HONOURABLE ARTILLERY COMPANY

England & Wales · Charity number 208443

Details

Other names	H A C
Status	Registered
Legal form	Other
Registered	1964-04-22
Register	View on the Charity Commission register

Contact

Address	Honourable Artillery Co Armoury House City Road London EC1Y 2BQ
Phone	0207 382 1537
Email	hac@hac.org.uk
Website	www.hac.org.uk

Activities

Objects: FOR MILITARY EXERCISE AND TRAINING AND FOR THE BETTER DEFENCE OF THE REALM.

Activities: Support of the HAC Regiment (a Reserve Unit of the Army), a Detachment of the City of London Special Constabulary, Benevolent Fund and ceremonial Sub-units (The Pikemen & Musketeers and the Light Cavalry), Conservation of the Company's Estate and Preservation of the Company's Treasures; by assisting with recruitment, Sustaining Company Membership and ensuring Long-Term Sustainability.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Buildings/facilities/open Space
- **What:** Education/training, The Prevention Or Relief Of Poverty, Arts/culture/heritage/science, Amateur Sport, Animals, Armed Forces/emergency Service Efficiency
- **Who:** Children/young People, Elderly/old People, Other Charities Or Voluntary Bodies, Other Defined Groups

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Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-10-31	£5,322,000	£5,214,000	£57,401,000	27
2023-10-31	£5,096,000	£5,739,000	£56,196,000	25
2022-10-31	£4,635,000	£4,087,000	£60,231,000	24
2021-10-31	£3,380,000	£3,005,000	£64,119,000	24
2020-10-31	£3,553,000	£3,786,000	£61,967,000	26

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Trustees

Name	Role	Appointed
Adam George Edward Bate		2025-11-11
Benjamin Mountstephen Symes		2026-04-14
Charlotte India Alder		2026-03-18
Colonel Robert Stuart Thomas Murphy		2024-03-21
Dr Nishma Shah		2026-04-14
Edmund Dadzie-Yorke		2025-03-19
Edward Robert Haines		2026-04-14
Ian Frederick Sivyer		2022-03-23
James Gordon Brooke		2024-03-21
Jay Asher		2025-11-11
LT. COL JOHN ROBERT LONGBOTTOM		
Lenore Alison Dudman		2026-03-18
Lieutenant Colonel Karl Eze		2023-03-22
Lt Col Christian Oliver Lewis Wragg		2026-03-18
Lt Col Martin Douglas King		2025-03-19
Lt Col Simon John Rhodes Halliday TD		2020-03-18
Lt General Sir Charles Roland Vincent Walker KCB DSO		2024-06-01
MAJOR SIMON CHRISTOPHER BRIGGS TD		
Maj Iain Cardean Spottiswoode Morpeth TD		2020-03-18
Major Anthony Hugh Samuel Gabb		2026-03-18
Major Francis Oliver Smiddy		2025-03-19
Major Gregory Morden Hall		2026-03-18
Major Hari Voyantzis		2017-03-15
Major James Alexander Robinson		2017-03-15
Major Peter Dirom Courtenay Vyvyan-Robinson		2018-03-14
Major Robert Patrick Quain		2026-03-18

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Name	Role	Appointed
Michael John Cutteridge		2023-03-22
Simon Charles Garrett		2025-11-11
Timothy Lloyd Davies		2016-03-16
William Hulbert Grove		2016-03-16

Linked charities

- HONOURABLE ARTILLERY COMPANY BENEVOLENT FUND (208443-1)
- HONOURABLE ARTILLERY COMPANY COMPASSIONATE FUND (208443-2)
- HONOURABLE ARTILLERY COMPANY WAR MEMORIAL (1939-45) FUND (208443-3)
- THE LANDALE BEQUEST (208443-4)
- HONOURABLE ARTILLERY COMPANY OLD COMRADES ASSOCIATION (208443-5)
- HONOURABLE ARTILLERY COMPANY BENEVOLENT FUND (1961) (208443-6)
- CHARLES OSCAR GRIDLEY TRUST FOR THE HONOURABLE ARTILLERY COMPANY (208443-7)

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HONOURABLE ARTILLERY COMPANY

England & Wales - Charity number 208443

Accounts

HONOURABLE ARTILLERY COMPANY

(Charity Registered in England and Wales Number 208443)

Report of the Court of Assistants and Financial Statements
For the year ended 31 October 2024

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The Membership of the Court of Assistants

The Membership of the Court of Assistants of the company as at 31 October 2024 was:

EX-OFFICIO MEMBERS

Captain General	His Majesty the King*
President	General Sir Roland Walker KCB DSO ADC Gen
Vice-President	Major I C S Morpeth TD
Treasurer	Lieutenant Colonel S J R Halliday TD
Regimental Colonel	Colonel H J P Wilkinson
Commanding Officer	Lieutenant Colonel G R Cobb VR
Senior Major	Major C O L Wragg VR
Captain of the Company of Pikemen & Musketeers	Major A H S Gabb TD
Officer Commanding the Light Cavalry	A R Willis VR

HONORARY MEMBERS*

HRH Prince Michael of Kent GCVO, Royal Honorary Colonel
Brigadier General Joe Milano AHAC
The Lord Mayor, Sheriffs, Aldermen and Recorder of London for the time being
**Not Trustees of the Company*

TWENTY-ONE MEMBERS

a. *Appointed by the Commanding Officer:*

Captain A J Kerslake

b. *Appointed by the Court of Assistants:*

Sergeant Norman S R C

c. *Elected at the annual General court on 20 March 2024:*

J G Brooke Esq	Lieutenant Colonel J R Longbottom MBE QVRM VR
Major D Brigden TD	Colonel R S T Murphy QVRM TD
Captain T H Cardwell	Major C V Marment VR
Major T L Davies TD	Major S C Briggs TD
M J Cutteridge Esq	Major J A Robinson VR
Lieutenant Colonel K Eze	E A Seabrook Esq
Major W H Grove VR	Major I F Sivyer VR
Captain H R Jee	Major H D N M Voyantzis VR
Major General S F N Lalor CB TD	Major P D C Vyvyan-Robinson TD
Major S A C Houssemayne du Boulay	

PRINCIPAL EXECUTIVE OFFICERS OF THE COMPANY

Chief Executive:	T M L Simson Esq
Court & Membership Secretary:	D A K Freeman LVO
Director of Finance:	S Hewett FCCA
Director of Catering & Events:	Ms S McQueen
House Manager:	H W Green Esq

ANNUAL REPORT OF THE COURT OF ASSISTANTS ('THE COURT')

The Court submits its annual report and the audited financial statements of the Company for the year ended 31 October 2024. The Court has adopted the provisions of Financial Reporting Standard 102 (FRS 102), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with FRS 102 and the Charities Act 2011 in preparing the annual report and financial statements of the Company.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Honourable Artillery Company (the Company or Charity) is a company incorporated by Letters Patent and registered with the Charity Commission for England and Wales under Charity number 208443. The Company is administered from its principal address at: Armoury House, City Road, London EC1Y 2BQ. Details of the Trustees and executive officers are shown on page 1. Particulars of the Charity's professional advisers are shown on page 8.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The governing document of the Charity is the Letters Patent granted by His Majesty King Henry VIII on 25 August 1537.

Governing Body

The Company is governed in its civil affairs and finances by a Court of Assistants ('the Court'), whose members are the Trustees of the Company, whose membership is set out on page 1. The Court delegates authority to committees appointed from amongst its members, to some of which certain other persons are co-opted.

Recruitment and Training of Trustees

There are nominally 32 Trustees on the Court. Nine of these are Ex-Officio appointments. Of these, two are the Vice-President and Treasurer who are Civil Chiefs, elected by the Court for two and three years respectively, helping to provide continuity to the Court. Both these positions are elected by and from within the body of the Court. Up to three Trustees are appointed, one of which can be appointed by the Commanding Officer and two by the Court. Consideration of the balance of skills, expertise and experience of Trustees is an essential component in the selection of the Court appointees. Twenty Trustees are elected by the membership and the result of the ballot is declared at the Company's Annual General Court, which is held in March each year. As at the report date, two Trustee posts were unfilled: one Ex-Officio and one appointee.

Training has been offered to Trustees throughout the year. In addition, each member is issued with a copy of the booklet *The Essential Trustee* CC3, published by the Charity Commission, to provide a source of permanent reference. Trustees are also encouraged to attend external training courses where this is considered appropriate.

Organisational Management

The Court meets ten times per year and is legally responsible for the overall management and control of the civil affairs of the Company. Detailed work is undertaken by a number of committees, comprising the Executive Committee, Property Committee, Sutling Committee, Membership Committee, Audit Committee, Sports Committee, Treasures Committee, and Benevolent Fund Committee. Committee meetings are scheduled according to the amount of work involved, with additional meetings being arranged if more activity is required. The committees submit a formal report to the next following meeting of the Court and approval is sought for any decisions which are

outside the terms of reference of the committee. In addition, there is a team of specialist investment advisers who meet up to four times per year to review and offer advice on the performance of the Company's investments and property portfolio as well as the choice of Investment Portfolio Manager. Day-to-day operation of the Company is delegated to the Chief Executive and the Company Office, who have authority to operate within the constraints of the approved budget. Quarterly Management Accounts and updated current year Forecasts, are reviewed by the Court, and in addition monthly management accounts, including a balance sheet and 12 month cash flow, are reviewed by the Executive Committee. The Company's long term Business Plan is reviewed by the Executive Committee and the Court from time to time. The authorisation of at least one Trustee is required for all payments above £30,000.

Remuneration
A Remuneration Committee was formed in the spring of 2016. The Committee met in 2024 to review a submission reviewing the remuneration of the staff of the Company Office. This followed a benchmarking of salaries in 2024.

Group Structure and Relationships
The Charity has three wholly-owned non-charitable subsidiaries: HAC Enterprises Limited and HAC Flank Companies' Ball Limited, both of which carry out fundraising activities for the Charity; and Pencelli Limited, which was set up to hold the assets of the Welsh Pencelli Estate situated in the Brecon Beacons. The activities and performance of the trading companies are discussed below.

Risk Management
In accordance with the Court's Risk Management Policy paper of 20 October 2009, the Company maintains a formal risk register. This is reviewed regularly and systematically by the Court committees and the Company Office.

Risks are identified at committee level or by the Company Office. They are assessed as to their likelihood and impact, and the measures taken to mitigate the risks are listed and evaluated with judgement made on whether the mitigation actions are acceptable or whether further action is required.

There are two major risks to the Company:

- The temporary loss of the use of Armoury House as a facility due to an unforeseen event. This risk has been mitigated by insurance cover for business interruption up to four years, and adequate buildings insurance cover. However, it is noteworthy that while the impact of COVID-19 was clearly an unforeseen event and impacted the commercial activities of the Company, it was outside the scope of the business interruption insurance cover.

- The loss of income from the hire of the Artillery Garden for commercial events, should the main user terminate their contract or planning consent for the temporary structure be withdrawn by the local authority. Although there would be a major loss of income to HAC Enterprises Ltd, the impact on the Company is not considered significant enough to adversely impact the Company's ability to continue meeting its current charitable obligations.

OBJECTIVES, ACTIVITIES AND PUBLIC BENEFIT

The main activities in the year to meet the Company's objectives, public benefit and the Trustees' duty under section 17 of the Charities Act 2011 are set out below.

Charitable Objectives

The charitable objectives of the Company are defined as, 'for military exercise and training and for the better defence of the realm' and, to this end, it uses its freehold property at Armoury House as a base for its military unit, a Regiment of the Army Reserve. To meet the requirements of the Charities Act 2011, the Court agreed an updated articulation of the Company's Objectives. These are: support to the HAC Regiment and the HAC's City of London Special Constabulary Detachment; support to the Company's ceremonial sub-units; conservation of Company treasures; maintenance and utilisation of the Company's estate; support for the Benevolent Fund; sustaining Company membership; and maintaining the Company's long-term financial sustainability. It should be noted that the HAC's City of London Special Constabulary Detachment is currently in suspended animation pending an ongoing review as to the future role and make up.

Aims and Intended Impact

To meet these objectives, the Company's aims are to further improve its facilities with a view to preserving the Regiment's place in the British Army's Order of Battle by encouraging improved recruiting for and retention within all elements of the Company; to run commercial activity as necessary to ensure the Company's long-term financial sustainability; and to conserve the Company's estate and the Company's Heritage Assets (treasures) for posterity.

Objectives for the Year

The main objectives for the year were supporting the HAC Regiment in its recruiting and retention efforts and fulfilling the Company's wider charitable aims, both in the immediate term and by providing for the Company's long-term sustainability, in part through continued commercial use of its facilities.

Public Benefit

During the year the Court of Assistants has, in exercising its powers and duties, complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the guidance on public benefit published by the Charity Commission. In particular, it has provided public benefit in that the Company:

- Supported the Regiment with welfare for the individuals and families of those deployed in line with policy, provision of training space on the Artillery Garden, on the parade square and in Armoury House. In 2023/24 the Company made annual grants totalling £432k, of which £351k were cash grants and £81k were non-cash grants.
- Refurbished 15 Bunhill Row to provide additional office space for the HAC Regiment's barracks costing £232k
- Provided training and financial support totalling £25k, to the Combined Cadet Force at the City of London Academy, Islington.
- Provided training and facilities within Armoury House for the City of London Police Cadets.
- Provided accommodation within Armoury House for the Pikemen & Musketeers and the Light Cavalry. These sub-units provide displays to the general public and ceremonial guards for State Occasions and City events.
- Sustained Company membership at around 2,500 members. Members made an annual contribution of £337k to the Charity during the year.
- Conserved the Company's estate at Armoury House and the Artillery Garden, making facilities available to the Regiment and the Special Constabulary Detachment as required. The Pencelli Estate in the Brecon Beacons National Park is used for training purposes, not just by the HAC, but by a large and varied number of other military and cadet units. Throughout the

summer the grounds have been made available weekly to a London Borough of Islington primary school for games and recreation.

- Contributed to the engagement of a Warden and volunteers on the Brecon Beacons National Park to help ensure this public facility is not damaged by illegal off-road bicycles and vehicles.
- £118k of mainly Welsh Government Grant money has been spent on peat restoration and public access path maintenance in the Pencelli Estate this year.
- Maintained the HAC Benevolent Fund for HAC members and other eligible beneficiaries and provided insurance cover for Regimental members mobilised on operational duty.

The Outcome of the Charity's Work

- **The HAC Regiment.** Is part of the Reserve Forces and is a body of trained manpower ready at appropriate notice to deploy as individuals on short duration military operations or as a formed body for general war. The Charity's support for the Regiment enables it to be the best recruited Reserve Forces unit in the British Army, with a high level of retention as a consequence of the financial and material support received that supports its training, recruiting, welfare and unit cohesion. The location of the site, coupled with the facilities that the Regiment can offer through the Company, means that the Regiment's recruits tend to be of high calibre and amenable to a higher level of training in the short periods that they are in uniform. During the period, members of the Regiment have been deployed operationally to the Balkans, Iraq, and Hawaii. The Regiment has also deployed across the UK on a range of operations and training events, in support of the UK Defence and NATO partners.
- **Ceremonial Sub-Units.** As regular forces reduce, the demand on the Company of Pikemen & Musketeers and the Light Cavalry for ceremonial support in and beyond the city increases. The sub-units are able to meet this added tempo thanks to the support that the Company gives them in terms of grants for equipment and facilities for training, storage and control.
- **Cadets.** The cadet contingents that the Company supports make a marked difference to the lives of those young people involved from the local community, from which the CCFs are drawn. By promoting discipline, self-reliance and teamwork it is reported that performance of cadets elsewhere in the curriculum is improved.
- **The Membership.** One of the roles of Members is to act as an advocacy network for Defence and Security throughout the country. The Company's programme of lectures, and the facilities the Company provides for veteran and serving reserves to interact, keeps this network informed, active and relevant.
- **The House and Artillery Garden.** The House and Garden act as a backdrop to offices and homes in the Finsbury area. It is the largest open space in Islington and is used by the Regiment for low-level training. This means that the Regiment is able to run its own Phase 1 (basic) training weekends and training nights which enable it to set particular store by its standards and develops Regimental ethos and cohesion from the start.

