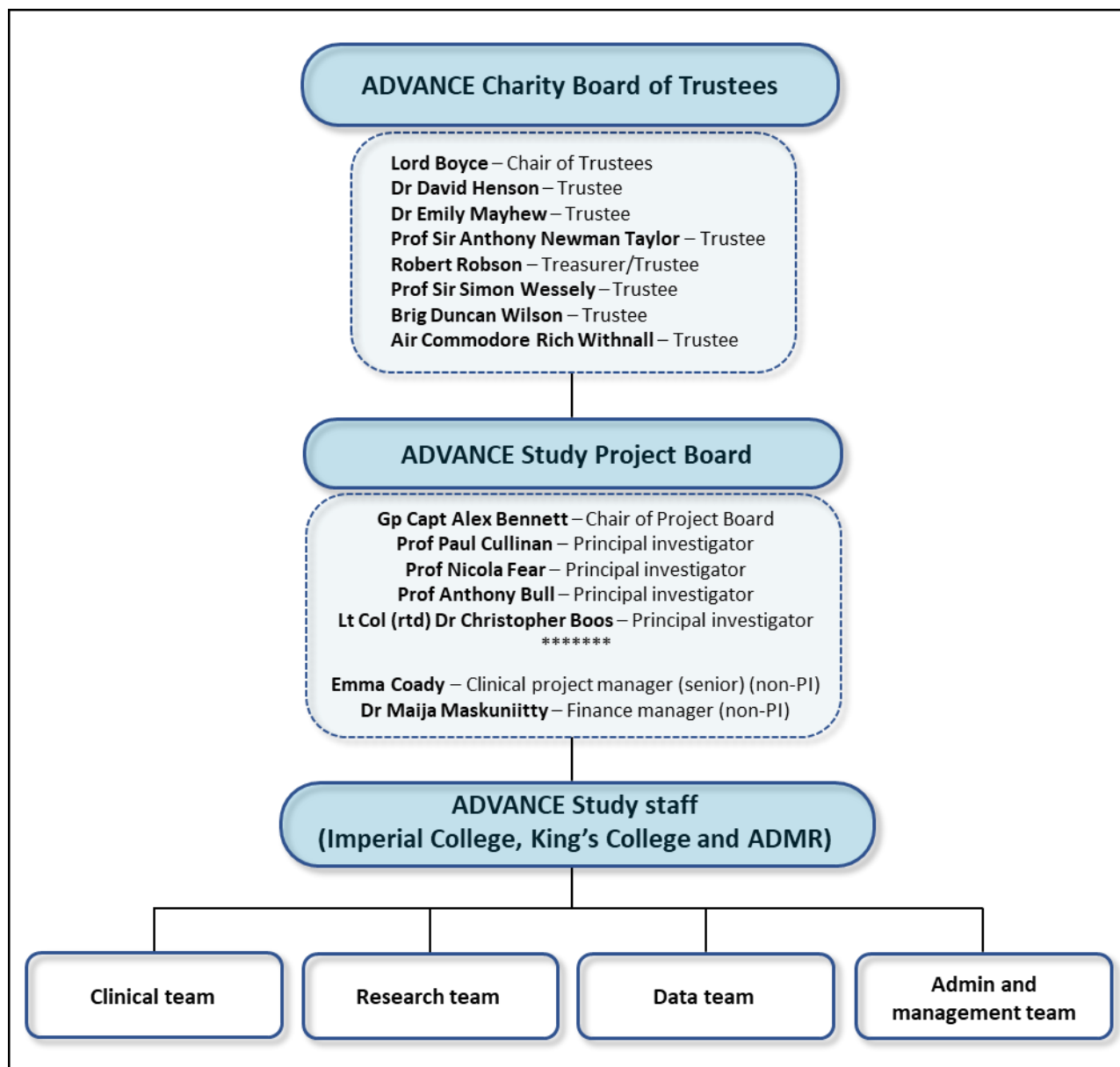
As will be understood from the explanation above, the Study and the Charity are closely interlinked. The differences in their roles and responsibilities are explained in Table 1 and Figure 1.

**Table 1.** The roles and responsibilities of the ADVANCE Study and the ADVANCE Charity.

<b>ADVANCE Study</b>	<b>ADVANCE Charity</b>
<ul style="list-style-type: none"><li>• Carries out the ADVANCE research programme.</li><li>• Is led by the ADVANCE Study Project Board.</li><li>• Supports the ADVANCE Charity in raising money.</li><li>• Employs staff via Imperial College, King's College and ADMR to carry out the Study.</li><li>• Prepares and submits grant applications to the ADVANCE Charity.</li></ul>	<ul style="list-style-type: none"><li>• Oversees the ADVANCE Study; advises the Project Board on the direction of the Study.</li><li>• Is led by the ADVANCE Charity's Board of Trustees.</li><li>• Raises money for the ADVANCE Charity with support from the ADVANCE Project Board.</li><li>• Does not employ staff.</li><li>• Receives and reviews grant applications from the ADVANCE Study partner institutions and allocates funds as appropriate.</li></ul>

The Trustees review the aims, objectives and activities of the charity each year. This report looks at what the Charity has achieved and the outcomes of its work in the reporting period.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning its future activities.



**Figure 1.** ADVANCE Charity and ADVANCE Study organisation.

## 1.2 Achievements and performance

The Charity's main activities and its beneficiaries are described below. All its charitable activities focus on funding, enabling and supporting the ADVANCE Study and are undertaken to further the ADVANCE Charity's charitable purposes for the public benefit.

Despite the COVID-19 pandemic, the ADVANCE Charity and the ADVANCE Study made significant progress during the reporting period.

The ADVANCE Charity's operational structures had been set up in the previous financial year. During the reporting period some of these structures were further optimised and put into practice, new grants were awarded, and a process for reporting by grant holders was put in place. Together with the ADVANCE Study Project Board we also obtained funds for supplementary studies, as funds for the core ADVANCE Study had been secured the previous year. In addition, the transition from a charitable trust to a charitable incorporated organisation (CIO) in November 2020 was a big milestone.