The Strategy for Achieving those Outcomes

In order to achieve our goals, the Charity must simultaneously maintain its estate, both in London and in Wales, such that it is available for training and ceremonial purposes, whilst at the same time using it to raise funds that can then be granted to the beneficiaries to support their work. Particularly in London, where space is at a premium, this involves judgement and constant, detailed attention to the application of a broad strategy that sees the needs of the Regiment come first, with unused space then made available for commercial use.

Grant Making Policy

The Company makes annual grants to the Regiment for expenses, such as adventurous training and recruiting. These grants are fixed on an annual basis following discussions with the Commanding

Officer. If the Commanding Officer makes additional applications for grants during the year, then these are considered by the Court on an *ad hoc* basis and will normally be met, provided that financial circumstances allow. In some circumstances, grants are made to individuals to allow specific training to be undertaken or to support other military purposes.

The Benevolent Fund, which is disclosed as a 'restricted' fund of the Company, makes grants to individuals connected with the Company, in accordance with the Benevolent Fund Trust Deed.

Volunteers

The Court is grateful to those members of the Company who give freely of their time in support of the Company. In view of the wide sphere of activities in which members support the Company, evaluation of this activity has proved impracticable.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational Performance of the Company

The Company has provided Armoury House, the Artillery Garden and the Pencelli Estate for the use of its Military Unit, its Special Constabulary Detachment (currently inactive) and its ceremonial sub-units throughout the year. It has also provided financial support to all these elements of the Company. Its commercial activities on the Artillery Garden and in the House, have resulted in a positive contribution by commercial activities to the Company's result for the year.

Investment Performance against Objectives

Realised and unrealised gains on listed investments were £1,148k (2023: £204k). This broadly reflects stock market performance over the period.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The consolidated statement of financial activities shows a net surplus for the year of £1,205k (2023 deficit: £(4,035)k). The 2024 surplus includes an investment property revaluation loss of £(51)k and gains on listed investments of £1,148k. The net operating surplus before the property revaluation and gains on listed investment in 2024 was £108k (2023: deficit £(643)k). The chief reason for the difference between 2023 and 2024 was the exceptional expenditure in 2023 on refurbishing the basement of Finsbury Barracks.

The Company's wholly owned subsidiary, HAC Enterprises Ltd continued to carry out fund-raising activities for the Charity. Net income from trading was £962k (2023: £1,091k). The trading subsidiary made or will make a charitable donation to the Company totalling £962k (2023: £1,091k).

At 31 October 2024, the total consolidated net assets of the Company, as shown by the balance sheet, were £57,401k (2023: £56,196k). The net assets of the Company do not include the market value of freehold and leasehold properties used for the Company's charitable purposes, or the value of the Company's military and similar artefacts acquired prior to 1 November 2005. No value has been placed upon the artefacts. It is considered impractical to apply conventional valuation techniques to the collections, due to their unique nature. Freehold and leasehold properties used for charitable purposes are included in the financial statements at cost, as permitted by FRS102. Details of the re-building insurance values of these properties are given in Note 11a of the financial statements.

Cash Flows
The consolidated statement of cash flows shows net cash used in operating activities for 2024 of £(2,115)k (2023: £(2,178)k) and net cash provided for investing activities for 2024 of £997k (2023: £1,839k). Cash balances excluding cash held by investment managers at 31 October 2024 stand at £,3,128k of which £2,708k represents cash in Unrestricted funds (2023: £3,844k of which cash in Unrestricted funds was £3,073k).

Reserves Policy
The Court Policy on unrestricted funds is to hold a general reserve of not less than £1m in aggregate. This is to be held in a mixture of cash and short-term deposits. This reserve accommodates cashflow requirements through the business cycle and provides a degree of resilience under adverse conditions. The balance on this reserve at 31 October 2024 was £1,000k.

A designated Medium-Term reserve of not less than a further £1m is held to provide additional resilience and ensure forecast capital expenditure needs are funded. This Medium-Term reserve is held in highly liquid asset classes within the managed investment portfolio asset allocation. The balance on this reserve at 31 October 2024 stood at £1,000k.

A Long-Term designated reserve with a target of £10 million has been established to meet the future needs of the HAC Regiment and is held in a mix of asset classes within a managed investment portfolio. At 31 October 2024 the balance on the Long Term reserve was £6,905k.

Investment Policy and Objectives
The Company aims to maximise total return with a balanced approach to seeking income and capital return.

Fundraising Policy
Our approach to fundraising is to seek donations from our membership and from our commercial contacts. We do not actively seek donations from the general public.

We do not use third parties to help us with fundraising. During the year we did not receive any complaints related to our fundraising activities.

FUTURE PLANS
The Company's priorities continue to be to improve the support given to the HAC Regiment in terms of both financial backing and the standard of the facilities made available, to provide financial support to the City of London Academy Islington (HAC) Combined Cadet Forces, and to provide financial support when appropriate to the Company of Pikemen & Musketeers and the Light Cavalry. These priorities were confirmed by the Court in January 2019 and remain intact. They will be reviewed in 2025.

In support of these priorities, work is planned to convert floors 1-4 of 14 City Road from offices to residential flats.

The trading outcome of HAC Enterprises Ltd for Financial Year 2024/25 is anticipated to be an improvement to 2023/24, as we see a return to normal trading after the uncertainty of a change in Government and the resulting budget in 2024.

Statement of the Court's Responsibilities

The Court is responsible for preparing the Annual Report of the Court of Assistants and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Court to prepare financial statements for each financial year that give a true and fair view of the state of the affairs of the Group and Charity and of the income and expenditure of the Group for that period. In preparing these financial statements, the Court is required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP (FRS102).
- make judgments and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Court is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Letters Patent dated 25 August 1537, associated Royal Warrants and Rules and Orders.

The Court is 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.

Professional Advisers
Details of professional advisers are given below:

Auditor	Buzzacott Audit LLP	130 Wood Street, London EC2V 6DL
Solicitors	Charles Russell Speechlys LLP Boodle Hatfield LLP	5 Fleet Place, London EC4M 7RD 240 Blackfriars Road, London SE1 8NW
Bankers	National Westminster Bank Plc	1 Princes Street, London EC2R 8BP
Property Agents	Daniel Watney LLP	165 Fleet Street London EC4A 2DW
Investment Managers	Evelyn Partners	25 Moorgate, London EC2R 6AY

Auditors
Buzzacott Audit LLP have indicated their willingness to continue in office and in accordance with the provisions of the Charities Act 2011 it is proposed that they be reappointed auditors to the Charity and the Group for the ensuing year.

By Order of the Court of Assistants



Lieutenant Colonel S J R Halliday, Treasurer Date: 28 January 2025

INDEPENDENT AUDITOR'S REPORT TO THE COURT OF ASSISTANTS (THE TRUSTEES) OF THE HONOURABLE ARTILLERY COMPANY

Opinion

We have audited the financial statements of the Honourable Artillery Company (the 'parent Charity') and its subsidiaries (the 'group') for the year ended 31 October 2024 which comprise the consolidated statement of financial activities, consolidated and parent Charity balance sheets, consolidated statement of cash flows, and the notes to the financial statements including a summary of the principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 affairs of the group and of the Charity as at 31 October 2024 and of the group's income and expenditure for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 ability of the group or Charity 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 Report of the Court of Assistants and financial statements, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the 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

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the Court of Assistants.

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 report of the Court of Assistants is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept by the Charity; or
- the Charity 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 the Court's responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the ability of the group and Charity 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 group or Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- We identified the laws and regulations applicable to the group and Charity through discussions with management and from our knowledge and experience;

- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and Charity, including the accounting framework referred to above and the Charities Act 2011;, and

- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of representatives of management and the review of minutes of Court meetings.

We assessed the susceptibility of the financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud and knowledge of actual, suspected and alleged fraud; and

- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected financial relationships;

- Tested and reviewed journal entries to identify unusual transactions;

- Tested the authorisation of expenditure;

- Gained an understanding of the processes in place for the management of the Charity's investments; and

- Investigated the rationale behind significant or unusual financial transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Reviewing the minutes of meetings of those charged with governance;

- Enquiring of management as to actual and potential litigation and claims; and

- Agreeing financial statements disclosures to underlying supporting documentation.

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

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

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 auditor's report.

Use of our report

This report is made solely to the Charity's Trustees, as a body, in accordance with section 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 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.

Buzzacott Audit LLP
Statutory Auditor

130 Wood Street
London
EC2V 6DL

Date: 25 July 2025

Buzzacott Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 October 2024

	Note	Unrestricted Funds £000	Restricted Funds £000	Total 31-Oct 2024 £000	Total 31-Oct 2023 £000
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	4	109	113	123
Charitable activities:					
Member subscriptions	4	337	-	337	323
Other income	5	31	368	399	331
Other trading activities	6	2,413	91	2,504	2,404
Investments:					
Investment property income	7	1,720	-	1,720	1,684
Listed investments		173	55	228	222
Interest on cash deposits		21	-	21	9
Total income	16	**4,699**	**623**	**5,322**	**5,096**
EXPENDITURE ON:					
Raising Funds					
Trading costs	6	1,448	71	1,519	1,296
Investment property costs	7	228	-	228	307
Investment management charges		34	23	57	60
Charitable activities:					
Military grants and other charitable expenditure	8	540	469	1,009	1,715
Maintenance and operation of Armoury House	9	1,309	-	1,309	1,432
Membership services and general administration	10	1,091	1	1,092	929
Total expenditure	16	**4,650**	**564**	**5,214**	**5,739**
Net operating income/(expenditure)		**49**	**59**	**108**	**(643)**
Gains/(losses) on investments					
Net gain on Listed investments	12	714	434	1,148	204
Investment property revaluation (loss)	11c	(51)	-	(51)	(3,596)
Net income/(expenditure) and net movement in funds for year		**712**	**493**	**1,205**	**(4,035)**
Funds brought forward at 1 November 2023	16	50,935	5,261	56,196	60,231
Funds carried forward at 31 October 2024	17	**51,647**	**5,754**	**57,401**	**56,196**

The Notes on pages 18 to 37 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 October 2023

	Note	Unrestricted Funds £000	Restricted Funds £000	Total 31-Oct 2023 £000
INCOME AND ENDOWMENTS FROM:				
Donations and legacies	3	1	122	123
Charitable activities:				
Member subscriptions	4	323	-	323
Other income	5	(11)	342	331
Other trading activities	6	2,331	73	2,404
Investments:				
Investment property income	7	1,684	-	1,684
Listed investments		137	85	222
Interest on cash deposits		9	-	9
Total income	16	4,474	622	5,096
EXPENDITURE ON:				
Raising Funds				
Trading costs	6	1,218	78	1,296
Investment property costs	7	307	-	307
Investment management charges		34	26	60
Charitable activities:				
Military grants and other charitable expenditure	8	1,343	372	1,715
Maintenance and operation of Armoury House	9	1,432	-	1,432
Membership services and general administration	10	928	1	929
Total expenditure	16	5,262	477	5,739
Net operating income		(788)	145	(643)
(Losses)/gains on investments				
Net (loss)/gain on Listed investments	12	114	90	204
Investment property revaluation (loss)	11c	(3,596)	-	(3,596)
Net (expenditure)/income and net movement in funds for year		(4,270)	235	(4,035)
Funds brought forward at 1 November 2022	16	55,205	5,026	60,231
Funds carried forward at 31 October 2023	17	50,935	5,261	56,196

CONSOLIDATED & CHARITY BALANCE SHEETS
31 OCTOBER 2024

	Note	2024 Group £000	2023 Group £000	2024 Charity £000	2023 Charity £000
Fixed Assets					
Tangible assets - own use	11a	4,745	4,540	4,416	4,211
Tangible assets - Light Cavalry	11b	21	23	21	23
Tangible assets - Heritage assets	11b	147	147	147	147
Investment properties	11c	37,792	37,843	37,792	37,843
Intangible assets - software - own use	11d	1	5	1	5
Listed investments	12	11,588	10,253	11,588	10,253
Shareholding in subsidiaries	13	-	-	301	301
Total fixed assets		**54,294**	**52,811**	**54,266**	**52,783**
Current assets					
Stocks		4	6	1	1
Debtors and prepayments	14	1,296	669	2,262	1,987
Short-term deposits		2,501	2,907	1,270	1,828
Cash at bank and in hand		627	937	594	462
		4,428	**4,519**	**4,127**	**4,278**
Liabilities:					
Creditors falling due within one year	15	(1,321)	(1,134)	(992)	(903)
Net current assets		**3,107**	**3,385**	**3,135**	**3,375**
NET ASSETS		**57,401**	**56,196**	**57,401**	**56,158**
CHARITABLE FUNDS					
General Fund	16&17	1,000	1,984	1,000	1,984
Designated Reserves	16&17	7,905	6,158	7,905	6,120
Fixed Asset Fund	16&17	42,742	42,793	42,742	42,793
		51,647	50,935	51,647	50,897
Restricted Funds	16&17	5,754	5,261	5,754	5,261
TOTAL CHARITABLE FUNDS		**57,401**	**56,196**	**57,401**	**56,158**

The financial statements were approved by the Court of Assistants on 28 January 2025 and are signed on its behalf by:

ICS Morpeth

Major I C S Morpeth TD, Vice-President

Lieutenant Colonel S J R Halliday TD, Treasurer

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 OCTOBER 2024

	Note	Total Funds 31-Oct 2024 £000	Total Funds 31-Oct 2023 £000
Cash flows from operating activities:			
Net cash (used) in operating activities		**(2,115)**	**(2,178)**
Cash flows from investing activities:			
Dividends, interest and rent from investments		1,969	1,915
Purchase of tangible and intangible assets		(383)	(30)
Purchase of investments - listed investments	12	(2,859)	(1,260)
Disposal of investments – listed investments	12	2,269	1,214
Net cash provided by investing activities		**996**	**1,839**
Change in cash and cash equivalents in reporting period		**(1,119)**	**(339)**
Cash and cash equivalents as at 1 November 2023		4,452	4,791
Cash and cash equivalents as at 31 October 2024		**3,333**	**4,452**

	Note	2024 £000	2023 £000
Reconciliation of net income/(expenditure) to net cash flow from operating activities			
Net income/expenditure for the reporting period		**1,205**	**(4,035)**
Adjustments for:			
Depreciation Charges:			
Depreciation, amortisation & impairment, loss on disposals		171	195
Light Cavalry and Pikemen & Musketeers depreciation	11a/11d	13	2
(Gain) on Listed investments	12	(1,148)	(204)
Loss on Investment Property Revaluation	11c	51	3,596
Investment property income	7	(1,720)	(1,684)
Listed investments		(228)	(222)
Interest on cash deposits		(21)	(9)
Decrease in stocks		2	-
(Increase)/Decrease in debtors		(627)	107
Increase in creditors		187	76
Net cash (used in)/generated by operating activities		**(2,115)**	**(2,178)**
Analysis of cash and cash equivalents			
Cash in hand		627	937
Notice deposits (less than 3 months)		2,501	2,907
		3,128	**3,844**
Cash held with investment managers		**205**	**608**
Total cash and cash equivalents		**3,333**	**4,452**

Reconciliation of net debt:

	At 1 November 2023 £000	Cash flows £000	At 31 October 2024 £000
Cash and cash equivalents	4,452	(1,119)	3,333

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2024

1. Constitution and subsidiaries

The Honourable Artillery Company was incorporated by Letters Patent on 25 August 1537 and is registered as a Charity (registration number 208443). The subsidiary group companies are:

-HAC Enterprises Limited (company registration no. 01677400)
-HAC Flank Companies' Ball Limited (company registration no. 02266408)
-Pencelli Limited (company registration no. 03724227)

2. Accounting Policies

Accounting convention

The Charity is a public benefit entity for the purposes of The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and therefore the financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102 (Charities SORP FRS102), the Charities Act 2011 and FRS 102.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Financial statements and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Charities SORP FRS 102 rather than the earlier version which it replaced.

Consolidation

The financial statements of the Company include those activities of the Company which have a material effect on its financial position or results. Certain funds, in particular those of the Old Comrades' Association, have not been included because they are not material.

The consolidated financial statements include the financial statements of the Company and its three subsidiaries, HAC Enterprises Limited, HAC Flank Companies' Ball Limited and Pencelli Limited. The financial statements of the Company of Pikemen & Musketeers and the Light Cavalry are included as part of the Company's financial statements for the financial year. The Unconsolidated Balance Sheet of the Company is shown alongside the Consolidated Balance Sheet, in the format recommended by the Charities SORP FRS 102.

A separate Statement of Financial Activities for the Company is not presented as permitted by the Charities SORP FRS 102.

Going concern

The Trustees have assessed the use of the going concern basis for preparing the financial statements of the Company and its three subsidiaries. The Trustees are satisfied that the going concern basis is appropriate and have referred to the approved budget for next year and the latest 5 year business plan and 10 year financial projections to arrive at this conclusion and are satisfied that the Company has sufficient resources to meet its ongoing liabilities and that it can continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2024 (cont'd)

Income

a) Donations and legacies are recognised when they are received or when the Company has legal entitlement and receipt is probable.

b) Member subscriptions are recognised when receivable and receipt is probable and are net of applicable VAT and are accounted for on an accruals basis. Gift aid reclaimed on subscriptions paid under Deed of Covenant is recognised when receivable and receipt is probable.

c) Other income is recognised when receivable less any provision for bad debt.

d) Income from Trading Activities which includes sutling, grounds hire, bedrooms, car parking, the Flank Companies' Ball and miscellaneous sales is recognised when receivable net of any provision for bad debt and accounted for on an accruals basis.

e) Investment property income represents rental income, licence fee income and miscellaneous income from the investment property portfolio comprising commercial and residential properties located around the perimeter of the Artillery Garden, and the Pencelli Estate. The income is recognised when receivable net of any provision for bad debt and accounted for on an accruals basis.

f) Listed investment income represents dividends received or accrued in the period.

g) Interest on cash deposits is recognised when received or accrued in the period.

Expenditure

a) Trading costs of sutling, grounds hire, bedrooms, car parking, cost of the Flank Companies' Ball and cost of miscellaneous sales are recognised as incurred and accounted for on an accrual's basis. Trading costs include an allocation of total payroll costs for Company staff, contract and temporary staff, with the allocation being based on a percentage estimate of the time spent on trading activities. The allocation is reviewed each year. Trading costs also included an allocation of utilities and general office overheads agreed each year.

b) Investment property costs include the managing agent's fees and repair and maintenance and void costs and are recognised as incurred. Costs paid for by the Company are accounted for on an accruals basis.

c) Investment management charges by Evelyn Partners are paid directly from the Unrestricted/Restricted Pooled Fund and Benevolent Fund and are recognised when charged to each Fund.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2024 (cont'd)

d) Military grants to the Honourable Artillery Company Regiment are agreed by the Court of Trustees each year and recognised as incurred. Other *ad hoc* grants and donations are agreed by the Court of Trustees and accounted for on an accruals basis.

e) The costs of maintaining and operating Armoury House for Company usage is net of the allocation of payroll and utility costs allocated to trading activities.

f) The cost of support for the Membership and the cost of general Company administration and overheads is net of the allocation of general overheads to trading activities. Governance costs included in general overheads relate to the direct costs associated with the constitutional and statutory requirements of the Company and include the costs of external audit, secretarial and other constitutional related costs.

Other gains and losses

a) The listed investments in the Unrestricted/Restricted Pooled Fund and Benevolent Fund portfolios are valued each quarter and the total valuation change for the financial year is included in the Statement of Financial Activity (SOFA) together with realised gains and losses on disposals in the year.

b) The investment properties are professionally revalued every 3 years with desktop valuations in the intervening years. The valuation change since the previous valuation is included in the SOFA as an unrealised gain or loss.

Designated and Restricted Funds

Income and expenditure related to the designated and restricted funds are included in the consolidated SOFA.

Tangible and intangible fixed assets for own use

Freehold and leasehold land in use by the Company at the Artillery Garden and Pencelli have been valued at cost. No value is attributed to Armoury House other than the capitalised cost of alterations. Other assets are stated at cost less depreciation, calculated on a straight-line basis as follows:

Alterations to property	20/25/30/60/150 years
Plant, fixtures and equipment	10/15/20 years
Computers and other electronic equipment	3 to 5 years
Software	5 years

Tangible assets – Heritage assets

No value is attributed to the Company's collection of memorabilia and treasures acquired prior to 1 November 2005 which are considered to be part of its heritage and the depreciated historical cost is not material. Treasures acquired from 1 November 2005 have been capitalised at cost. Heritage assets are not depreciated as their useful life is considered to be indefinite. Detailed records of Heritage assets are managed by the Museum and Treasures Committee who are also responsible for the ongoing preservation.

Access to Heritage assets is available by written request to the Museum and Treasures Committee.

Investments (including properties held as investments)
Investments are stated in the Balance Sheet at market values applying at the financial period end.

Stocks
Stocks are stated at the lower of cost and net realisable value.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

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

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

Basic financial assets
Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Basic financial liabilities
Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price and subsequently measured 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. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

a) The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11a and 11b for the carrying amount of the property, plant and equipment and the accounting policy above for the useful economic lives for each class of asset.

b) The Group uses the valuation performed by its independent professional valuers every 3 years as the fair value of its investment properties. The valuation is based upon the key assumptions of estimated rental values and market-based yields. With regard to redevelopments and refurbishments, future development costs and an appropriate discount rate are also used. In determining fair value, the valuers make reference to market evidence and recent transaction prices for similar properties. The Trustees consider any change in values in between formal professional valuations. Management considers the significant assumptions to the valuation of investment properties to be estimated rental values and market-based yields, together with general observations as to the state of the market at the Balance Sheet date.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2024 (cont'd)

3. Donations and legacies

	2024	2023
	£000	£000
Benevolent Fund	3	2
Other Restricted Funds	106	120
Restricted Funds	109	122
Unrestricted Funds	4	1
Total	**113**	**123**

4. Member subscriptions

	2024	2023
	£000	£000
Paid by members	319	296
Tax recovered on Gift Aid subscriptions	53	59
VAT payable on subscription income	(35)	(32)
Total	**337**	**323**

5. Other income

	2024	2023
	£000	£000
Pikemen & Musketeers income	104	103
Light Cavalry income	264	239
Restricted funds	368	342
Other Events - unrestricted funds	31	(11)
Total	**399**	**331**

6. Other trading activities

2024	2024	2024	2023	
	Income	Expenses	Surplus/ (Deficit)	Surplus/ (Deficit)
	£000	£000	£000	£000
	2,001	(1,020)	981	1,218
Sutling	284	(133)	151	50
Sports & grounds activities	112	(99)	13	22
Bedrooms	7	-	7	2
Car parking	9	(4)	5	13
Sale of books, ties, cards and other income	-	(10)	(10)	(10)
Audit fees	-	(182)	(182)	(182)
Administration charge				
	2,413	(1,448)	965	1,113
	91	(71)	20	(5)
Unrestricted Funds				
Flank Companies' Ball – restricted funds				
	2,504	**(1,519)**	985	**1,108**
Total				

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2024 (cont'd)

6. Other trading activities

	2023 Income	*2023 Expenses*	*2023 Surplus/ (Deficit)*
	£000	*£000*	*£000*
Sutling	*1,958*	*(740)*	*1,218*
Sports & grounds activities	*238*	*(188)*	*50*
Bedrooms	*118*	*(96)*	*22*
Car parking	*2*	*-*	*2*
Sale of books, ties, cards and other income	*15*	*(2)*	*13*
Audit fees	*-*	*(10)*	*(10)*
Administration charge	*-*	*(182)*	*(182)*
Unrestricted Funds	*2,331*	*(1,218)*	*1,113*
Flank Companies' Ball – restricted funds	*73*	*(78)*	*(5)*
Total	***2,404***	***(1,296)***	***1,108***

7. Investment property income and expenditure	**2024**	**2023**
Income	**£000**	**£000**
Commercial	827	874
Residential	455	394
Other rental income	438	416
Total income	**1,720**	**1,684**
Expenditure		
Management fees (including the Pencelli estate)	22	55
Insurance, legal and professional fees	59	83
Maintenance and repairs	147	169
Total expenditure	**228**	**307**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2024 (cont'd)

8. Military grants and other charitable expenditure

	No of Grants 2024	2024 £000	No of Grants 2023	202 £00
Grants to the Regiment and Sub Units - unrestricted	47	432	47	38
Grants from the Benevolent Fund to individuals	19	32	5	3
Vambrace expenditure (see note below)	1	232	1	95
Total grants paid	**67**	**696**	**53**	**1,37**
Other charitable expenditure	1	1	1	1
Pikemen & Musketeers expenditure	-	77	-	9
Light Cavalry expenditure	-	235	-	24
Total military grants and other charitable expenditure	**68**	**1,009**	**54**	**1,71**

Vambrace expenditure comprises professional fees and construction costs for refurbishment of 15 Bunhill Row and the basement of Finsbury Barracks.

9. Maintenance and operation of Armoury House

	2024 £000	2023 £000
Staff costs, including taxes and pension contributions (including contract and temporary staff)	744	694
Rates, water, power and heating	253	281
Cleaning and waste removal	58	74
Property maintenance and repairs	357	478
Treasures, Archives	79	87
Recharges to trading subsidiaries	(182)	(182)
Total	**1,309**	**1,432**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2024 (cont'd)

10. Membership services and general administration

	2024 £000 Total	2023 £000 Total
Staff costs, including taxes, pension contributions and pensions to former employees	608	518
Office services, IT and telephone	207	146
Membership administration	21	18
Insurance	150	124
Publications	35	32
Bank charges, other legal and professional costs	26	46
Recharges to trading subsidiaries	(10)	(10)
Benevolent Fund (restricted) administration costs	1	1
Governance	54	54
	1,092	**929**
Auditor's remuneration (excluding VAT) included in above total:		
Audit Fees	37	31

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2024 (cont'd)

11. Fixed assets

11a. Tangible fixed assets for own use

	Freehold/ Leasehold Land & Buildings £000	Furniture, Plant and Equipment £000	Charity Total £000	Subsidiary Freehold Land £000	Group Total £000
Cost					
At 1 November 2023	8,584	1,911	10,495	329	10,824
Additions	120	252	372	-	372
At 31 October 2024	8,704	2,163	10,867	329	11,196
Depreciation					
At 1 November 2023	4,774	1,510	6,284	-	6,284
Charge for year	70	97	167	-	167
At 31 October 2024	4,844	1,607	6,451	-	6,451
Net Book Value					
At 31 October 2024	**3,860**	**556**	**4,416**	**329**	**4,745**
At 31 October 2023	**3,810**	**401**	**4,211**	**329**	**4,540**

The Company has substantial long-held historic assets which are used in the course of the Company's activities to support the Regiment, Special Constabulary Detachment and Company membership. These comprise the land and buildings at Armoury House, together with certain military and ceremonial items and other treasured artefacts. The buildings at Armoury House were constructed principally in 1734-35, 1787, 1826-28 and 1843. Due to the age of these items, and in many cases the unique nature, reliable historical cost information is not available for these assets and could not be obtained except at disproportionate expense. In the opinion of the Court the depreciated historical costs of these items is now immaterial. Heritage assets acquired from 1 November 2005 have been capitalised by the Company (see note 11b).

Included within the cost of freehold land and buildings are the capitalised costs of later acquisitions and alterations to the land and buildings, including £6,606k relating to the development of the Prince Consort Rooms. Buildings insurance for properties owned by the Company including Armoury House and other Investment properties (see note 11c) at 31 October 2024 is held to the value of £37,792k (2023 £37,843k) (insurance value). This excludes any investment properties let on a full repairing lease where the tenant has the obligation to insure. The insurance value is reviewed annually.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2024 (cont'd)

11. Fixed assets, contd

11b. Tangible fixed assets, contd

	Light Cavalry £000	Pikemen & Musketeers £000	Heritage Assets £000
Cost			
At 1 November 2023	48	300	147
Additions	11	-	-
At 31 October 2024	59	300	147
Depreciation			
At 1 November 2023	25	300	-
Charge for year	13	-	-
At 31 October 2024	38	300	-
Net Book Value			
At 31 October 2024	**21**	-	**147**
At 31 October 2023	**23**	-	**147**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2024 (cont'd)

11. Fixed assets, contd

11c. Investment Properties

	2024 £000	2023 £000
Valuation at 1 November 2023	37,843	41,439
Revaluation (loss)	(51)	(3,596)
At 31 October 2024	**37,792**	**37,843**

The investment properties are professionally valued on a triennial basis and the value is reviewed by the Trustees on an annual basis. The investment properties were valued on an 'open market' basis by Farebrother, the Company's Property agents, at 31 October 2023.

11d. Intangible assets – Software for own use

	2024 £000
Cost	
At 1 November 2023	101
At 31 October 2024	101
Amortisation	
At 1 November 2023	96
Charge for year	4
At 31 October 2024	100
Net Book Value	
At 31 October 2024	**1**
At 31 October 2023	**5**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2024 (cont'd)

12. Listed investments

	2024 £000	2023 £000
Investments at market value – 1 November 2023	9,645	9,395
Additions	2,859	1,260
Disposal proceeds	(2,269)	(1,214)
Realised and unrealised gains	1,148	204
Sub-Total	11,383	9,645
Investment cash	205	608
Investments at market value – 31 October 2024	**11,588**	**10,253**

Split of investments – 31 October 2024		
UK listed investments	3,158	3,011
Overseas listed investments	7,222	5,818
Multi-Asset funds	1,003	816
Held as cash	205	608
	11,588	**10,253**

The historical cost of the listed investments (excluding cash) was £10,253 (2023: £10,871)

13. Subsidiary companies

The Company has three wholly-owned subsidiary companies, all registered in England and Wales:

- HAC Enterprises Limited, which is responsible for Sutling, House and Ground hire, and sports activities.
- HAC Flank Companies' Ball Limited (owned by HAC Enterprises Limited), which organises an annual ball on the Company's premises.
- Pencelli Ltd, which owns the Welsh Pencelli Estate in the Brecon Beacons.

A deed of covenant is in place between HAC Enterprises Limited and the Company whereby the subsidiary donates the whole of their taxable profit to the Company each year. The amounts owed by the subsidiaries to the Company at 31 October 2024 are shown below:

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2024 (cont'd)

13 Subsidiary companies (cont'd)

	HAC Enterprises Ltd £000	HAC Flank Companies' Ball Ltd £000	Pencelli Ltd £000
Fixed assets			
Tangible assets for own use	-	-	329
Shares in subsidiary (see above)	1	-	-
Total fixed assets	**1**	-	329
Current assets			
Stocks	3	-	-
Debtors	177	-	-
Other debtors and prepayments	88	-	-
Cash at bank and in hand	1,240	23	-
Total current assets	1,508	23	-
Creditors			
Trade creditors	74	-	-
Accruals and deferred income	255	-	-
Amounts owed to Company	1,179	24	29
Total creditors	1,508	24	29
Net current (liabilities)	-	(1)	(29)
Net assets	**1**	**(1)**	**300**
Share capital and reserves	**1**	**(1)**	**300**

14. Debtors and prepayments

	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Trade debtors	368	249	191	147
Sundry debtors	309	289	309	289
Prepayments and accrued income	619	131	530	96
Amounts owed by subsidiaries (note 13)	-	-	1,232	1,455
Total	**1,296**	**669**	**2,262**	**1,987**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2024 (cont'd)

15. Creditors due within one year

	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Trade creditors	322	309	248	254
Accruals	317	266	321	266
Deferred income	161	269	66	93
Taxation	71	39	71	39
Other creditors	450	251	286	251
Total	**1,321**	**1,134**	**992**	**903**

Deferred income represents income in advance for events, accommodation, room and grounds hire, rent and subscriptions.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2024(cont'd)

16. **Charitable Funds**

a) Current period	1 November 2023	Income	Expenditure	Investment Gains/(Losses) & Transfers	31 October 2024
	£000	£000	£000	£000	£000
Unrestricted Funds:					
General Reserve	**1,984**	**4,699**	**(4,650)**	**(1,033)**	**1,000**
Designated Reserves	**6,158**	**-**	**-**	**1,747**	**7,905**
Fixed Asset Fund	**42,793**	**-**	**-**	**(51)**	**42,742**
Total Unrestricted Funds	**50,935**	**4,699**	**(4,650)**	**663**	**51,647**
Restricted Funds:					
Benevolent Fund	3,565	81	(61)	393	3,978
Regimental Grants Fund	506	-	(125)	-	381
Light Cavalry	147	263	(235)	-	175
Pikemen & Musketeers	290	107	(78)	17	336
Other Restricted Funds	753	172	(65)	24	884
Total Restricted Funds	**5,261**	**623**	**(564)**	**434**	**5,754**
Total Funds	**56,196**	**5,322**	**(5,214)**	**1,097**	**57,401**

b) Prior period	*1 November 2022*	*Income*	*Expenditure*	*Investment Gains/(Losses) & Transfers*	*31 October 2023*
	£000	*£000*	*£000*	*£000*	*£000*
Unrestricted Funds:					
General Reserves	*1,681*	*4,474*	*(4,285)*	*114*	*1,984*
Designated Reserves	***7,135***	*-*	*(977)*	*-*	*6,158*
Fixed Asset Fund	*46,389*	*-*	*-*	*(3,596)*	*42,793*
Total Unrestricted Funds	***55,205***	***4,474***	***(5,262)***	***(3,482)***	*50,935*
Restricted Funds:					
Benevolent Fund	*3,454*	*83*	*(55)*	*83*	*3,565*
Regimental Grants Fund	*506*	*-*	*-*	*-*	*506*
Light Cavalry	*153*	*238*	*(244)*	*-*	*147*
Pikemen & Musketeers	*281*	*103*	*(94)*	*-*	*290*
Other Restricted Funds	*632*	*198*	*(84)*	*7*	*753*
Total Restricted Funds	***5,026***	***622***	***(477)***	***90***	*5,261*
Total Funds	***60,231***	***5,096***	***(5,739)***	*(3,392)*	***56,196***

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2024 (cont'd)

Unrestricted Funds:

Designated Reserves comprises:

Medium Term Reserve - This is the cash balance required to fund the Capital Expenditure for the next 5 years as set out in the Company's latest capital expenditure forecast and consistent with the latest 10 Year Business Plan. As at 31 October 2024 this reserve had a balance of £1,000k.