### 1.2.1 Achievements and performance of the ADVANCE Charity

The main aims of the Charity during the reporting period were:

- a) Completing the transition from charitable trust to CIO
- b) Monitoring the impact of the COVID-19 shock on investment markets and day-to-day operations
- c) Obtaining funds for ADVANCE supplementary studies
- d) Awarding new grants to the ADVANCE Study partner organisations
- e) Updating operating procedures, refreshing grants processes and implementing annual reporting for grant holders

See the following paragraphs for details of the above.

#### *a) Completing the transition from charitable trust to CIO*

A decision had been made in 2019 to change the governing structure of the Charity from a charitable trust to a CIO, and Farrer & Co had been appointed to guide the Charity through this change. The CIO application was approved by the Charity Commission on 13 July 2020. The formal transition to CIO and transfer of all of the Charity's assets, liabilities and contracts to the new CIO took place on 30 November 2020.

In addition, a new current account for the CIO was opened with C. Hoare & Co. in December 2020, and the trust's old HSBC bank account was closed down in January 2021.

#### *b) Monitoring the impact of the COVID-19 shock on investment markets and day-to-day operations*

The COVID-19 pandemic has been a challenging time for the ADVANCE Study; this is discussed in section 1.2.2. However, the day-to-day operation of the ADVANCE Charity has not been adversely affected. The Charity's operations have been run remotely since March 2020, and all meetings have been held as videoconferences.

The impact of the pandemic on the Charity's investments is discussed in the investment review in section 2.1.



*c) Obtaining funds for ADVANCE supplementary studies*

A big milestone for both the ADVANCE Charity and the ADVANCE Study was reached in early 2020 when significant donations were received – mainly from the Headley Court Charity and the Nuffield Trust for the Forces of the Crown – to secure the core ADVANCE Study for the next 15 years. During the reporting period the focus of our fundraising was therefore on additional ADVANCE supplementary studies, in collaboration with the ADVANCE Study Project Board. These projects are not part of the core ADVANCE investigations as such but look at other important aspects within the ADVANCE participant cohort. These are discussed in more detail in section 1.2.2. (c).

Funding was received for three supplementary studies:

- Military to civilian transition in the ADVANCE Study
- ADVANCE TBI (traumatic brain injury)
- ADVANCE omics (proteomics and metabolomics\*)

\*Investigating blood markers related to traumatic injury and disease risk, e.g. cardiovascular and osteoarthritis risk.

The ADVANCE Charity and the ADVANCE Study Project Board had been in discussions with Forces in Mind Trust (FiMT) about funding since 2019, and in October 2020 confirmation of the £500,000 award was received from FiMT. These funds are ring-fenced for the military to civilian transition study led by King's College London.

In addition, the Headley Court Charity invited further funding proposals from ADVANCE in 2020. The ADVANCE Trustees asked the Project Board to formulate bids for additional studies for which funding could be sought. The Project Board defined two important areas of research, and the TBI and omics proposals were submitted to Headley Court for £1,989,457 and £956,501, respectively. The proposals were approved by the Headley Court trustees in early 2021, and the money was awarded to the ADVANCE Charity.

Details for the supplementary project donations are shown in table 2 below.

**Table 2.** Donations secured by the ADVANCE Charity during the reporting period.

Donor	Total award	Received to date	Award date	Info
Forces in Mind Trust	£500,000	£45,000	Oct 20	Restricted to King's College London military to civilian transition study; to be received in biannual tranches
Headley Court Charity	£1,989,457	£1,989,457	Jan 21	Restricted to Imperial College London and ADMR TBI study; all funds received in Feb 21
Headley Court Charity	£956,501	£956,501	Feb 21	Restricted to Imperial College omics study; all funds received in Feb 21
<b>Total</b>	<b>£3,445,958</b>	<b>£2,990,958</b>		

In addition to the above income, the ADVANCE Charity also received £25,000 from Help for Heroes in Sept 2020 and £50,000 from Blesma in June 2021 as part of previously awarded grants.

*d) Awarding new grants to the ADVANCE Study partner organisations*

As the ADVANCE Charity is a grant-making charity, one of our main functions is awarding grants to the institutions that carry out ADVANCE Study research. Table 3 below shows the grants that were approved by the trustees during the reporting period. No grant payments were made for the TBI and omics grants during the reporting period. The total value of grants awarded during the reporting period was £4,101,831. £1,231,843 of this was recognised as expenditure.

**Table 3.** Grants awarded by the ADVANCE Charity during the reporting period.

Grant holder	Host institution	Total award	Amount recognised in expenditure	Award date	Grant name	Originating funder	Information
Nicola Fear	King's College London	£625,000	£56,250	Oct 2020	Military to civilian transition in the ADVANCE Study	FiMT	Restricted grant from FiMT; £500k in total from FiMT and £125k from ADVANCE Charity to cover university overheads. To be paid in biannual tranches in line with payments from FiMT.
Paul Cullinan	Imperial College London	£284,873	£237,394	May 2021	ADVANCE core – salaries for data managers	N/A	Grant made from the ADVANCE Charity core funds for ADVANCE core work. To be paid in quarterly tranches in advance.
Alex Bennett	ADMR	£246,000	£246,000	June 2021	ADVANCE core	N/A	Grant made from the ADVANCE Charity core funds for ADVANCE core work. The grant was paid to ADMR in full in advance.
David Sharp	Imperial College London	£1,889,457	£377,891	June 2021	ADVANCE TBI	Headley Court Charity	Restricted grant from Headley Court Charity. To be paid in quarterly tranches in advance.
Alex Bennett	ADMR	£100,000	£20,000	June 2021	ADVANCE TBI	Headley Court Charity	Restricted grant from Headley Court Charity. To be paid in annual tranches in advance.
Marc Dumas	Imperial College London	£956,501	£294,308	June 2021	ADVANCE omics	Headley Court Charity	Restricted grant from Headley Court Charity. To be paid in quarterly tranches in advance.

Grant applications from Imperial College London and King's College London for core ADVANCE work were received after the reporting period, in August 2021. These were for a total of £4,859,282 for Imperial College and £747,051 for King's College, for five years from 1 January 2022. The applications were approved by the ADVANCE trustees.