Long Term Reserve - This reserve has been established with a target of £10million for the future long-term needs of the HAC Regiment which are for additional facilities and equipment. The reserve is held in a mix of cash, working capital, and equity investments. At 31 October 2024 this reserve had a balance of £6,905k.

Fixed Asset Fund – This has been set up to identify those funds that are not free funds. The value shown represents the net book value of tangible and intangible fixed assets, including property investments.

Restricted Funds:

Benevolent Fund – The value of this fund increased during the current year due to investment gains. Dividends received have been reinvested. The Benevolent Fund Committee actively seeks potential applicants and members are invited to bring needy cases to the HAC Trustees' attention. Fund income currently derives from legacies, donations and dividend income from investments.

Regimental Grants Fund – The purpose of this fund is to support recruitment and retention in the Regiment and can be spent on both capital and revenue expenditures. In reviewing the long-term requirements for this fund, it has been agreed that the value of this fund is to be capped at £600k. The value of the fund is supplemented by the profit, if any, of HAC Flank Companies' Ball Limited, which is Gift Aided to this fund.

Light Cavalry – The balance on this fund represents the asset value of the HAC Light Cavalry.

Pikemen & Musketeers – The balance on this fund represents the asset value of the Company of Pikemen & Musketeers.

Other Restricted Funds – The balances on these funds consist of the Gridley Will Trust, which is used by the Commanding Officer to fund annual prizes, The Dugdale Bequest to fund the Company of Pikeman & Musketeers and the Benton Bequest ('A' Battery Fund), used to support the cost of an annual dinner. Income for these other restricted funds derives from a combination of legacies, donations and dividends.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2024 (cont'd)

17.

Analysis of Group net assets between Funds - 2024	Tangible and Intangible Fixed Assets	Investments	Current Assets	Liabilities	Total 2024
	£000	£000	£000	£000	£000
Unrestricted Funds					
General Reserve	-	689	1,376	(1,065)	1,000
Designated Reserves	-	6,294	1,611	-	7,905
Fixed Asset Fund	42,538	-	204	-	42,742
Total Unrestricted Funds	**42,538**	**6,983**	**3,191**	**(1,065)**	**51,647**
Restricted Funds					
Benevolent Fund	-	3,968	17	(7)	3,978
Regimental Grants Fund	-	-	381	-	381
Light Cavalry	21	149	62	(57)	175
Pikemen & Musketeers	-	241	314	(219)	336
Other Restricted Funds	147	247	463	27	884
Total Restricted Funds	**168**	**4,605**	**1,237**	**(256)**	**5,754**
Total Funds	**42,706**	**11,588**	**4,428**	**(1,321)**	**57,401**

During the year, in accordance with the Cash Management Policy approved by the Court, the cash resources of the Unrestricted and Restricted funds of the Company have continued to be operated as a single pooled-cash resource. At 31 October 2024 the amount owing to Restricted Funds by the Unrestricted Funds, was £765k (2023: £765k).

Analysis of Group net assets between Funds - 2023	*Tangible and Intangible Fixed Assets*	*Investments*	*Current Assets*	*Liabilities*	*Total 2023*
	£000	*£000*	*£000*	*£000*	*£000*
Unrestricted Funds					
General Reserve	-	*1,175*	*1,843*	*(1,034)*	*1,984*
Designated Reserves	-	*5,285*	*873*	-	*6,158*
Fixed Asset Fund	*42,388*	-	*405*	-	*42,793*
Total Unrestricted Funds	*42,388*	*6,460*	*3,121*	*(1,034)*	*50,935*
Restricted Funds					
Benevolent Fund	-	*3,532*	*38*	*(5)*	*3,565*
Regimental Grants Fund	-	-	*506*	-	*506*
Light Cavalry	*23*	-	*179*	*(55)*	*147*
Pikemen & Musketeers	-	-	*316*	*(26)*	*290*
Other Restricted Funds	*147*	*261*	*359*	*(14)*	*753*
Total Restricted Funds	*170*	*3,793*	*1,398*	*(100)*	*5,261*
Total Funds	*42,558*	*10,253*	*4,519*	*(1,134)*	*56,196*

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2024 (cont'd)

18. Payroll costs

	2024 £000	2023 £000
HAC salaries (excl. Er's NI, pensioners & contract staff)	976	894
HAC employer's National Insurance	107	98
HAC emoluments (excluding pensioners & contract staff)	**1,083**	**992**
Light Cavalry salaries (excl. Er's NI)	88	72
Light Cavalry employer's National Insurance	8	6
Light Cavalry emoluments	**96**	**78**
Pension Contributions	105	100
Pensions paid	**12**	**11**
Total Staff Costs	**1,296**	**1,181**

	2024 No.	2023 No.
Average number of HAC employees (excl. contract staff and pensioners)	23	22
Average number of Light Cavalry employees	3	3
Average number of pensioners	1	1
Total Staff	**27**	**26**
Number of employees earning between £60k and £70k	2	1
Number of employees earning between £70k and £80k	3	-
Number of employees earning between £110k and £120k	-	1

The highest paid employee received employer pension scheme contributions of £28,393 (2023: £25,347).

The remuneration of the 7 (2023: 7) key management personnel totalled £487,104 (2023: £450,651). This excludes employer pension contributions of £53,032 (2023: £49,054) and employer national insurance contributions of £57,867 (2023: £54,332).

19. Capital commitments

The Company has no capital commitments as at 31 October 2024 (2023: Nil).

The Company has an ongoing objective to provide additional storage space and facilities to the Regiment. This project has the potential to span several years. Costs incurred to date amount to £1,740k (2023: £1,507k) by way of professional fees and construction costs which have been included as expenditure - see note 8.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2024 (cont'd)

20. The Court and related parties

The Members of the Court of Assistants are the Trustees of the Company. The Trustees were covered by indemnity insurance for the year ended 31 October 2024.

Two Trustees (2023: two), who served during the year, rent flats that are owned by the Company, one of which is subject to a regulated tenancy agreement, while the other is let at market rates.

No expenses were claimed by Trustees during the current year or previous years.

Fees totalling £2,872 (2023: £996) were charged to the Company by Major Charles Marment, a Trustee, for services as Secretary to the HAC Regimental Council.

The Commanding Officer of the Regiment, Lieutenant Colonel G R Cobb VR, who is also a Trustee of the Company, is provided with free accommodation and also has exclusive discretion over the application of the Active Unit Grant. The Active Unit Grant amounted to £40k for the year ended 31 October 2024 (2023: £40k).

No other remuneration or benefits were received by Trustees.

There are no other related party transactions requiring disclosure.

HONOURABLE ARTILLERY COMPANY

England & Wales - Charity number 208443

Accounts

HONOURABLE ARTILLERY COMPANY

(Charity Registered in England and Wales Number 208443)

Report of the Court of Assistants and Financial Statements
For the year ended 31 October 2023

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The Membership of the Court of Assistants

The Membership of the Court of Assistants of the company as at 31 October 2023 was:

EX-OFFICIO MEMBERS

Captain General	His Majesty the King*
President	General Sir Patrick Sanders KCB CBE DSO ADC Gen
Vice-President	Major S C Briggs TD
Treasurer	Lieutenant Colonel S J R Halliday TD
Regimental Colonel	Colonel H J P Wilkinson
Commanding Officer	Lieutenant Colonel G R Cobb
Senior Major	Major C O L Wragg VR
Commander of the City of London Special Constabulary Detachment	Special Superintendent P M P FitzGerald
Captain of the Company of Pikemen & Musketeers	Major A H S Gabb TD
Officer Commanding the Light Cavalry	A R Willis VR

HONORARY MEMBERS*

HRH Prince Michael of Kent GCVO, Royal Honorary Colonel
Brigadier General Joe Milano AHAC
The Lord Mayor, Sheriffs, Aldermen and Recorder of London for the time being
**Not Trustees of the Company*

TWENTY-TWO MEMBERS

a. *Appointed by the Court of Assistants:*

M J Cutteridge Esq E R Haines Esq

b. *Elected at the annual General court on 22 March 2023:*

The Reverend (Major) M W Bezerra Speeks VR CF	Lieutenant Colonel J R Longbottom MBE QVRM VR
Major D Brigden TD	Second Lieutenant L J McCann
Captain T H Cardwell	Major C V Marment VR
Major T L Davies TD	Major I C S Morpeth TD
Dr S F Edwards	Major R P Quain TD
Lieutenant Colonel K Eze	Major J A Robinson VR
Major W H Grove VR	E A Seabrook Esq
Captain H R Jee	Major I F Sivyer
Major General S F N Lalor CB TD	Major H D N M Voyantzis VR
Major J O Leighton TD	Major P D C Vyvyan-Robinson TD

PRINCIPAL EXECUTIVE OFFICERS OF THE COMPANY

Chief Executive:	S D Crane OBE
Court & Membership Secretary:	D A K Freeman LVO
Head of Finance:	S Hewett FCCA
Director of Catering & Events:	Ms S McQueen
House Manager:	H W Green Esq

ANNUAL REPORT OF THE COURT OF ASSISTANTS ('THE COURT')

The Court submits its annual report and the audited financial statements of the Company for the year ended 31 October 2023. The Court has adopted the provisions of Financial Reporting Standard 102 (FRS 102), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with FRS 102 and the Charities Act 2011 in preparing the annual report and financial statements of the Company.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Honourable Artillery Company (the Company or Charity) is a company incorporated by Letters Patent and registered with the Charity Commission for England and Wales under Charity number 208443. The Company is administered from its principal address at: Armoury House, City Road, London EC1Y 2BQ. Details of the Trustees and executive officers are shown on page 1. Particulars of the Charity's professional advisers are shown on page 8.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The governing document of the Charity is the Letters Patent granted by His Majesty King Henry VIII on 25 August 1537.

Governing Body

The Company is governed in its civil affairs and finances by a Court of Assistants ('the Court'), whose members are the Trustees of the Company, whose membership is set out on page 1. The Court delegates authority to committees appointed from amongst its members, to some of which certain other persons are co-opted.

Recruitment and Training of Trustees

There are nominally 33 Trustees on the Court. Two are the Vice-President and Treasurer who are Civil Chiefs, elected by the Court for two and three years respectively, helping to provide continuity to the Court. Both these positions are elected by and from within the body of the Court. Seven Trustees are ex-officio appointments. One Trustee is appointed by the Commanding Officer and up to two are appointed by the Court. Consideration of the balance of skills, expertise and experience of Trustees is an essential component in the selection of the Court appointees. Twenty Trustees are elected by the membership and the result of the ballot is declared at the Company's Annual General Court, which is held in March each year.

Training has been offered to Trustees throughout the year. In addition, each member is issued with a copy of the booklet *The Essential Trustee* CC3, published by the Charity Commission, to provide a source of permanent reference. Trustees are also encouraged to attend external training courses where this is considered appropriate.

Organisational Management

The Court meets ten times per year and is legally responsible for the overall management and control of the civil affairs of the Company. Detailed work is undertaken by a number of committees, comprising the Executive Committee, Property Committee, Sutling Committee, Membership Committee, Audit Committee, Sports Committee, Treasures Committee, and Benevolent Fund Committee. Committee meetings are scheduled according to the amount of work involved, with additional meetings being arranged if more activity is required. The committees submit a formal report to the next following meeting of the Court and approval is sought for any decisions which are outside the terms of reference of the committee. In addition, there is a team of specialist investment

advisers who meet up to four times per year to review and offer advice on the performance of the Company's investments and property portfolio as well as the choice of Investment Portfolio Manager. Day-to-day operation of the Company is delegated to the Chief Executive and the Company Office, who have authority to operate within the constraints of the approved budget. Quarterly Management Accounts, updated current year Forecasts, and lists of monthly payments in excess of £5,000 are reviewed by the Court, and in addition monthly management accounts, including a balance sheet and 12 month cash flow, are reviewed by the Executive Committee. The Company's long term Business Plan is reviewed by the Executive Committee and the Court from time to time. The authorisation of at least one Trustee is required for all payments above £30,000.

Remuneration
A Remuneration Committee was formed in the spring of 2016. The Committee met in 2023 to review a submission drafted by the Treasurer reviewing the remuneration of the staff of the Company Office. Salaries were benchmarked in 2022 and this will be repeated in 2024.

Group Structure and Relationships
The Charity has three wholly-owned non-charitable subsidiaries: HAC Enterprises Limited and HAC Flank Companies' Ball Limited, both of which carry out fundraising activities for the Charity; and Pencelli Limited, which was set up to hold the assets of the Welsh Pencelli Estate situated in the Brecon Beacons. The activities and performance of the trading companies are discussed below.

Risk Management
In accordance with the Court's Risk Management Policy paper of 20 October 2009, the Company maintains a formal risk register. This is reviewed regularly and systematically by the Court committees and the Company Office.

Risks are identified at committee level or by the Company Office. They are assessed as to their likelihood and impact, and the measures taken to mitigate the risks are listed and evaluated with judgement made on whether the mitigation actions are acceptable or whether further action is required.

There are two major risks to the Company:

- The temporary loss of the use of Armoury House as a facility due to an unforeseen event. This risk has been mitigated by insurance cover for business interruption up to four years, and adequate buildings insurance cover. However, it is noteworthy that while the impact of COVID-19 was clearly an unforeseen event and impacted the commercial activities of the Company, it was outside the scope of the business interruption insurance cover.

- The loss of income from the hire of the Artillery Garden for commercial events, should the main user terminate their contract or planning consent for the temporary structure be withdrawn by the local authority. Although there would be a major loss of income to HAC Enterprises Ltd, the impact on the Company is not considered significant enough to adversely impact the Company's ability to continue meeting its current charitable obligations.

OBJECTIVES, ACTIVITIES AND PUBLIC BENEFIT
The main activities in the year to meet the Company's objectives, public benefit and the Trustees' duty under section 17 of the Charities Act 2011 are set out below.

Charitable Objectives

The charitable objectives of the Company are defined as, 'for military exercise and training and for the better defence of the realm' and, to this end, it uses its freehold property at Armoury House as a base for its military unit, a Regiment of the Army Reserve. To meet the requirements of the Charities Act 2011, the Court agreed an updated articulation of the Company's Objectives. These are: support to the HAC Regiment and the HAC's City of London Special Constabulary Detachment; support to the Company's ceremonial sub-units; conservation of Company treasures; maintenance and utilisation of the Company's estate; support for the Benevolent Fund; sustaining Company membership; and maintaining the Company's long-term financial sustainability.

Aims and Intended Impact

To meet these objectives, the Company's aims are to further improve its facilities with a view to preserving the Regiment's place in the British Army's Order of Battle by encouraging improved recruiting for and retention within all elements of the Company; to run commercial activity as necessary to ensure the Company's long-term financial sustainability; and to conserve the Company's estate and the Company's Heritage Assets (treasures) for posterity.