*e) Updating operating procedures, refreshing grants processes and implementing annual reporting for grant holders*

As the ADVANCE Charity is still relatively new, several of our processes and policies were optimised – and some new ones added – during the reporting period. Some of the changes came about as more grants started being awarded by the Charity, and some were made in response to the findings of the August 2020 audit. The main changes that were implemented during the reporting period were:

- Secondment agreement for the Executive Secretary / Operations Manager was put in place between the Charity and Imperial College London in January 2021 to formalise the arrangement. Previously, this post was treated as a donated service. The Executive Secretary / Operations Manager is seconded from Imperial College to work for the Charity one day a week.
- The processes and controls for bank transactions and oversight were reviewed when a new current account was opened for the Charity with C. Hoare & Co.
- The Charity's grant terms and conditions were reviewed and updated. For example, a clause was added on revenue sharing. We also implemented a new reporting system for all ADVANCE Charity grants. Each grant holder (of a multi-year grant) is now required to submit an interim progress report annually in May.
- A serious incident reporting policy was prepared for the ADVANCE Charity, and it was approved by the trustees in February 2021.

### **1.2.2 Achievements and performance of the ADVANCE Study**

Despite continued disruption and challenges brought on by the COVID-19 pandemic, significant achievements were made within the ADVANCE Study in 2020-21.

*a) Baseline and follow-up visits*

Baseline recruitment of the ADVANCE cohort (1,145 participants) and baseline visits were completed in August 2020. On 15 September 2021, 464 (41%) participants had attended their first follow-up visit, and despite three periods of lockdown due to COVID-19, 307 of those participants were seen between 1 July 2020 and 30 June 2021. Attrition rates are currently lower than were previously predicted.

*b) Research outputs*

The first paper on ADVANCE baseline results was submitted in June 2021. The paper focuses on cardiovascular risk and outcomes in the ADVANCE cohort. Submission of the second ADVANCE paper, on mental health outcomes, is imminent. This will be followed by a third paper, which focuses on the effects of trauma and amputation on bone mineral density.

Alex Bennett (Chief Investigator of the ADVANCE Study) and Christopher Boos (ADVANCE Principal Investigator and Consultant Cardiologist) were invited to present ADVANCE results at the Blast Injury Conference 2021 in July 2021, soon after the reporting period. They presented overall results from the baseline data and cardiovascular results, respectively. In addition, in August 2021 Christopher Boos received an invitation to present ADVANCE cardiovascular findings at the American Heart Association's 2021 Scientific Sessions.

Current ADVANCE research also includes the following projects:

- Investigation of the mental health outcomes of the ADVANCE cohort, including PTSD, depression, anxiety and post-traumatic growth, as well as reporting on the cardiovascular risk associated with these psychosocial outcomes. (PhD student project)
- Investigation of clinical pathways and care for military amputees, particularly after leaving service and becoming a veteran. (PhD student project)
- **ChrOnic NeuropaThic pAin after Combat Trauma (CONTACT)**: An investigation into the prevalence and type of pain in the ADVANCE Study cohort. (PhD student project)
- Assessing the impact of combat injury on physical function using a combined computational and clinical approach. (Postdoctoral research project)

In addition to the above, a new PhD Student is due to start in autumn 2021 to investigate heart rate variability – a predictor of cardiovascular disease – in the ADVANCE cohort.

#### *c) Supplementary studies*

Research ideas created by the ADVANCE Project Board and their collaborators resulted in two new successful funding proposals during the reporting period – the TBI and omics project proposals to the Headley Court Charity. Both projects are due to start in 2021.

The TBI project will look at the effects of traumatic brain injury on brain health in ADVANCE participants. The hope is that the results will inform disease prevention in the future, in both military and civilian settings, as well as assist in the early diagnosis of neurodegenerative disease.

The omics project will be using proteomics (protein analysis) and metabolomics (metabolite analysis) technologies to look at biochemical markers in the ADVANCE participants' blood samples to establish the molecular signatures of injury and predict its long-term evolution. One of the long-term aims of the omics project is to identify markers of injury and any underlying predisposition to injury, as well as early predictive markers of potential complications from injury.

#### *d) Participant engagement*

The participants are at the heart of the ADVANCE Study, and therefore their views and opinions inform how the Study is run. To facilitate this, the ADVANCE Participant Panel was formed in 2021, and has had two meetings, in January and June 2021. The panel consists of approximately 20 ADVANCE participants, and meetings are held every six months. The ADVANCE Study team have already started implementing changes based on the Participant Panel's feedback. For example, flexibility for attending ADVANCE clinics has been increased, and a letter to participants containing all individual test results from their ADVANCE visits has been rolled out.

*e) Communications and branding*

As the ADVANCE Study has grown and progressed, the importance of communications has become evident. The Study team have been working with a digital marketing and communications consultant (Charlie Charlie One Ltd) since April 2021 to increase and improve the Study's online and social media presence. In addition, the ADVANCE 'brand' has been unified, and all ADVANCE Study communications channels now align with the new ADVANCE brand guidelines. The ADVANCE newsletter also received a makeover in 2020. The newsletter goes out to all ADVANCE participants three times a year.

### 1.3 Beneficiaries of our services

ADVANCE Study participants – the 550+ battlefield casualties and 550+ matched controls from the UK Armed Forces – directly benefit from the Study. During their six study visits over 20 years they undergo a comprehensive health check, including tests on:

- Blood pressure, resting heart rate, body mass index, abdominal and hip circumference
- Cholesterol, kidney and liver function, blood count, blood sugar and inflammation markers
- Osteoarthritis of the hip and knee
- Bone density
- Cardiovascular risk and cardiovascular disease
- Pain and daily functioning
- Mental health and well-being, including post-traumatic stress and growth
- Quality of life

The participants benefit directly from the Study, as several aspects of their health and wellbeing are monitored. Any abnormal or concerning results are immediately flagged up with their primary healthcare providers so that any issues can be addressed as necessary.

A significant amount of data will be collected during the 20 years of the ADVANCE Study which will inform future medical and social care of combat casualties and is anticipated to inform healthcare policies. The results from ADVANCE will therefore provide unique information that will be essential to the care of survivors of serious and complex injuries, military or otherwise, across the world.

ADMR, Imperial College London and King's College London benefit as direct recipients of research funding from the ADVANCE Charity.

### 1.4 Objects and activities for the public benefit

The Trustees have noted the Charity Commission guidance on Public Benefit.

The objects of the Charity are set out in section 1.1, and those objects combined with the activities and delivery detailed in section 1.2.2 and 1.3 clearly indicate the benefit that will accrue to the public from:

- The outcomes of the Study, which will benefit the quality of life of Armed Forces veterans and their families as a specific subset of the wider public.
- The research being shared with the broader medical community, so that the general public can also access the outcomes and learning and receive the medical advantages that the research brings.

## 2 Finance review

The ADVANCE Charity was in a financially secure position at the end of the reporting period. The total cash and investments held by the charity at 30 June 2021 were £15,461,061 – broken down as shown in Table 4. (These figures do not include grant commitments, other accruals and accrued investment income.)

**Table 4.** Total cash and investments of the ADVANCE Charity at 30 June 2021.

Account	Amount
Current account	£2,967,254
Investment cash account	£945,373
Investments	£ 11,548,434
<b>Total on all accounts</b>	<b>£15,461,061</b>

The significant credit balance on the current account at the end of June 2021 was due to the TBI and omics funds from the Headley Court Charity. Soon after the end of the reporting period some of these funds were transferred to separate designated Hoare's savings accounts, and some of the TBI funds were transferred to Investec to be invested.

Expenditure during the reporting period was significantly higher compared to the previous year, due the new grants awarded. A £25,000 tranche of the existing H4H award was transferred to ADMR, along with £246,000 to cover ADMR's core ADVANCE costs for another year of the Study. £56,250 was transferred to KCL for the FiMT project, and £47,479 was transferred to ICL for data managers' salaries (part of core ADVANCE). The total accrued grant payments – for the data managers, TBI and omics grants – were £882,114.

The operating costs of the Charity during the reporting period were £88,814. These consisted mainly of investment management fees, legal expenses relating to the creation of the CIO, audit fees and other professional fees.

**Table 5.** Expenditure of the ADVANCE Charity during the reporting period (including grant accruals).

Description	Amount
Grant to ADMR (core ADVANCE; from the ring-fenced H4H funds)	£25,000
Grant to ADMR (core ADVANCE; from general funds)	£246,000
Grant to King's College London (transition project; from the ring-fenced FiMT funds)	£56,250
Grant to Imperial College London (data managers; core ADVANCE; from general funds)	£237,394
Grant to Imperial College London (TBI project; from the ring-fenced Headley Court funds)	£377,891
Grant to ADMR (TBI project; from the ring-fenced Headley Court funds)	£20,000
Grant to Imperial College London (omics project; from the ring-fenced Headley Court funds)	£294,308
Charity operating costs	£88,814
<b>TOTAL EXPENDITURE</b>	<b>£1,345,657</b>

## 2.1 Investments

The Charity's invested funds are managed on a discretionary mandate by Investec Wealth & Investment. A total of £10,730,000 has been transferred to Investec to date for the main portfolio and £1,382,620 for the TBI portfolio.

The Charity's investment policy was agreed by the Trustees in March 2020 and was integral to the investment manager selection process. Key points from the policy include:

- ADVANCE relies solely upon its endowment to fund the ADVANCE Study. The key risk to ADVANCE is a deep and prolonged fall in the value of its capital funds and associated income. Mitigating this risk is primarily through Investment Managers and C. Hoare & Co., maintaining operating and grant awarding costs in cash and assessing the balance of funds that deliver medium-term capital growth with those producing investment income.
- The Study costs and the Charity's operating costs will be funded both by investment income and capital withdrawal: this will require the Investment Manager to estimate investment income from (reducing) capital as best as possible and the ADVANCE Charity to give proper notice to the Investment Manager of projected cash withdrawals required in the following 12 months, at least.
- The Board of Trustees has responsibility for agreeing strategy and monitoring the investment assets. A subset of the Board of the Chairman, Treasurer and Independent Advisor will meet six monthly to review the portfolio, including an analysis of return, risk and asset allocation. Performance will be monitored against an agreed market benchmark, and against the investment objective of CPI plus 3.5% over the long term. The Investment Manager is required to complete a one-page summary quarterly, and to conduct a presentation to the Board once a year.

David Miller, Executive Director at Quilter Cheviot Investment Management Limited, continues to advise the Trustees as the ADVANCE Charity's independent investment advisor. The independent advisor guided the Charity through the investment manager selection process and participates in regular portfolio reviews.

The Charity's invested funds are mainly held in two portfolios and were invested from cash over the reporting period. In addition, a significant amount of the TBI funds was invested in a separate portfolio after the reporting period, in September 2021. The three portfolios are discussed below.

Environmental, social and governance (ESG) factors are embedded in the Charity's investment policy and strategy. The Investment Manager uses Sustainalytics scoring when choosing companies to invest in, to ensure that the equities the Charity invests in are of high quality and sustainable.

### 2.1.1 Main portfolio

Value as at 30 June 2021: £11,548,435 (£11,076,868 in June 2020).

Portfolio Total Return Gross: 16.44% (benchmark return: 14.64%).

#### *a) Portfolio*

ADVANCE funds are invested in a balanced portfolio. The primary objective of the portfolio is to produce a certain level of income and for the capital value to be preserved in real terms. The Charity is reliant on the

income generated by the investments and also seeks to achieve some capital growth. The portfolio is constructed with this in mind.

The main portfolio is managed on a medium risk basis, with a reasonable weighting in more conservative assets to allow for capital withdrawals, and the Charity takes a total return approach to drawdowns. The portfolio risk level reflects the level of risk that the Trustees are comfortable with, following discussions with Investec, which also incorporated the Trustees' capacity for loss.

#### *b) Performance*

The Charity's invested funds delivered a solid performance above the benchmark during the reporting period – as reflected in the figures in Table 4 above – with the balanced approach across a number of asset classes proving to be effective in providing growth against an uncertain global backdrop. Equity markets proved generally resilient supported by large government stimulus packages, and returns from infrastructure and commercial property reflected the increasing focus on rebuilding aged national networks and the rise of the distribution market in the period.

At 9 September 2021, the total capital gain on the Charity's invested funds was £2.3m.