Objectives for the Year

The main objectives for the year were supporting the HAC Regiment in its recruiting and retention efforts and fulfilling the Company's wider charitable aims, both in the immediate term and by providing for the Company's long-term sustainability, in part through continued commercial use of its facilities.

Public Benefit

During the year the Court of Assistants has, in exercising its powers and duties, complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the guidance on public benefit published by the Charity Commission. In particular, it has provided public benefit in that the Company:

- Supported the Regiment with welfare for the individuals and families of those deployed in line with policy, provision of training space on the Artillery Garden, on the parade square and in Armoury House. In 2022/23 the Company made annual grants totalling £338k, of which £277k were cash grants and £61k were non-cash grants.
- Refurbished the showers and changing rooms in the HAC Regiment's barracks costing £955k
- Provided training and financial support totalling £50k, to Combined Cadet Forces at the City of London Academy, Islington and Mossbourne Community Academy, Hackney.
- Provided training and facilities within Armoury House for the City of London Police Cadets.
- Provided accommodation within Armoury House for the Pikemen & Musketeers and the Light Cavalry, and a grant of £11k for the Light Cavalry part of which goes to sustain their mounted operation. These sub-units provide displays to the general public and ceremonial guards for State Occasions and City events.
- Sustained Company membership at around 2,500 members. Members made an annual contribution of £323k to the Charity during the year.
- Conserved the Company's estate at Armoury House and the Artillery Garden, making facilities available to the Regiment and the Special Constabulary Detachment as required. The Pencelli Estate in the Brecon Beacons National Park is used for training purposes, not just by the HAC, but by a large and varied number of other military and cadet units. Throughout the summer the grounds have been made available weekly to a London Borough of Islington primary school for games and recreation.

- Contributed to the engagement of a Warden and volunteers on the Brecon Beacons National Park to help ensure this public facility is not damaged by illegal off-road bicycles and vehicles.
- £220k of mainly Welsh Government Grant money has been spent on Peat restoration and public access path maintenance in the Pencelli Estate this year. The Company has planted oak trees on the estate as part of HM The late Queen's Green Canopy initiative.
- Maintained the HAC Benevolent Fund for HAC members and other eligible beneficiaries and provided insurance cover for Regimental members mobilised on operational duty.

The Outcome of the Charity's Work

- **The HAC Regiment.** Is part of the Reserve Forces and is a body of trained manpower ready at appropriate notice to deploy as individuals on short duration military operations or as a formed body for general war. The Charity's support for the Regiment enables it to be the best recruited Reserve Forces unit in the British Army, with a high level of retention as a consequence of the financial and material support received that supports its training, recruiting, welfare and unit cohesion. The location of the site, coupled with the facilities that the Regiment can offer through the Company, means that the Regiment's recruits tend to be of high calibre and amenable to a higher level of training in the short periods that they are in uniform. During the period, members of the Regiment have been deployed operationally to the Balkans, in Eastern Europe and in support of the training of Ukrainian personnel in the United Kingdom.
- **Special Constabulary.** The Company stands ready to support the only formed detachment of Special Constabulary in the United Kingdom, pending its re-subordination from the City of London Police to another Constabulary.
- **Ceremonial Sub-Units.** As regular forces reduce, the demand on the Company of Pikemen & Musketeers and the Light Cavalry for ceremonial support in and beyond the city increases. The sub-units are able to meet this added tempo thanks to the support that the Company gives them in terms of grants for equipment and facilities for training, storage and control.
- **Cadets.** The three cadet contingents that the Company supports make a marked difference to the lives of those young people involved from the local community, particularly from the City of London Academy Islington and Mossbourne Community Academy Hackney, from which the CCFs are drawn. By promoting discipline, self-reliance and teamwork it is reported that performance of cadets elsewhere in the curriculum is improved.
- **The Membership.** One of the roles of Members is to act as an advocacy network for Defence and Security throughout the country. The Company's programme of lectures, and the facilities the Company provides for veteran and serving reserves to interact, keeps this network informed, active and relevant.
- **The House and Artillery Garden.** The House and Garden are normally open to the public for the Open Evening in May and act as a backdrop to offices and homes in the Finsbury area. It is the largest open space in Islington and is used by the Regiment for low-level training. This means that the Regiment is able to run its own Phase 1 (basic) training weekends and training nights which enable it to set particular store by its standards and develops Regimental ethos and cohesion from the start.

The Strategy for Achieving those Outcomes

In order to achieve our goals, the Charity must simultaneously maintain its estate, both in London and in Wales, such that it is available for training and ceremonial purposes, whilst at the same time using it to raise funds that can then be granted to the beneficiaries to support their work. Particularly in London, where space is at a premium, this involves judgement and constant, detailed attention to the application of a broad strategy that sees the needs of the Regiment come first, with unused space then made available for commercial use.

Grant Making Policy

The Company makes annual grants to the Regiment for expenses, such as adventurous training and recruiting. These grants are fixed on an annual basis following discussions with the Commanding Officer. If the Commanding Officer makes additional applications for grants during the year, then these are considered by the Court on an *ad hoc* basis and will normally be met, provided that financial circumstances allow. In some circumstances, grants are made to individuals to allow specific training to be undertaken or to support other military purposes.

The Benevolent Fund, which is disclosed as a 'restricted' fund of the Company, makes grants to individuals connected with the Company, in accordance with the Benevolent Fund Trust Deed.

Volunteers

The Court is grateful to those members of the Company who give freely of their time in support of the Company. In view of the wide sphere of activities in which members support the Company, evaluation of this activity has proved impracticable.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational Performance of the Company

The Company has provided Armoury House, the Artillery Garden and the Pencelli Estate for the use of its Military Unit, its Special Constabulary Detachment and its ceremonial sub-units throughout the year. It has also provided financial support to all these elements of the Company. Its commercial activities on the Artillery Garden and in the House, have resulted in a positive contribution by commercial activities to the Company's result for the year.

Investment Performance against Objectives

The value of listed investments increased by £204k (2022: decreased £1,037k). This broadly reflects stock market performance over the period.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The consolidated statement of financial activities shows a net deficit for the year of £4,035k (2022: £3,888k). The 2023 deficit includes an investment property revaluation loss of £(3,596)k and an increase in the value of listed investments of £204k. The net operating deficit before the property revaluation and the decrease in the value of the listed investment in 2023 was £(643k) (2022: surplus £548k). The chief reason for the difference between 2022 and 2023 was the exceptional expenditure this year on refurbishing the basement of Finsbury Barracks.

The Company's wholly owned subsidiary, HAC Enterprises Ltd continued to carry out fund-raising activities for the Charity. Net income from trading was £1,091k (2022: £851k). The trading subsidiary made or will make a charitable donation to the Company totalling £1,091k (2022: £851k).

At 31 October 2023, the total consolidated net assets of the Company, as shown by the balance sheet, were £56,196k (2022: £60,231k). The net assets of the Company do not include the market value of freehold and leasehold properties used for the Company's charitable purposes, or the value of the Company's military and similar artefacts acquired prior to 1 November 2005. No value has been placed upon the artefacts, as the process and costs of obtaining valuations for the items involved would be disproportionate to any public benefit that might be derived. It is considered impractical to apply conventional valuation techniques to the collections, due to their unique nature. Freehold and leasehold properties used for charitable purposes are included in the financial statements at cost, as permitted by FRS102. Details of the re-building insurance values of these properties are given in Note 11a of the financial statements.

Cash Flows
The consolidated statement of cash flows shows net cash used in operating activities for 2023 of £2,252k (2022: £844k) and net cash provided by investing activities for 2023 of £1,913k (2022: £214k). Cash balances excluding cash held by investment managers at 31 October 2023 stand at £3,844k of which £3,073k represents cash in Unrestricted funds (2022: £4,284k of which cash in Unrestricted funds was £3,162k).

Reserves Policy
The Court policy on unrestricted funds is to hold cash within a general reserve (free reserves) at a level equivalent to six months' budgeted running costs. The balance of cash held was £1,984k at 31 October 2023 in line with the policy. A designated Medium-Term reserve is also held in cash at a level to provide for 5 years capital expenditure as set out in the Company's latest capital expenditure forecast. At 31 October 2023 the balance on the Medium-Term reserve was £778k. A Long Term designated reserve with a target of £10million has been established to meet the future needs of the HAC Regiment, and is held in a mix of cash, working capital and investments. At 31 October 2023 the balance on the Long-Term reserve was £5,380k.

Investment Policy and Objectives
The Company aims to maximise total return with a balanced approach to seeking income and capital return.

Fundraising Policy
Our approach to fundraising is to seek donations from our membership and from our commercial contacts. We do not actively seek donations from the general public.

We do not use third parties to help us with fundraising. During the year we did not receive any complaints related to our fundraising activities.

FUTURE PLANS
The priorities set in the Company's current 5 Year Plan which has been extended due to Covid, which was approved by the Court on 27 September 2017 and confirmed at a Court Away Day in January 2019, are to improve the support given to the HAC Regiment in terms of both financial backing and the standard of the facilities made available, to provide financial support to the City of London Academy Islington (HAC) and Mossbourne Academies' Combined Cadet Forces, and to provide financial support when appropriate to the Company of Pikemen & Musketeers and the Light Cavalry. Specific projects include an ongoing plan to provide significant additional space and facilities for the Regiment, including better equipment storage and changing space for reserve soldiers, planning for which commenced in 2016/17. A 5-year re-equipment programme for the Company of Pikemen & Musketeers, which began in 2016/17, has continued into 2022/23.

The trading outcome of HAC Enterprises Ltd for Financial Year 2023/24 is anticipated to be an improvement to 2022/23, as we see a return to normal trading as the uncertainty of the Covid 19 pandemic has now disappeared. The Company will also review its activities ahead of the potential for significant expenditure to support the proposed enhanced Regimental facilities although any impact is expected to be in future periods.

Statement of the Court's Responsibilities

The Court is responsible for preparing the Annual Report of the Court of Assistants and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Court to prepare financial statements for each financial year that give a true and fair view of the state of the affairs of the Group and Charity and of the income and expenditure of the Group for that period. In preparing these financial statements, the Court is required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP (FRS102).
- make judgments and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Court is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Letters Patent dated 25 August 1537, associated Royal Warrants and Rules and Orders.

The Court is 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.

Professional Advisers
Details of professional advisers are given below:

Auditor	Buzzacott LLP	130 Wood Street, London EC2V 6DL
Solicitors	Charles Russell Speechlys LLP Boodle Hatfield LLP	5 Fleet Place, London EC4M 7RD 240 Blackfriars Road, London SE1 8NW
Bankers	National Westminster Bank Plc	1 Princes Street, London EC2R 8BP
Property Agents	Daniel Watney LLP	165 Fleet Street London EC4A 2DW
Investment Managers	Evelyn Partners	25 Moorgate, London EC2R 6AY

Auditors
Buzzacott LLP have indicated their willingness to continue in office and in accordance with the provisions of the Charities Act 2011 it is proposed that they be reappointed auditors to the Charity and the Group for the ensuing year.

By Order of the Court of Assistants



Lieutenant Colonel S J R Halliday, Treasurer Date: 23 January 2024

INDEPENDENT AUDITOR'S REPORT TO THE COURT OF ASSISTANTS (THE TRUSTEES) OF THE HONOURABLE ARTILLERY COMPANY

Opinion

We have audited the financial statements of the Honourable Artillery Company (the 'parent Charity') and its subsidiaries (the 'group') for the year ended 31 October 2023 which comprise the consolidated statement of financial activities, consolidated and parent Charity balance sheets, consolidated statement of cash flows, and the notes to the financial statements including a summary of the principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 affairs of the group and of the parent Charity as at 31 October 2023 and of the group's income and expenditure for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 ability of the group or parent Charity 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 Report of the Court of Assistants and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Act 2011 requires us to report to you if, in our opinion:

- the information given in the report of the Court of Assistants 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.

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the ability of the group and parent Charity 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 group and parent Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.

- We identified the laws and regulations applicable to the group and parent Charity through discussions with management and from our knowledge and experience.

- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and parent Charity, including the accounting framework referred to above and the Charities Act 2011, and

- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of representatives of management and the review of minutes of Court meetings.

We assessed the susceptibility of the financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud and knowledge of actual, suspected and alleged fraud; and

- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected financial relationships.

- Tested and reviewed journal entries to identify unusual transactions.

- Tested the authorisation of expenditure.

- Gained an understanding of the processes in place for the management of the parent Charity's investments; and

- Investigated the rationale behind significant or unusual financial transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Reviewing the minutes of meetings of those charged with governance.
- Enquiring of management as to actual and potential litigation and claims; and
- Agreeing financial statements disclosures to underlying supporting documentation.

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

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

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 auditor's report.

Use of our report

This report is made solely to the parent Charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the parent 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 parent Charity and the parent Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Registered Auditor

130 Wood Street
London
EC2V 6DL

Date: 09 February 2024

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

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 October 2023

	Note	Unrestricted Funds £000	Restricted Funds £000	Total 31-Oct 2023 £000	Total 31-Oct 2022 £000
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	1	122	123	12
Charitable activities:					
Member subscriptions	4	323	-	323	320
Other income	5	(11)	342	331	264
Other trading activities	6	2,331	73	2,404	2,072
Investments:					
Investment property income	7	1,684	-	1,684	1,747
Listed investments		137	85	222	219
Interest on cash deposits		9	-	9	1
Total income	16	**4,474**	**622**	**5,096**	**4,635**
EXPENDITURE ON:					
Raising Funds					
Trading costs	6	1,218	78	1,296	1,215
Investment property costs	7	307	-	307	268
Investment management charges		34	26	60	48
Charitable activities:					
Military grants and other charitable expenditure	8	1,343	372	1,715	765
Maintenance and operation of Armoury House	9	1,432	-	1,432	969
Membership services and general administration	10	928	1	929	822
Total expenditure	16	**5,262**	**477**	**5,739**	**4,087**
Net operating (expenditure)/ income		**(788)**	**145**	**(643)**	**548**
Gains/(losses) on investments					
Net gain/(loss on Listed investments	12	114	90	204	(1,037)
Investment property revaluation (loss)	11c	(3,596)	-	(3,596)	(3,399)
Net (expenditure)/income and net movement in funds for year		**(4,270)**	**235**	**(4,035)**	**(3,888)**
Funds brought forward at 1 November 2022	16	55,205	5,026	60,231	64,119
Funds carried forward at 31 October 2023	17	**50,935**	**5,261**	**56,196**	**60,231**

The Notes on pages 18 to 37 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 October 2022

	Note	Unrestricted Funds £000	Restricted Funds £000	Total 31-Oct 2022 £000
INCOME AND ENDOWMENTS FROM:				
Donations and legacies	3	1	11	12
Charitable activities:				
Member subscriptions	4	320	-	320
Other income	5	1	263	264
Other trading activities	6	1,988	84	2,072
Investments:				
Investment property income	7	1,747	-	1,747
Listed investments		133	86	219
Interest on cash deposits		1	-	1
Total income	16	4,191	444	4,635
EXPENDITURE ON:				
Raising Funds				
Trading costs	6	1,135	80	1,215
Investment property costs	7	268	-	268
Investment management charges		29	19	48
Charitable activities:				
Military grants and other charitable expenditure	8	487	278	765
Maintenance and operation of Armoury House	9	969	-	969
Membership services and general administration	10	821	1	822
Total expenditure	16	3,709	378	4,087
Net operating income		482	66	548
(Losses)/gains on investments				
Net (loss)/gain on Listed investments	12	(602)	(435)	(1,037)
Investment property revaluation (loss)	11c	(3,399)	-	(3,399)
Net (expenditure) and net movement in funds for year		(3,519)	(369)	(3,888)
Funds brought forward at 1 November 2022	16	58,724	5,395	64,119
Funds carried forward at 31 October 2023	17	55,205	5,026	60,231