The Trustees will monitor the situation carefully as stimulus packages fade away and the reality of COVID-era corporate earnings is revealed. Global inflation outlooks will also feature in the Charity's next review with Investec.

#### **2.1.2 Number 2 portfolio – cash account**

Value as at 30 June 2021: £945,373 (£14,774 in June 2020).

The Number 2 account is held ready for the anticipated payments of grants in accordance with the Charity's cashflow forecast and receives monthly credits of cash from the main portfolio.

During the reporting period the Trustees considered the cash holdings in the Number 2 portfolio in light of a prudent review of possible outcomes given market uncertainties caused by the COVID-19 pandemic. The Trustees chose to increase the 'cash buffer' to mitigate any downturn in value, as COVID-inspired uncertainty in the markets was unknown. In January 2021 a sum of £500k was added to the Number 2 portfolio to provide this buffer.

#### **2.1.3 Number 3 portfolio – TBI funds**

Considering the total value (£1,989,457) of the TBI funds and the anticipated length of the TBI project (five years), the Trustees decided to invest a significant portion of these funds. 18 months' worth of grant payments to ICL and ADMR (£606,837) were kept at C. Hoare & Co., and the rest (£1,382,620) of the money was transferred to Investec to be invested in September 2021.

The TBI money will be managed in a discrete portfolio by Investec on its own mandate. The first drawdown is expected in the first quarter of 2023.



## 2.2 Reserves Policy

The Trustees have considered CC19 Charity Reserves; Building Resilience.

The business model of the Charity is that there is very low operational expenditure, largely on investment management and other professional fees and sundry office expenditure, representing a fraction of the value of the unrestricted funds held by the Charity. The funds invested are set aside for spending on the Study over the next ten years, without which the work streams in the Study could not deliver their aims and the beneficiaries of the Charity would suffer. Given the size of the funds invested, the Trustees have decided that it is not appropriate to set aside a reserve to cover operational costs. As the amount of funds fluctuates during the future grant programmes, this policy will be reviewed annually.

## 3 Going concern

The Trustees have reviewed the financial situation in light of the cashflow forecast for the forthcoming financial reporting period and are comfortable that the Charity has sufficient funds to protect it from any threat to its status as a going concern. The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

## 4 Principal risks and uncertainties

The current version of the ADVANCE Charity's risk register was approved by the Board of Trustees in October 2020. The risk register will be reviewed annually.

The principal risks that have been identified and mitigation plans are described below in Table 6.

**Table 6.** Principal risks to ADVANCE and mitigation plans.

<b>Risk</b>	<b>Potential impact</b>	<b>Mitigation plans</b>
Failure to generate funding post 2028.	The 20-year study could not be completed.	Ensure strong impact reporting to key potential donors is in place.
Financial controls processes and rules insufficient to protect against loss.	Financial loss and reputational damage.	Good internal controls documents; regular monitoring by Treasurer and regular liaison with Executive Secretary.
Reduction in value of invested funds impacts on funding of the Study.	Financial loss; insufficient funds to complete the Study.	Robust selection process of investment manager; prudent investment policy set with clear expectations for drawdown; regular review of performance.
The Study fails to demonstrate significant impact such that current stakeholders disengage and new supporters are not attracted.	Insignificant impact for participants and other battlefield casualties; reputational damage.	Clear reporting in key academic journals; good, user friendly impact reporting at timely intervals, at least annually.
COVID-19 restrictions prevent cohort attendance.	Decreased momentum and reduced impact of the Study.	Regular contact with the ADVANCE Study maintained; ADVANCE cohort kept warm for post-lockdown engagement.
Lockdown restrictions inhibit the Study.	Decreased momentum and reduced impact of the Study.	Working remotely and enabling essential Study work to be maintained.

## 5 Fundraising

The ADVANCE Charity does not use any external fundraisers or fundraising services. The Charity's fundraising efforts are a task jointly undertaken by the ADVANCE Board of Trustees and the ADVANCE Study Project Board. The fundraising strategy is a targeted one, with strategic bids submitted to funders who are likely to be able to contribute significant funds to ADVANCE.

## 6 Plans for the future

During the reporting period 2020-2021 the Charity continued funding the ADVANCE Study, obtained significant additional funds for supplementary studies, and established and finalised the Charity's operating and grant awarding processes and policies.

The strategy of the ADVANCE Study continues to be to produce the highest-level research to influence the clinical care of combat casualties, present and future. With the completion of baseline visits and good progress with the follow-up visits, despite challenges caused by the COVID-19 pandemic, the Study is in an excellent position to be able to do so. The Study's main aims for the year ahead include publishing the key findings from the baseline visits and progressing with the follow-up visits in order to offset the delays caused by the COVID-19 lockdowns. The supplementary studies are also expected to make significant progress over the next year.

The Charity's plans for the next year and beyond include:

- Providing grant funding for the Study in 2021-22 and maintaining a five-year funding outlook.
- Monitoring progress of the various grants awarded by the Charity to ensure the highest possible quality of research.
- Closely monitoring the performance of the Charity's investment portfolios to minimise any negative impact due to the impact on markets of the recovery from COVID-19.
- Ensuring that findings from the Study are promulgated.
- Over a five-year timeframe utilising empirical research data to underpin a future fundraising strategy to enable the Study to complete its life cycle.

## 7 Structure, governance and management

The Charity has been a charitable incorporated organisation founded under a constitution since 30 November 2020 when all assets, liabilities and contracts of the old charitable trust were transferred to the CIO. The CIO was registered as a charity on 13 July 2020 in England and Wales.

The structure of the ADVANCE Charity is a simple one. The Board of Trustees is the decision-making body of the Charity, and they have delegated the day-to-day operations, finance and administrative duties to the Executive Secretary / Operations Manager who – during the reporting period – was Dr Maija Maskuniitty. She is not an employee of the Charity but is seconded from Imperial College London to work for the Charity one day a week on an on-going basis. The Charity does not directly employ any staff.

An informal operating committee of the Chairman, Treasurer, Sir Anthony Newman Taylor, the Executive Secretary and the Chair of the ADVANCE Study Project Board meet prior to ADVANCE Charity Board meetings.

Board meetings took place quarterly until the end of 2020, but it was then agreed that three meetings per year would be sufficient. Any issue may be determined by a simple majority of the votes cast at a Board meeting, but resolutions may also be passed in writing outside of the meetings. The Chair of Trustees has the casting vote.

All Trustees give their time voluntarily and receive no benefits from the Charity. Any expenses reclaimed from the charity are set out in note 8 to the accounts.

## 7.1 Appointment of trustees

Trustees are appointed based on their relevant skills, knowledge and experience required for acting as an ADVANCE trustee. All trustee appointments are made by a resolution of the existing trustees.

## 7.2 Trustee induction and training

Each Trustee of the ADVANCE Charity must sign a declaration stating their willingness to act as a trustee and confirming their eligibility to act as a charity trustee, and all new trustees are given the necessary information and introduction to the ADVANCE Charity and being a trustee. The trustee induction pack includes:

- The Charity's governing document
- The latest annual report and account statements
- Meeting notes for the latest Board meeting
- The Charity's risk register
- Links to useful Charity Commission resources

## 7.3 Related parties and relationships with other organisations

The ADVANCE Charity exists to enable and support the ADVANCE Study. Close collaboration and cooperation with the ADVANCE Study partners – ADMR, Imperial College London and King's College London – is therefore essential. The Charity awards grants to these three organisations for the sole purpose of carrying out the Study. The relationship between the ADVANCE Charity and the ADVANCE Study partner organisations is discussed in more detail in Section 1.1.

## Statement of responsibilities of the trustees

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Auditor

Sayer Vincent LLP was re-appointed as the charity's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 6 October 2021 and signed on their behalf by Admiral of the Fleet the Lord Boyce.

Admiral of the Fleet the Lord Boyce, Chair of Trustees

## Independent auditor's report to the trustees of The ADVANCE (Armed Services Trauma Rehabilitation Outcome Study) Charity

### Opinion

We have audited the financial statements of The ADVANCE (Armed Services Trauma Rehabilitation Outcome Study) Charity (the 'charity') for the year ended 30 June 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 30 June 2021 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
- Have been prepared in accordance with the requirements of the Charities Act 2011

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our 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 ADVANCE (Armed Services Trauma Rehabilitation Outcome Study) 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 other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Matters on which we are required to report by exception

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

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements;
- 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

## Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 are set out below.

### Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of the board of trustees, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

ADVANCE Charity (1190361)

For the period ended 30 June 2021

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

This report is made solely to the charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

21 October 2021

Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006



The ADVANCE (Armed Services Trauma Rehabilitation Outcome Study) Charity

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 30 June 2021

	Note	Unrestricted £	Designated £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total
<b>Income from:</b>								
Donations and legacies	2	8,246	–	–	<b>8,246</b>	30,000	–	<b>30,000</b>
Charitable activities								
ADVANCE Study	3	50,000	–	3,015,958	<b>3,065,958</b>	11,050,000	175,000	<b>11,225,000</b>
Investments	4	236,539	–	–	<b>236,539</b>	40,502	–	<b>40,502</b>
<b>Total income</b>		<b>294,785</b>	<b>–</b>	<b>3,015,958</b>	<b>3,310,743</b>	<b>11,120,502</b>	<b>175,000</b>	<b>11,295,502</b>
<b>Expenditure on:</b>								
Raising funds		50,265	–	–	<b>50,265</b>	5,836	–	<b>5,836</b>
Charitable activities								
ADVANCE Study		343,278	189,915	762,199	<b>1,295,392</b>	347,193	175,000	<b>522,193</b>
<b>Total expenditure</b>	5	<b>393,543</b>	<b>189,915</b>	<b>762,199</b>	<b>1,345,657</b>	<b>353,029</b>	<b>175,000</b>	<b>528,029</b>
<b>Net income/(expenditure) before net gains on investments</b>		<b>(98,758)</b>	<b>(189,915)</b>	<b>2,253,759</b>	<b>1,965,086</b>	<b>10,767,473</b>	<b>–</b>	<b>10,767,473</b>
Net gains on investments	11	1,493,827	–	–	<b>1,493,827</b>	346,868	–	<b>346,868</b>
<b>Net income / (expenditure) for the year</b>	7	<b>1,395,069</b>	<b>(189,915)</b>	<b>2,253,759</b>	<b>3,458,913</b>	<b>11,114,341</b>	<b>–</b>	<b>11,114,341</b>
Transfers between funds	15	(237,394)	237,394	–	–	–	–	–
<b>Net movement in funds</b>		<b>1,157,675</b>	<b>47,479</b>	<b>2,253,759</b>	<b>3,458,913</b>	<b>11,114,341</b>	<b>–</b>	<b>11,114,341</b>
<b>Reconciliation of funds:</b>								
Total funds brought forward		11,114,341	–	–	<b>11,114,341</b>	–	–	–
<b>Total funds carried forward</b>		<b>12,272,016</b>	<b>47,479</b>	<b>2,253,759</b>	<b>14,573,254</b>	<b>11,114,341</b>	<b>–</b>	<b>11,114,341</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 15 to the financial statements.

# The ADVANCE (Armed Services Trauma Rehabilitation Outcome Study) Charity

## Balance sheet

As at 30 June 2021

	Note	£	2021 £	£	2020 £
<b>Fixed assets:</b>					
Investments	11		<b>11,548,435</b>		11,076,868.00
<b>Current assets:</b>					
Debtors	12	17,972		18,031.00	
Cash at bank and in hand		<b>3,912,626</b>		47,434.00	
			<b>3,930,598</b>	65,465.00	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	13	<b>(905,779)</b>		(27,992.00)	
<b>Net current assets</b>			<b>3,024,819</b>		37,473.00
<b>Total net assets</b>	14		<b>14,573,254</b>		11,114,341.00
<b>The funds of the charity:</b>	15				
Restricted income funds			2,253,759		-
Unrestricted income funds:					
Designated funds		47,479		-	
General funds		<b>12,272,016</b>		11,114,341.00	
Total unrestricted funds			<b>12,319,495</b>		11,114,341.00
<b>Total charity funds</b>			<b>14,573,254</b>		11,114,341.00