CONSOLIDATED & CHARITY BALANCE SHEETS
31 OCTOBER 2023

	Note	2023 Group £000	2022 Group £000	2023 Charity £000	2022 Charity £000
Fixed Assets					
Tangible assets – own use	11a	4,540	4,682	4,211	4,353
Tangible assets – Light Cavalry	11b	23	32	23	32
Tangible assets – Heritage assets	11b	147	147	147	147
Investment properties	11c	37,843	41,439	37,843	41,439
Intangible assets – software - own use	11d	5	21	5	21
Listed investments	12	10,253	9,902	10,253	9,902
Shareholding in subsidiaries	13	-	-	301	301
Total fixed assets		**52,811**	**56,223**	**52,783**	**56,195**
Current assets					
Stocks		6	6	1	1
Debtors and prepayments	14	669	776	1,987	1,903
Short-term deposits		2,907	3,217	1,828	2,446
Cash at bank and in hand		937	1,067	462	390
		4,519	**5,066**	**4,278**	**4,740**
Liabilities:					
Creditors falling due within one year	15	(1,134)	(1,058)	(903)	(711)
Net current assets		**3,385**	**4,008**	**3,375**	**4,029**
NET ASSETS		**56,196**	**60,231**	**56,158**	**60,224**
CHARITABLE FUNDS					
General Fund	16&17	1,984	1,681	1,984	1,681
Designated Reserves	16&17	6,158	7,135	6,120	7,131
Fixed Asset Fund	16&17	42,793	46,389	42,793	46,389
		50,935	55,205	50,897	55,201
Restricted Funds	16&17	5,261	5,026	5,261	5,023
TOTAL CHARITABLE FUNDS		**56,196**	**60,231**	**56,158**	**60,224**

The financial statements were approved by the Court of Assistants on 23 January 2024 and are signed on its behalf by:

Major S C Briggs, Vice-President

Lieutenant Colonel S J R Halliday, Treasurer

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 OCTOBER 2023

	Note	Total Funds 31-Oct 2023 £000	Total Funds 31-Oct 2022 £000
Cash flows from operating activities:			
Net cash (used) in operating activities		(2,178)	(844)
Cash flows from investing activities:			
Dividends, interest and rent from investments		1,915	1,967
Purchase of tangible and intangible assets		(30)	(32)
Purchase of investments - listed investments	12	(1,260)	(6,810)
Disposal of investments – listed investments	12	1,214	5,089
Net cash provided by investing activities		**1,839**	214
Change in cash and cash equivalents in reporting period		**(339)**	(630)
Cash and cash equivalents as at 1 November 2022		4,791	5,421
Cash and cash equivalents as at 31 October 2023		**4,452**	4,791

	Note	2023 £000	2022 £000
Reconciliation of net income to net cash flow from operating activities			
Net expenditure for the reporting period		(4,035)	(3,888)
Adjustments for:			
Depreciation Charges:			
Depreciation, amortisation & impairment, loss on disposals		195	252
Light Cavalry and Pikemen & Musketeers depreciation	11a/11d	2	10
(Gain)/Loss on Listed investments	12	(204)	1,037
Loss on Investment Property Revaluation	11c	3,596	3,399
Rents, dividends and interest from investments:			
Investment property income	7	(1,684)	(1,747)
Listed investments		(222)	(219)
Interest on cash deposits		(9)	(1)
Decrease in stocks		-	1
Decrease in debtors		107	4
Increase in creditors		76	308
Net cash (used in)/generated by operating activities		**(2,178)**	(844)

Analysis of cash and cash equivalents		
Cash in hand	937	1,067
Notice deposits (less than 3 months)	2,907	3,217
	3,844	4,284
Cash held with investment managers	**608**	507
Total cash and cash equivalents	**4,452**	4,791

Reconciliation of net debt:

	At 1 November 2022 £000	Cash flows £000	At 31 October 2023 £000
Cash and cash equivalents	4,791	(339)	4,452

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2023

1. **Constitution and subsidiaries**
The Honourable Artillery Company was incorporated by Letters Patent on 25 August 1537 and is registered as a Charity (registration number 208443). The subsidiary group companies are:

-HAC Enterprises Limited (company registration no. 01677400)
-HAC Flank Companies' Ball Limited (company registration no. 02266408)
-Pencelli Limited (company registration no. 03724227)

2. **Accounting Policies**

Accounting convention
The Charity is a public benefit entity for the purposes of The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and therefore the financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102 (Charities SORP FRS102), the Charities Act 2011 and FRS 102.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Financial statements and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Charities SORP FRS 102 rather than the earlier version which it replaced.

Consolidation
The financial statements of the Company include those activities of the Company which have a material effect on its financial position or results. Certain funds, in particular those of the Old Comrades' Association, have not been included because they are not material.

The consolidated financial statements include the financial statements of the Company and its three subsidiaries, HAC Enterprises Ltd, HAC Flank Companies' Ball Ltd and Pencelli Ltd. The financial statements of the Company of Pikemen & Musketeers and the Light Cavalry are included as part of the Company's financial statements for the financial year. The Unconsolidated Balance Sheet of the Company is shown alongside the Consolidated Balance Sheet, in the format recommended by the Charities SORP FRS 102.

A separate Statement of Financial Activities for the Company is not presented as permitted by the Charities SORP FRS 102.

Going concern
The Trustees have assessed the use of the going concern basis for preparing the financial statements of the Company and its three subsidiaries. The Trustees are satisfied that the going concern basis is appropriate and have referred to the approved budget for next year and the latest 5 year business plan and 10 year financial projections to arrive at this conclusion and are satisfied that the Company has sufficient resources to meet its ongoing liabilities and that it can continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2023 (cont'd)

Income and Endowments

a) Donations and legacies are recognised when they are received or when the Company has legal entitlement and receipt is probable.

b) Member subscriptions are recognised when receivable and receipt is probable and are net of applicable VAT and are accounted for on an accruals basis. Gift aid reclaimed on subscriptions paid under Deed of Covenant is recognised when receivable and receipt is probable.

c) Other income is recognised when receivable less any provision for bad debt.

d) Income from Trading Activities which includes sutling, grounds hire, bedrooms, car parking, the Flank Companies' Ball and miscellaneous sales is recognised when receivable net of any provision for bad debt and accounted for on an accruals basis.

e) Investment property income represents rental income, licence fee income and miscellaneous income from the investment property portfolio comprising commercial and residential properties located around the perimeter of the Artillery Garden, and the Pencelli Estate. The income is recognised when receivable net of any provision for bad debt and accounted for on an accruals basis.

f) Listed investment income represents dividends received or accrued in the period.

g) Interest on cash deposits is recognised when received or accrued in the period.

Expenditure

a) Trading costs of sutling, grounds hire, bedrooms, car parking, cost of the Flank Companies' Ball and cost of miscellaneous sales are recognised as incurred and accounted for on an accrual's basis. Trading costs include an allocation of total payroll costs for Company staff, contract and temporary staff, with the allocation being based on a percentage estimate of the time spent on trading activities. The allocation is reviewed each year. Trading costs also included an allocation of utilities and general office overheads agreed each year.

b) Investment property costs include the managing agent's fees and repair and maintenance and void costs and are recognised as incurred. Costs paid for by the Company are accounted for on an accrual's basis.

c) Investment management charges by Evelyn Partners are paid directly from the Unrestricted/Restricted Pooled Fund and Benevolent Fund and are recognised when charged to each Fund.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2023 (cont'd)

d) Military grants to the Honourable Artillery Company Regiment are agreed by the Court of Trustees each year and recognised as incurred. Other ad hoc grants and donations are agreed by the Court of Trustees and accounted for on an accruals basis.

e) The costs of maintaining and operating Armoury House for Company usage is net of the allocation of payroll and utility costs allocated to trading activities.

f) The cost of support for the Membership and the cost of general Company administration and overheads is net of the allocation of general overheads to trading activities. Governance costs included in general overheads relate to the direct costs associated with the constitutional and statutory requirements of the Company and include the costs of external audit, secretarial and other constitutional related costs.

Other gains and losses

a) The listed investments in the Unrestricted/Restricted Pooled Fund and Benevolent Fund portfolios are valued each quarter and the total valuation change for the financial year is included in the Statement of Financial Activity (SOFA) together with realised gains and losses on disposals in the year.

b) The investment properties are professionally revalued every 3 years with desktop valuations in the intervening years. The valuation change since the previous valuation is included in the SOFA as an unrealised gain or loss.

Designated and Restricted Funds

Income and expenditure related to the designated and restricted funds are included in the consolidated SOFA.

Tangible and intangible fixed assets for own use

Freehold and leasehold land in use by the Company at the Artillery Garden and Pencelli have been valued at cost. No value is attributed to Armoury House other than the capitalised cost of alterations. Other assets are stated at cost less depreciation, calculated on a straight-line basis as follows:

Alterations to property	20/25/30/60/150 years
Plant, fixtures and equipment	10/15/20 years
Computers and other electronic equipment	3 to 5 years
Software	5 years

Tangible assets – Heritage assets

No value is attributed to the Company's collection of memorabilia and treasures acquired prior to 1 November 2005 which are considered to be part of its heritage. Treasures acquired from 1 November 2005 have been capitalised at cost. Heritage assets are not depreciated as their useful life is considered to be indefinite. Detailed records of Heritage assets are managed by the Museum and Treasures Committee who are also responsible for the ongoing preservation.

Access to Heritage assets is available by written request to the Museum and Treasures Committee.

Investments (including properties held as investments)
Investments are stated in the Balance Sheet at market values applying at the financial period end.

Stocks
Stocks are stated at the lower of cost and net realisable value.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

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

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

Basic financial assets
Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Basic financial liabilities
Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price and subsequently measured 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. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

a) The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11a, 11b and 11d for the carrying amount of the property, plant and equipment and the accounting policy above for the useful economic lives for each class of asset.

b) The Group uses the valuation performed by its independent professional valuers every 3 years as the fair value of its investment properties. The valuation is based upon the key assumptions of estimated rental values and market-based yields. With regard to redevelopments and refurbishments, future development costs and an appropriate discount rate are also used. In determining fair value, the valuers make reference to market evidence and recent transaction prices for similar properties. The Trustees consider any change in values in between formal professional valuations. Management considers the significant assumptions to the valuation of investment properties to be estimated rental values and market-based yields, together with general observations as to the state of the market at the Balance Sheet date.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2023 (cont'd)

3. Donations and legacies

	2023	2022
	£000	£000
Benevolent Fund	2	11
Other Restricted Funds	120	-
Restricted Funds	122	11
Unrestricted Funds	1	1
Total	**123**	**12**

4. Member subscriptions

	2023	2022
	£000	£000
Paid by members	296	290
Tax recovered on Gift Aid subscriptions	59	61
Entrance fees	-	1
VAT payable on subscription income	(32)	(32)
Total	**323**	**320**

5. Other income

	2023	2022
	£000	£000
Pikemen & Musketeers income	103	54
Light Cavalry income	239	209
Restricted funds	342	263
Other Events - unrestricted funds	(11)	1
Total	**331**	**264**

6. Other trading activities

	2023 Income	2023 Expenses	2023 Surplus/ (Deficit)	2022 Surplus/ (Deficit)
	£000	£000	£000	£000
Sutling	1,958	(740)	1,218	842
Sports & grounds activities	238	(188)	50	162
Bedrooms	118	(96)	22	9
Car parking	2	-	2	2
Sale of books, ties, cards and other income	15	(2)	13	1
Audit fees	-	(10)	(10)	(5)
Administration charge	-	(182)	(182)	(158)
Unrestricted Funds	2,331	(1,218)	1,113	853
Flank Companies' Ball – restricted funds	73	(78)	(5)	4
Total	**2,404**	**(1,296)**	**1,108**	**857**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2023 (cont'd)

6. Other trading activities

	2022 Income	2022 Expenses	2022 Surplus/ (Deficit)
	£000	£000	£000
Sutling	1,582	(740)	842
Sports & grounds activities	312	(150)	162
Bedrooms	89	(80)	9
Car parking	2	-	2
Sale of books, ties, cards and other income	3	(2)	1
Audit fees	-	(5)	(5)
Administration charge	-	(158)	(158)
Unrestricted Funds	1,988	(1,135)	853
Flank Companies' Ball – restricted funds	84	(80)	4
Total	2,072	(1,215)	857

7. Investment property income and expenditure	2023	2022
Income	£000	£000
Commercial	874	984
Residential	394	401
Other rental income	416	362
Total income	1,684	1,747
Expenditure		
Management fees (including the Pencelli estate)	55	50
Cost of insurance, legal and professional fees	83	37
Maintenance and repairs	169	181
Total expenditure	307	268

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2023 (cont'd)

8. Military grants and other charitable expenditure

	No of Grants 2023	2023 £000	No of Grants 2022	2022 £000
Grants to the Regiment and Sub Units - unrestricted	47	388	47	380
Grants from the Benevolent Fund to individuals	5	31	5	10
Vambrace expenditure (see note below)	1	955	1	106
Total grants paid	**53**	**1,374**	**53**	**496**
Other charitable expenditure	1	1	1	1
Pikemen & Musketeers expenditure	-	98	-	41
Light Cavalry expenditure	-	242	-	227
Total military grants and other charitable expenditure	**54**	**1,715**	**54**	**765**

Vambrace expenditure comprises professional fees and construction costs for refurbishment of the basement of Finsbury Barracks.

9. Maintenance and operation of Armoury House

	2023 £000	2022 £000
Staff costs, including taxes and pension contributions (including contract and temporary staff)	694	535
Rates, water, power and heating	281	134
Cleaning and waste removal	74	44
Property maintenance and repairs	478	375
Treasures, Archives	87	44
Recharges to trading subsidiaries	(182)	(163)
Total	**1,432**	**969**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2023 (cont'd)

10. Membership services and general administration

	2023 £000 Unrestricted Funds	2023 £000 Restricted Funds	2023 £000 Total	2022 £000 Unrestricted Funds	2022 £000 Restricted Funds	2022 £000 Total
Staff costs, including taxes, pension contributions and pensions to former employees	518	-	518	475	-	475
Office services, IT and telephone	146	-	146	143	-	143
Membership administration	18	-	18	13	-	13
Insurance	124	-	124	103	-	103
Publications	32	-	32	27	-	27
Bank charges, other legal and professional costs	46	-	46	27	-	27
Recharges to trading subsidiaries	(10)	-	(10)	(5)	-	(5)
Benevolent Fund administration costs	-	1	1	-	1	1
Governance	54	-	54	38	-	38
	928	**1**	**929**	**821**	**1**	**822**
Auditors' remuneration (excluding VAT) included in above total:						
Audit Fees	31	-	31	27	-	27

11. Fixed assets

11a. Tangible fixed assets for own use

	Freehold/ Leasehold Land & Buildings £000	Furniture, Plant and Equipment £000	Charity Total £000	Subsidiary Freehold Land £000	Group Total £000
Cost					
At 1 November 2022	8,584	1,881	10,465	329	10,794
Additions	-	30	30	- -	30
At 31 October 2023	8,584	1,911	10,495	329	10,824
Depreciation					
At 1 November 2022	4,703	1,409	6,112	-	6,112
Charge for year	71	101	172	-	172
At 31 October 2023	4,774	1,510	6,284	-	6,284
Net Book Value					
At 31 October 2023	**3,810**	**401**	**4,211**	**329**	**4,540**
At 31 October 2022	**3,881**	**472**	**4,353**	**329**	**4,682**

The Company has substantial long-held historic assets which are used in the course of the Company's activities to support the Regiment, Special Constabulary Detachment and Company membership. These comprise the land and buildings at Armoury House, together with certain military and ceremonial items and other treasured artefacts. The buildings at Armoury House were constructed principally in 1734-35, 1787, 1826-28 and 1843. Due to the age of these items, and in many cases the unique nature, reliable historical cost information is not available for these assets and could not be obtained except at disproportionate expense. In the opinion of the Court the depreciated historical costs of these items is now immaterial. Heritage assets acquired from 1 November 2005 have been capitalised by the Company (see note 11b).

Included within the cost of freehold land and buildings are the capitalised costs of later acquisitions and alterations to the land and buildings, including £6,606k relating to the development of the Prince Consort Rooms. Buildings insurance for properties owned by the Company including Armoury House and other Investment properties (see note 11c) at 31 October 2023 is held to the value of £37,843k (2022 £41,439k) (insurance value). This excludes any investment properties let on a full repairing lease where the tenant has the obligation to insure. The insurance value is reviewed annually.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2023 (cont'd)

11. Fixed assets, contd

11b. Tangible fixed assets, contd

	Light Cavalry £000	Pikemen & Musketeers £000	Heritage Assets £000
Cost			
At 1 November 2022	63	300	147
Disposals	(15)	-	-
At 31 October 2023	48	300	147
Depreciation			
At 1 November 2022	31	300	-
Charge for year	2	-	-
On disposals	(8)	-	-
At 31 October 2023	25	300	-
Net Book Value			
At 31 October 2023	**23**	**-**	**147**
At 31 October 2022	**32**	**-**	**147**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2023 (cont'd)

11. Fixed assets, contd

11c. Investment Properties

	2023 £000	2022 £000
Valuation at 1 November 2022	41,439	44,838
Revaluation (loss)	(3,596)	(3,399)
At 31 October 2023	**37,843**	**41,439**

The investment properties are professionally valued on a triennial basis and the value is reviewed by the Trustees on an annual basis. The investment properties were valued on an 'open market' basis by Farebrother, the Company's Property agents, at 31 October 2023.