Approved by the trustees on 6 October 2021 and signed on their behalf by

Admiral of the Fleet the Lord Boyce  
Chair of Trustees

Robert Robson  
Treasurer

The ADVANCE (Armed Services Trauma Rehabilitation Outcome Study) Charity

Statement of cash flow

For the year ended 30 June 2021

	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>				
Net income for the reporting period (as per the statement of financial activities)	3,458,913		11,114,341	
Gains on investments	(1,493,827)		(346,868)	
Dividends, interest and rent from investments	(236,539)		(40,502)	
Decrease/(increase) in debtors	59		(18,031)	
Increase in creditors	877,787		27,992	
<b>Net cash provided by operating activities</b>	<b>2,606,393</b>		<b>10,736,932</b>	
<b>Cash flows from investing activities:</b>				
Dividends, interest and rents from investments	236,539		40,502	
Proceeds from sale of investments	4,538,007		2,227,836	
Purchase of investments	(3,539,905)		(12,894,457)	
<b>Net cash used in investing activities</b>	<b>1,234,641</b>		<b>(10,626,119)</b>	
<b>Change in cash and cash equivalents in the year</b>	<b>3,841,034</b>		<b>110,813</b>	
Cash and cash equivalents at the beginning of the	110,813		-	
<b>Cash and cash equivalents at the end of the year</b>	<b>3,951,847</b>		<b>110,813</b>	

Analysis of cash and cash equivalents and of net debt

	At 1 July 2020 £	Cash flows £	At 30 June 2021 £
Cash at bank and in hand	47,434	3,865,192	3,912,626
Cash held by investment broker	63,379	(24,158)	39,221
<b>Total</b>	<b>110,813</b>	<b>3,841,034</b>	<b>3,951,847</b>

Notes to the financial statements

For the year ended 30 June 2021

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**1 Accounting policies**

**a) Statutory information**

The ADVANCE (Armed Services Trauma Rehabilitation Outcome Study) Charity is an charitable incorporated organisation registered with the Charity Commission for England and Wales.

The registered office address and principal place of business is Guy Scadding Building, National Heart & Lung Institute, Dovehouse Street, London, SW3 6LY.

**b) Basis of preparation**

The financial statements have been prepared in accordance with 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) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a ‘true and fair’ view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a ‘true and fair view’. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

**c) Public benefit entity**

The charity meets the definition of a public benefit entity under FRS 102.

**d) Going concern**

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

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**e) Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether ‘capital’ grants or ‘revenue’ grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Notes to the financial statements

For the year ended 30 June 2021

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**1 Accounting policies (continued)**

**f) Donations of gifts, services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**g) Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

**h) Fund accounting**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

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

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

**i) Expenditure and irrecoverable VAT**

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

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it and the cost of managing investments as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**j) Grants payable**

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Notes to the financial statements

For the year ended 30 June 2021

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**1 Accounting policies (continued)**

**k) Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

- |                     |      |
|---------------------|------|
| ● The ADVANCE Study | 100% |
|---------------------|------|

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

**l) Listed investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

**m) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**n) Short term deposits**

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

**o) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**p) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The ADVANCE (Armed Services Trauma Rehabilitation Outcome Study) Charity

Notes to the financial statements

For the year ended 30 June 2021

2 Income from donations and legacies

	2021 Total £	2020 Total £
Donated services	8,246	30,000
	<b>8,246</b>	<b>30,000</b>

Donated services represents administrative and management support provided by Imperial College London, all of which are unrestricted.

3 Income from charitable activities

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
<b>ADVANCE Study</b>						
Headley Court Charity	–	–	–	10,000,000	–	10,000,000
Headley Court Charity – Omics	–	956,501	<b>956,501</b>	–	–	–
Headley Court Charity – TBI	–	1,989,457	<b>1,989,457</b>	–	–	–
Nuffield Trust for the Forces of the Help for Heroes	–	–	–	1,000,000	–	1,000,000
Forces in Mind Trust	–	25,000	<b>25,000</b>	–	175,000	175,000
Blesma	–	45,000	<b>45,000</b>	–	–	–
	50,000	–	<b>50,000</b>	50,000	–	50,000
Total	<b>50,000</b>	<b>3,015,958</b>	<b>3,065,958</b>	<b>11,050,000</b>	<b>175,000</b>	<b>11,225,000</b>

4 Income from investments

	2021 Total £	2020 Total £
Interest received	40,528	36,727
Dividends received	196,011	3,774
	<b>236,539</b>	<b>40,501</b>

All income from investments is unrestricted.

The ADVANCE (Armed Services Trauma Rehabilitation Outcome Study) Charity

Notes to the financial statements

For the year ended 30 June 2021

5a Analysis of expenditure (current year)

	<b>Charitable activities</b>				<b>2021 Total £</b>	<b>2020 Total £</b>
	Raising funds £	ADVANCE Study £	Governance costs £	Support costs £		
Grants made (note 6)	–	1,256,843	–	–	<b>1,256,843</b>	475,000
Investment management fees	50,265	–	–	–	<b>50,265</b>	5,836
Operating costs	–	–	7,200	31,349	<b>38,549</b>	47,193
	<b>50,265</b>	<b>1,256,843</b>	<b>7,200</b>	<b>31,349</b>	<b>1,345,657</b>	<b>528,029</b>
Support costs	–	31,349	–	(31,349)	–	–
Governance costs	–	7,200	(7,200)	–	–	–
<b>Total expenditure 2021</b>	<b>50,265</b>	<b>1,295,392</b>	<b>–</b>	<b>–</b>	<b>1,345,657</b>	
Total expenditure 2020	5,836	522,193	–	–		<b>528,029</b>

5b Analysis of expenditure (prior year)

	<b>Charitable activities</b>				<b>2020 Total £</b>
	Raising funds £	ADVANCE Study £	Governance costs £	Support costs £	
Grants made (note 6)	–	475,000	–	–	<b>475,000</b>
Investment management fees	5,836	–	–	–	<b>5,836</b>
Operating costs	–	–	6,720	40,473	<b>47,193</b>
	<b>5,836</b>	<b>475,000</b>	<b>6,720</b>	<b>40,473</b>	<b>528,029</b>
Support costs	–	40,473	–	(40,473)	–
Governance costs	–	6,720	(6,720)	–	–
<b>Total expenditure 2020</b>	<b>5,836</b>	<b>522,193</b>	<b>–</b>	<b>–</b>	<b>528,029</b>



Notes to the financial statements

For the year ended 30 June 2021

**6 Grant making**

	2021 £	2020 £
<b>Cost</b>		
Academic Department of Military Rehabilitation	338,479	475,000
Imperial College London	862,114	–
King's College London	56,250	–
	<u>1,256,843</u>	<u>475,000</u>

The ADVANCE Charity is a grant-making charity. Grants are made to the institutions who carry out ADVANCE Study research which are currently the Academic Department of Military Rehabilitation (ADMR, MoD, Stanford Hall), Imperial College London and King's College London.