11d. Intangible assets – Software for own use

	2023 £000
Cost	
At 1 November 2022	101
At 31 October 2023	101
Amortisation	
At 1 November 2022	80
Charge for year	16
At 31 October 2023	96
Net Book Value	
At 31 October 2023	**5**
At 31 October 2022	**21**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2023 (cont'd)

12. Listed investments

	2023 £000	2022 £000
Investments at market value - 1 November 2022	9,395	8,711
Additions	1,260	6,810
Disposal proceeds	(1,214)	(5,089)
Realised and unrealised gains/(losses)	204	(1,037)
Sub-Total	9,645	9,395
Investment cash	608	507
Investments at market value - 31 October 2023	**10,253**	**9,902**
Investments at cost	10,871	9,876
Unrealised (loss)/gains	(618)	26
	10,253	**9,902**
Split of investments - 31 October 2023		
UK listed investments	3,011	3,255
Overseas listed investments	5,818	5,730
Multi-Asset funds	816	410
Held as cash	608	507
	10,253	**9,902**

13. Subsidiary companies

The Company has three wholly-owned subsidiary companies, all registered in England and Wales:

- HAC Enterprises Limited, which is responsible for Sutling, House and Ground hire, and sports activities.
- HAC Flank Companies' Ball Limited (owned by HAC Enterprises Limited), which organises an annual ball on the Company's premises.
- Pencelli Ltd, which owns the Welsh Pencelli Estate in the Brecon Beacons.

A deed of covenant is in place between HAC Enterprises Limited and the Company whereby the subsidiary donates the whole of their taxable profit to the Company each year. The amounts owed by the subsidiaries to the Company at 31 October 2023 are shown below:

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2023 (cont'd)

13 Subsidiary companies (cont'd)

	HAC Enterprises Ltd £000	HAC Flank Companies' Ball Ltd £000	Pencelli Ltd £000
Fixed assets			
Tangible assets for own use	-	-	329
Shares in subsidiary (see above)	1	-	-
Total fixed assets	1	-	329
Current assets			
Stocks	5	-	-
Debtors	103	-	-
Other debtors and prepayments	87	-	-
Cash at bank and in hand	1,539	15	-
Total current assets	1,734	15	-
Creditors			
Trade creditors	52	-	-
Accruals and deferred income	272	-	-
Amounts owed to Company	1,410	16	29
Total creditors	1,734	16	29
Net current (liabilities)	-	(1)	(29)
Net assets	1	(1)	300
Share capital and reserves	1	(1)	300

14. Debtors and prepayments

	Group		Charity	
	2023	2022	2023	2022
	£000	£000	£000	£000
Trade debtors	249	383	147	80
Sundry debtors	289	249	289	253
Prepayments and accrued income	131	124	96	92
Taxation	-	20	-	85
Amounts owed by subsidiaries (note 13)	-	-	1,455	1,393
Total	**669**	**776**	**1,987**	**1,903**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2023 (cont'd)

15. Creditors due within one year

	Group		Charity	
	2023	2022	2023	2022
	£000	£000	£000	£000
Trade creditors	309	211	254	160
Accruals	266	177	266	177
Deferred income	269	370	93	74
Taxation	39	41	39	41
Other creditors	251	259	251	259
Total	**1,134**	**1,058**	**903**	**711**

Deferred income represents income in advance for events, accommodation, room and grounds hire, rent and subscriptions.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2023(cont'd)

16. **Charitable Funds**

a) Current period	1 November 2022	Income	Expenditure	Investment Gains/(Losses) & Transfers	31 October 2023
	£000	£000	£000	£000	£000
Unrestricted Funds:					
General Reserve	1,681	4,474	(4,285)	114	1,984
Designated Reserves	7,135	-	(977)	-	6,158
Fixed Asset Fund	46,389	-	-	(3,596)	42,793
Total Unrestricted Funds	**55,205**	**4,474**	**(5,262)**	**(3,482)**	**50,935**
Restricted Funds:					
Benevolent Fund	3,454	83	(55)	83	3,565
Regimental Grants Fund	506	-	-	-	506
Light Cavalry	153	238	(244)	-	147
Pikemen & Musketeers	281	103	(94)	-	290
Other Restricted Funds	632	198	(84)	7	753
Total Restricted Funds	**5,026**	**622**	**(477)**	**90**	**5,261**
Total Funds	**60,231**	**5,096**	**(5,739)**	**(3,392)**	**56,196**

b) Prior period	1 November 2021	Income	Expenditure	Investment Gains/(Losses) & Transfers	31 October 2022
	£000	£000	£000	£000	£000
Unrestricted Funds:					
General Reserves	**1,681**	4,191	(3,709)	(482)	1,681
Designated Reserves	**7,255**	-		(120)	7,135
Fixed Asset Fund	49,788	-	-	(3,399)	46,389
Total Unrestricted Funds	**58,724**	**4,191**	**(3,709)**	**(4,001)**	**55,205**
Restricted Funds:					
Benevolent Fund	3,791	90	(27)	(400)	3,454
Regimental Grants Fund	506	-	-	-	506
Light Cavalry	170	209	(226)	-	153
Pikemen & Musketeers	269	54	(42)	-	281
Other Restricted Funds	659	91	(83)	(35)	632
Total Restricted Funds	**5,395**	**444**	(378)	**(435)**	**5,026**
Total Funds	**64,119**	**4,635**	**(4,087)**	**(4,436)**	**60,231**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2023 (cont'd)

Unrestricted Funds:

Designated Reserves comprises:

Medium Term Reserve - This is the cash balance required to fund the Capital Expenditure for the next 5 years as set out in the Company's latest capital expenditure forecast and consistent with the latest 10 Year Business Plan. As at 31 October 2023 this reserve had a balance of £778k.

Long Term Reserve - This reserve has been established with a target of £10million for the future long-term needs of the HAC Regiment which are for additional facilities and equipment. The reserve is held in a mix of cash, working capital, and equity investments. At 31 October 2023 this reserve had a balance of £5,380k.

Fixed Asset Fund – This has been set up to identify those funds that are not free funds. The value shown represents the net book value of tangible and intangible fixed assets, including property investments.

Restricted Funds:

Benevolent Fund – The value of this fund increased during the current year due to investment gains. Dividends received have been reinvested. The Benevolent Fund Committee actively seeks potential applicants and members are invited to bring needy cases to the HAC Trustees' attention. Fund income currently derives from legacies, donations, bank interest on cash balances and dividend income from investments.

Regimental Grants Fund – The purpose of this fund is to support recruitment and retention in the Regiment and can be spent on both capital and revenue expenditures. In reviewing the long-term requirements for this fund, it has been agreed that the value of this fund is to be capped at £600k. The main source of income for this fund is from interest earned on bank deposits. The value of the fund is supplemented by the profit, if any, of HAC Flank Companies' Ball Ltd, which is Gift Aided to this fund.

Light Cavalry – The balance on this fund represents the asset value of the HAC Light Cavalry.

Pikemen & Musketeers – The balance on this fund represents the asset value of the Company of Pikemen & Musketeers.

Other Restricted Funds – The balances on these funds consist of the Gridley Will Trust, which is used by the Commanding Officer to fund annual prizes, The Dugdale Bequest to fund the Company of Pikeman & Musketeers and the Benton Bequest ('A' Battery Fund), used to support the cost of an annual dinner. Income for these other restricted funds derives from a combination of legacies, donations, dividends and bank interest.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2023 (cont'd)

17.

Analysis of Group net assets between Funds - 2023	Tangible and Intangible Fixed Assets	Investments	Current Assets	Liabilities	Total 2023
	£000	£000	£000	£000	£000
Unrestricted Funds					
General Reserve	-	1,175	1,843	(1,034)	1,984
Designated Reserves	-	5,285	873	-	6,158
Fixed Asset Fund	42,388	-	405	-	42,793
Total Unrestricted Funds	**42,388**	**6,460**	**3,121**	**(1,034)**	**50,935**
Restricted Funds					
Benevolent Fund	-	3,532	38	(5)	3,565
Regimental Grants Fund	-	-	506	-	506
Light Cavalry	23	-	179	(55)	147
Pikemen & Musketeers	-	-	316	(26)	290
Other Restricted Funds	147	261	359	(14)	753
Total Restricted Funds	**170**	**3,793**	**1,398**	**(100)**	**5,261**
Total Funds	**42,558**	**10,253**	**4,519**	**(1,134)**	**56,196**

During the year, in accordance with the Cash Management Policy approved by the Court, the cash resources of the Unrestricted and Restricted funds of the Company have continued to be operated as a single pooled-cash resource. At 31 October 2023 the amount owing to Restricted Funds by the Unrestricted Funds, was £765k (2022: £765k).

Analysis of Group net assets between Funds - 2022	Tangible and Intangible Fixed Assets	Investments	Current Assets	Liabilities	Total 2022
	£000	£000	£000	£000	£000
Unrestricted Funds					
General Reserve	-	1,175	870	(364)	1,681
Designated Reserves	-	4,705	3,095	(665)	7,135
Fixed Asset Fund	46,142	247	-	-	46,389
Total Unrestricted Funds	**46,142**	**6,127**	**3,965**	**(1,029)**	**55,205**
Restricted Funds					
Benevolent Fund	-	3,402	52	-	3,454
Regimental Grants Fund	-	-	506	-	506
Light Cavalry	32	-	16	(26)	22
Pikemen & Musketeers	-	-	284	(3)	281
Other Restricted Funds	147	373	243	-	763
Total Restricted Funds	**179**	**3,775**	**1,101**	**(29)**	**5,026**
Total Funds	**46,321**	**9,902**	**5,066**	**(1,058)**	**60,231**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2023 (cont'd)

18. Payroll costs

	2023	2022
	£000	£000
HAC salaries (excl. Er's NI, pensioners & contract staff)	894	802
HAC employer's National Insurance	98	89
HAC emoluments (excluding pensioners & contract staff)	**992**	**891**
Light Cavalry salaries (excl. Er's NI)	72	88
Light Cavalry employer's National Insurance	6	8
Light Cavalry emoluments	**78**	**96**
Pensions paid	**11**	**11**
Total Staff Costs	1,081	998

	2023	2022
	No.	No.
Average number of HAC employees (excl. contract staff and pensioners)	22	20
Average number of Light Cavalry employees	3	3
Average number of pensioners	1	1
Total Staff	**26**	**24**
Number of employees earning between £60k and £70k	2	1
Number of employees earning between £70k and £80k	2	-
Number of employees earning between £100k and £110k	1	-
Number of employees earning between £110k and £120k	-	1

The highest paid employee received employer pension scheme contributions of £25,347 (2022: £11,021).

The remuneration of the 7 (2022: 7) key management personnel totalled £450,651 (2022: £392,395). This includes employer pension contributions of £49,054 (2022: £31,881) and employer national insurance contributions of £54,332 (2022: £48,381).

HAC Emoluments in 2023 include no redundancy payments (2022: Nil)

19. Capital commitments

The Company has no capital commitments as at 31 October 2023 (2022: £nil).

The Company has an ongoing objective to provide additional storage space and facilities to the Regiment. This project, if approved, will span several years. Costs incurred to date amount to £1,507k (2022: £552k) by way of professional fees and construction costs which have been included as expenditure - see note 8.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2023 (cont'd)

20. The Court and related parties

The Members of the Court of Assistants are the Trustees of the Company. The Trustees were covered by indemnity insurance for the year ended 31 October 2023.

Two Trustees (2022: two), who served during the year, rent flats that are owned by the Company, one of which is subject to a regulated tenancy agreement, while the other is let at market rates.

No expenses were claimed by Trustees during the current year or previous years.

Fees totalling £996 (2022: £1,813) were charged to the Company by Major Charles Marment, a Trustee, for services as Secretary to the HAC Regimental Council.

The Commanding Officer of the Regiment, Lieutenant Colonel G R Cobb, who is also a Trustee of the Company, is provided with free accommodation and also has exclusive discretion over the application of the Active Unit Grant. The Active Unit Grant amounted to £40k for the year ended 31 October 2023 (2022: £40k).

No other remuneration or benefits were received by Trustees.

There are no other related party transactions requiring disclosure.

HONOURABLE ARTILLERY COMPANY

England & Wales - Charity number 208443

Accounts

HONOURABLE ARTILLERY COMPANY

(Charity Registered in England and Wales Number 208443)

Report of the Court of Assistants and Financial Statements
For the year ended 31 October 2022

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The Membership of the Court of Assistants

The Membership of the Court of Assistants of the company as at 31 October 2022 was:

EX-OFFICIO MEMBERS

Colonel Commandant & President:	General Sir Patrick Sanders KCB CBE DSO ADC Gen
Vice-President:	Major S C Briggs TD
Treasurer:	M P Basing Esq
Regimental Colonel:	Colonel H J P Wilkinson
Commanding Officer:	Lieutenant Colonel A G E Bate
Senior Major:	Major C O L Wragg VR
Commander of the City of London Special Constabulary Detachment:	Special Superintendent P M P FitzGerald
Captain of the Company of Pikemen & Musketeers:	Major A H S Gabb TD
Officer Commanding the Light Cavalry:	A R Willis VR

HONORARY MEMBERS*

HRH Prince Michael of Kent GCVO, Royal Honorary Colonel

Brigadier General Joe Milano AHAC

The Lord Mayor, the Aldermen, the Recorder and Sheriffs of the City of London for the time being

TWENTY-THREE MEMBERS

(a) *Appointed by the Commanding Officer:*

Sergeant Dudman L A

Appointed by the Court of Assistants:

Lieutenant Colonel S J R Halliday TD

G R Smith Esq

(c) *Elected at the General Court on 23 March 2022:*

The Reverend (Major) M W Bezerra Speeks CF VR	Major C V Marment VR
Major D Brigden TD	Lieutenant T J Monger-Godfrey
Captain T H Cardwell	Major I C S Morpeth TD
Major T L Davies TD	Lance Sergeant Norman S R C
Dr S F Edwards	Major R P Quain TD
Major W H Grove VR	Major J A Robinson VR
Captain H R Jee	E A Seabrook Esq
Major General S F N Lalor CB TD	Major I F Sivyer
Major J O Leighton TD	Major H D N M Voyantzis
Lieutenant Colonel J R Longbottom MBE QVRM VR	Major P D C Vyvyan-Robinson TD

** Not Trustees of the Company.*

PRINCIPAL EXECUTIVE OFFICERS OF THE COMPANY

Chief Executive:	S D Crane OBE
Court & Membership Secretary:	D A K Freeman LVO
Head of Finance:	S Hewett FCCA
Director of Catering & Events:	Mrs R Kitching
House Manager:	H W Green Esq

ANNUAL REPORT OF THE COURT OF ASSISTANTS ('THE COURT')

The Court submits its annual report and the audited financial statements of the Company for the year ended 31 October 2022. The Court has adopted the provisions of Financial Reporting Standard 102 Statement of Recommended Practice ("FRS 102 SORP") and the Charities Act 2011 in preparing the annual report and financial statements of the Company.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Honourable Artillery Company is a company incorporated by Letters Patent and registered with the Charity Commission for England and Wales under charity number 208443. The Company is administered from its principal address at: Armoury House, City Road, London EC1Y 2BQ. Details of the trustees and executive officers are shown on page 1. Particulars of the Charity's professional advisers are shown on page 8.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The governing document of the Charity is the Letters Patent granted by His Majesty King Henry VIII on 25 August 1537.

Governing Body

The Company is governed in its civil affairs and finances by a Court of Assistants ('the Court'), whose members are the Trustees of the Company, whose membership is set out on page 1. The Court delegates authority to committees appointed from amongst its members, to some of which certain other persons are co-opted.

Recruitment and Training of Trustees

There are nominally 32 Trustees on the Court. Two are the Vice-President and Treasurer who are Civil Chiefs, elected by the Court for two and three years respectively, helping to provide continuity to the Court. Both these positions are elected by and from within the body of the Court. Seven Trustees are ex-officio appointments. One Trustee is appointed by the Commanding Officer and up to two are appointed by the Court. Consideration of the balance of skills, expertise and experience of Trustees is an essential component in the selection of the Court appointees. Twenty Trustees are elected by the membership and the result of the ballot is declared at the Company's Annual General Court, which is held in March each year.