**7 Net income for the year**

This is stated after charging

	2021 £	2020 £
Auditor's remuneration (excluding VAT):		
Audit	<u>6,000</u>	<u>5,600</u>

**8 Analysis of staff costs, trustee remuneration and expenses**

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year. No charity trustee received payment for professional or other services supplied to the charity.

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £NIL (2020: £116) incurred by no members (2020: 2) relating to attendance at meetings of the trustees.

**9 Related party transactions**

The ADVANCE Charity exists to enable and support the ADVANCE Study. Close collaboration and cooperation with the ADVANCE Study partners – ADMR, Imperial College London and King's College London – is therefore essential. The Charity awards grants to these three organisations for the sole purpose of carrying out the Study.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

**10 Taxation**

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

Notes to the financial statements

For the year ended 30 June 2021

11 Listed investments

	2021 £	2020 £
Fair value at the start of the year	11,013,489	–
Additions at cost	3,539,905	12,894,457
Disposal proceeds	(4,538,007)	(2,227,836)
Net gain on change in fair value	1,493,827	346,868
	<u>11,509,214</u>	<u>11,013,489</u>
Cash held by investment broker	39,221	63,379
Fair value at the end of the year	<u>11,548,435</u>	<u>11,076,868</u>

Investments comprise:

	2021 £	2020 £
UK equities	4,769,122	2,947,295
Bonds	1,455,391	1,270,603
Overseas equities	3,889,903	2,400,736
Property	448,869	–
Alternatives	963,900	612,886
Cash	21,250	3,845,348
	<u>11,548,435</u>	<u>11,076,868</u>

12 Debtors

	2021 £	2020 £
Accrued income	17,972	18,031
	<u>17,972</u>	<u>18,031</u>

With the exception of listed investments, both assets and liabilities are measured at amortised cost. The carrying values of these are shown above and also in note 13 below.

13 Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals	23,665	27,992
Grant commitments	882,114	–
	<u>905,779</u>	<u>27,992</u>

The ADVANCE (Armed Services Trauma Rehabilitation Outcome Study) Charity

Notes to the financial statements

For the year ended 30 June 2021

14a Analysis of net assets between funds (current year)

	Restricted £	Designated £	General unrestricted £	Total funds £
Investments	–	–	11,548,435	11,548,435
Net current assets	2,253,759	47,479	723,581	3,024,819
<b>Net assets at 30 June 2021</b>	<b>2,253,759</b>	<b>47,479</b>	<b>12,272,016</b>	<b>14,573,254</b>

14b Analysis of net assets between funds (prior year)

	General unrestricted £	Total funds £
Investments	11,076,868	11,076,868
Net current assets	37,473	37,473
<b>Net assets at 30 June 2020</b>	<b>11,114,341</b>	<b>11,114,341</b>

15a Movements in funds (current year)

	At 1 July 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 June 2021 £
<b>Restricted funds:</b>					
Headley Court – Omics	–	956,501	(294,308)	–	662,193
Headley Court – TBI	–	1,989,457	(397,891)	–	1,591,566
Help for Heroes	–	25,000	(25,000)	–	–
Forces in Mind Trust	–	45,000	(45,000)	–	–
<b>Total restricted funds</b>	<b>–</b>	<b>3,015,958</b>	<b>(762,199)</b>	<b>–</b>	<b>2,253,759</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Imperial College London – data managers	–	–	(189,915)	237,394	47,479
<b>Total designated funds</b>	<b>–</b>	<b>–</b>	<b>(189,915)</b>	<b>237,394</b>	<b>47,479</b>
<b>General funds</b>	<b>11,114,341</b>	<b>1,788,612</b>	<b>(393,543)</b>	<b>(237,394)</b>	<b>12,272,016</b>
<b>Total unrestricted funds</b>	<b>11,114,341</b>	<b>1,788,612</b>	<b>(583,458)</b>	<b>–</b>	<b>12,319,495</b>
<b>Total funds</b>	<b>11,114,341</b>	<b>4,804,570</b>	<b>(1,345,657)</b>	<b>–</b>	<b>14,573,254</b>

The narrative to explain the purpose of each fund is given at the foot of the note below.

Notes to the financial statements

For the year ended 30 June 2021

15b Movements in funds (prior year)

	At 11 March 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 June 2020 £
<b>Restricted funds:</b>					
Help for Heroes	–	175,000	(175,000)	–	–
<b>Total restricted funds</b>	–	175,000	(175,000)	–	–
<b>General funds</b>	–	11,467,370	(353,029)	–	11,114,341
<b>Total unrestricted funds</b>	–	11,467,370	(353,029)	–	11,114,341
<b>Total funds</b>	–	11,642,370	(528,029)	–	11,114,341

**Purposes of restricted funds**

▪ **Headley Court – Omics**

The funds are to be used to fund and support the ADVANCE Omics project at Imperial College London.

▪ **Headley Court – TBI**

The funds are to be used to fund and support the ADVANCE TBI project at Imperial College London and Stanford Hall, ADMR.

▪ **Help for Heroes**

The funds are to be used to fund and support the ADVANCE Study research programme at Stanford Hall,

▪ **Forces in Mind Trust**

The funds are to be used to fund and support the ADVANCE FiMT project at Kings College London.

**Purposes of designated funds**

▪ **Imperial College London – data managers**

The funds are to be used to fund the costs of data managers at Imperial College London

16 Legal status of the charity

The Charity is a charitable incorporated organisation which was registered on 13 July 2020 with the Charity Commission in England and Wales.