Training has been offered to trustees throughout the year. In addition, each member is issued with a copy of the booklet *The Essential Trustee* CC3, published by the Charity Commission, to provide a source of permanent reference. Trustees are also encouraged to attend external training courses where this is considered appropriate.

Organisational Management

The Court meets ten times per year and is legally responsible for the overall management and control of the civil affairs of the Company. Detailed work is undertaken by a number of committees, comprising the Executive Committee, Property Committee, Sutling Committee, Membership Committee, Audit Committee, Sports Committee, Treasures Committee and Benevolent Fund Committee. Committee meetings are scheduled according to the amount of work involved, with additional meetings being arranged if more activity is required. The committees submit a formal report to the next following meeting of the Court and approval is sought for any decisions which are outside the terms of reference of the committee. In addition, there is a team of specialist investment

advisers who meet up to four times per year to review and offer advice on the performance of the Company's investments and property portfolio as well as the choice of Investment Portfolio Manager. Day-to-day operation of the Company is delegated to the Chief Executive and the Company Office, who have authority to operate within the constraints of the approved budget. Quarterly Management Accounts, updated current year Forecasts, and lists of monthly payments in excess of £5,000 are reviewed by the Court, and in addition monthly management accounts, including a balance sheet and 12 month cash flow, are reviewed by the Executive Committee. The Company's long term Business Plan is reviewed by the Executive Committee and the Court from time to time. The signature of at least one Trustee is required for all payments above £30,000.

Remuneration
A Remuneration Committee was formed in the spring of 2016. The Committee met in 2022 to review a submission drafted by the Treasurer reviewing the remuneration of the staff of Company Office. Salaries were benchmarked in 2022 and this will be repeated in 2024.

Group Structure and Relationships
The Charity has three wholly-owned non-charitable subsidiaries: HAC Enterprises Ltd and HAC Flank Companies' Ball Ltd, both of which carry out fundraising activities for the charity; and Pencelli Ltd, which was set up to hold the assets of the Welsh Pencelli Estate situated in the Brecon Beacons. The activities and performance of the trading companies are discussed below.

Risk Management
In accordance with the Court's Risk Management Policy paper of 20 October 2009, the Company maintains a formal risk register. This is reviewed regularly and systematically by the Court committees and the Company Office.

Risks are identified at committee level or by the Company Office. They are assessed as to their likelihood and impact, and the measures taken to mitigate the risks are listed and evaluated with judgement made on whether the mitigation actions are acceptable or whether further action is required.

There are two major risks to the Company:

- The temporary loss of the use of Armoury House as a facility due to an unforeseen event. This risk has been mitigated by insurance cover for business interruption up to four years, and adequate buildings insurance cover. However, while the impact of COVID-19 was clearly an unforeseen event and impacted the commercial activities of the Company, it was outside the scope of the business interruption insurance cover.

- The loss of income from the hire of the Artillery Garden for commercial events, should the main user terminate their contract or planning consent for the temporary structure be withdrawn by the local authority. Although there would be a major loss of income to HAC Enterprises Ltd, the impact on the Company is not considered significant enough to adversely impact the Company's ability to continue meeting its current charitable obligations.

OBJECTIVES, ACTIVITIES AND PUBLIC BENEFIT
The main activities in the year to meet the Company's objectives, public benefit and the Trustees' duty under section 17 of the Charities Act 2011 are set out below.

Charitable Objectives

The charitable objectives of the Company are defined as, 'for military exercise and training and for the better defence of the realm' and, to this end, it uses its freehold property at Armoury House as a base for its military unit, a Regiment of the Army Reserve. To meet the requirements of the Charities Act 2011, the Court agreed an updated articulation of the Company's Objectives. These are: support to the HAC Regiment and the HAC's City of London Special Constabulary Detachment; support to the Company's ceremonial sub-units; conservation of Company treasures; maintenance and utilisation of the Company's estate; support for the Benevolent Fund; sustaining Company membership; and maintaining the Company's long-term financial sustainability.

Aims and Intended Impact

To meet these objectives, the Company's aims are: to further improve its facilities with a view to preserving the Regiment's place in the British Army's Order of Battle by encouraging improved recruiting for and retention within all elements of the Company; to run commercial activity as necessary to ensure the Company's long-term financial sustainability; and to conserve the Company's estate and the Company's Heritage Assets (treasures) for posterity.

Objectives for the Year

The main objectives for the year were supporting the HAC Regiment in its recruiting and retention efforts and fulfilling the Company's wider charitable aims, both in the immediate term and by providing for the Company's long-term sustainability, in part through continued commercial use of its facilities. This objective has been achieved to the extent that the constraints imposed by COVID-19 have allowed.

Public Benefit

During the year the Court of Assistants has, in exercising its powers and duties, complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the guidance on public benefit published by the Charity Commission. In particular, it has provided public benefit in that the Company:

- Supported the Regiment with welfare for the individuals and families of those deployed in line with policy; provision of training space on the Artillery Garden, on the parade square and in Armoury House. In 2021/22 the Company made annual grants totalling £304k, of which £228k were cash grants and £76k were non-cash grants.
- Provided training and financial support totalling £50k, to Combined Cadet Forces at the City of London Academy, Islington and Mossbourne Community Academy, Hackney.
- Provided accommodation within Armoury House for the HAC Special Constabulary Detachment, which patrols within the City of London.
- Provided training and facilities within Armoury House for the City of London Police Cadets.
- Provided accommodation within Armoury House for the Pikemen & Musketeers and the Light Cavalry. These sub-units provide displays to the general public and ceremonial guards for State Occasions and City events, which were restarted once the COVID-19 restrictions were relaxed.
- Sustained Company membership at around 2,500 members. Members made an annual contribution of £320k to the Charity during the year.
- Conserved the Company's estate at Armoury House and the Artillery Garden, making facilities available to the Regiment and the Special Constabulary Detachment as required. The Pencelli Estate in the Brecon Beacons National Park is used for training purposes, not just by the HAC, but by a large and varied number of other military and cadet units. Throughout the

summer the grounds have been made available weekly to a London Borough of Islington primary school for games and recreation.

- Contributed to the engagement of a Warden and volunteers on the Brecon Beacons National Park to help ensure this public facility is not damaged by illegal off-road bicycles and vehicles.
- £163,000 of mainly Welsh Government Grant money has been spent on Peat restoration and public access path maintenance in the Pencelli Estate this year. The Company has planted oak trees on the estate as part of HM The Queen's Green Canopy initiative.
- Maintained the HAC Benevolent Fund for HAC members and other eligible beneficiaries, and provided insurance cover for Regimental members mobilised on operational duty.

The Outcome of the Charity's Work

- **The HAC Regiment.** Is part of the Reserve Forces and is a body of trained manpower ready at appropriate notice to deploy as individuals on short duration military operations or as a formed body for general war. The Charity's support for the Regiment enables it to be the best recruited Reserve Forces unit in the British Army, with a high level of retention as a consequence of the financial and material support received that supports its training, recruiting, welfare and unit cohesion. The location of the site, coupled with the facilities that the Regiment can offer through the Company, means that the Regiment's recruits tend to be of high calibre and amenable to a higher level of training in the short periods that they are in uniform. During the period, members of the Regiment have been deployed operationally to the Balkans, in support of the national COVID-19 response and in support of the UK's training of Ukrainian personnel.
- **Special Constabulary.** The Company supports the only formed detachment of Special Constabulary in the United Kingdom.
- **Ceremonial Sub-Units.** As regular forces reduce, the demand on the Company of Pikemen & Musketeers and the Light Cavalry for ceremonial support in and beyond the City increases. The sub-units are able to meet this added tempo thanks to the support that the Company gives them in terms of grants for equipment and facilities for training, storage and control.
- **Cadets.** The three cadet contingents that the Company supports make a marked difference to the lives of those young people involved from the local community, particularly from the City of London Academy Islington and Mossbourne Community Academy Hackney, from which the CCFs are drawn. By promoting discipline, self-reliance and team work it is reported that performance of cadets elsewhere in the curriculum is improved. The Company has provided information to the Government Review on this impact.
- **The Membership.** One of the roles of Members is to act as an advocacy network for Defence and Security throughout the country. The Company's programme of lectures, and the facilities the Company provides for veteran and serving reserves to interact, keeps this network informed, active and relevant.
- **The House and Artillery Garden.** The House and Garden have normally been open to the public for the Open Evening in May and act as a backdrop to offices and homes in the Finsbury area. It is the largest open space in Islington and is used by the Regiment for low-level training. This means that the Regiment is able to run its own Phase 1 (basic) training weekends and training nights which enable it to set particular store by its standards and develops Regimental ethos and cohesion from the start.

The Strategy for Achieving those Outcomes

In order to achieve our goals the charity must simultaneously maintain its estate, both in London and in Wales, such that it is available for training and ceremonial purposes, whilst at the same time using it to raise funds that can then be granted to the beneficiaries to support their work. Particularly in London, where space is at a premium, this involves judgement and constant, detailed attention to the

application of a broad strategy that sees the needs of the Regiment come first, with unused space then made available for commercial use.

Grant Making Policy

The Company makes annual grants to the Regiment for expenses, such as adventurous training and recruiting. These grants are fixed on an annual basis following discussions with the Commanding Officer. If the Commanding Officer makes additional applications for grants during the year then these are considered by the Court on an *ad hoc* basis and will normally be met, provided that financial circumstances allow. In some circumstances, grants are made to individuals to allow specific training to be undertaken or to support other military purposes.

The Benevolent Fund, which is disclosed as a 'restricted' fund of the Company, makes grants to individuals connected with the Company, in accordance with the Benevolent Fund Trust Deed.

Volunteers

The Court is grateful to those members of the Company who give freely of their time in support of the Company. In view of the wide sphere of activities in which members support the Company, evaluation of this activity has proved impracticable.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational Performance of the Company

The Company has provided Armoury House, the Artillery Garden and the Pencelli Estate for the use of its Military Unit, its Special Constabulary Detachment and its ceremonial sub-units throughout the year. It has also provided financial support to all these elements of the Company. Since the second major lockdown caused by the Omicron variety has been able to resume again its commercial activities on the Artillery Garden and in the House. This has resulted in a positive contribution by commercial activities to the Company's result for the year.

Investment Performance against Objectives

The value of listed investments decreased by £1,037k (2021: increase £2,185k). This broadly reflects stock market performance over the period.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The consolidated statement of financial activities shows a net deficit for the year of £3,888k (2021: surplus of £2,152k). The 2022 deficit includes an investment property revaluation loss of £(3,399)k and a decrease in the value of listed investments of £(1,037)k. The net operating surplus before the property revaluation and the decrease in the value of the listed investment in 2022 was £548k.

The Company's wholly owned subsidiary, HAC Enterprises Ltd continued to carry out fund-raising activities for the charity, and with COVID-19 restrictions being relaxed from January 2022 the trading company, the House and Artillery Gardens made a strong contribution to the recovery of the HAC. Net income from trading was £853k (2021: £39k) (see Note 6). The trading subsidiaries made or will make a charitable donation to the Company totalling £853k (2021: £34k).

At 31 October 2022, the total consolidated net assets of the Company, as shown by the balance sheet, were £60,231k (2021: £64,119k). The Company has taken advantage of the specific clauses in FRS 102 SORP with regard to the treatment of assets. The net assets of the Company do not include the market value of freehold and leasehold properties used for the Company's charitable purposes, or the value of the Company's military and similar artefacts acquired prior to 1 November 2005. No value has been placed upon the artefacts, as the process and costs of obtaining valuations for the items involved would be disproportionate to any public benefit that might be derived. It is considered impractical to

apply conventional valuation techniques to the collections, due to their unique nature. Freehold and leasehold properties are included in the accounts at cost. However, it is not appropriate to apply conventional valuation techniques to these assets, due to the restrictive-use clauses set out in the title and lease agreements. Details of the re-building insurance values of these properties are given in Note 11a of the financial statements.

Cash Flows

The consolidated statement of cash flows shows a net cash used in operating activities for 2022 of £844k (2021: £1,265k) and net cash provided by investing activities for 2022 of £214k (2021: £3,162k). Cash balances excluding cash held by investment managers at 31 October 2022 stand at £4,284k of which £3,162k represents cash in Unrestricted funds (2021: £3,348k of which cash in Unrestricted funds was £2,207k).

Reserves Policy

The Court policy on unrestricted funds is to hold cash within a general reserve (free reserves) at a level equivalent to six months' budgeted running costs. The balance of cash held was £1,681k at 31 October 2022 in line with the policy. A designated Medium Term reserve is also held in cash at a level to provide for 5 years capital expenditure as set out in the Company's latest capital expenditure forecast. At 31 October 2022 the balance on the Medium Term reserve was £778k. A Long Term designated reserve with a target of £10million has been established to meet the future needs of the HAC Regiment, and is held in a mix of cash, working capital and investments. At 31 October 2022 the balance on the Long Term reserve was £6,357k.

Investment Policy and Objectives

The Company aims to maximise total return with a balanced approach to seeking income and capital return.

Fundraising Policy

Our approach to fundraising is to seek donations from our membership and from our commercial contacts. We do not actively seek donations from the general public.

We do not use third parties to help us with fundraising. During the year we did not receive any complaints related to our fundraising activities.

FUTURE PLANS

The priorities set in the Company's current 5 Year Plan, which was approved by the Court on 27 September 2017 and confirmed at a Court Away Day in January 2019, are to improve the support given to the HAC Regiment and the HAC Special Constabulary Detachment in terms of both financial backing and the standard of the facilities made available, to provide financial support to the City of London Academy Islington (HAC) Combined Cadet Force, and to provide financial support to the police cadets, the Company of Pikemen & Musketeers and the Light Cavalry. Specific projects include a plan to provide significant additional space and facilities for the Regiment, including better equipment storage and changing space for reserve soldiers, planning for which commenced in 2016/17, with a likely project timeframe of 3 to 5 years. A 5-year re-equipment programme for the Company of Pikemen & Musketeers, which began in 2016/17, has continued into 2021/22.

The trading outcome of HAC Enterprises Ltd for Financial Year 2022/23 is anticipated to be an improvement to 2021/22, as we see a return to normal trading as we exit the effects of the Covid 19 pandemic which effected both 2020/21 and the beginning of 2021/22. The Company will also review its activities ahead of the potential for significant expenditure to support the proposed enhanced Regimental facilities although any impact is expected to be in 2022/23 and future periods.

Statement of the Court's Responsibilities

The Court is responsible for preparing the Annual Report of the Court of Assistants and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Court to prepare financial statements for each financial year that give a true and fair view of the state of the affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Court is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Court is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Letters Patent dated 25 August 1537, associated Royal Warrants and Rules and Orders.

The Court is 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.

Professional Advisers

Details of professional advisers are given below:

Auditors	Buzzacott LLP	130 Wood Street, London EC2V 6DL
Solicitors	Charles Russell Speechlys LLP Boodle Hatfield LLP	5 Fleet Place, London EC4M 7RD 240 Blackfriars Road, London SE1 8NW
Bankers	National Westminster Bank Plc	1 Princes Street, London EC2R 8BP
Property Agents	Daniel Watney LLP	165 Fleet Street London EC4A 2DW
Investment Managers	Evelyn Partners	25 Moorgate, London EC2R 6AY

Auditors

Buzzacott LLP have indicated their willingness to continue in office and in accordance with the provisions of the Charities Act 2011 it is proposed that they be reappointed auditors to the charity and the group for the ensuing year.

By Order of the Court of Assistants

M P Basing

M P Basing, Treasurer

Date: 24 January 2023

INDEPENDENT AUDITOR'S REPORT TO THE COURT OF ASSISTANTS AND MEMBERS OF THE HONOURABLE ARTILLERY COMPANY

Opinion

We have audited the financial statements of the Honourable Artillery Company (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 October 2022 which comprise the consolidated statement of financial activities, consolidated and parent charity balance sheets, consolidated statement of cash flows, and the notes to the financial statements including a summary of the principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 affairs of the group and of the parent charity as at 31 October 2022 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 ability of the group or parent charity 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 Report of the Court of Assistants and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Act 2011 requires us to report to you if, in our opinion:

- the information given in the report of the Court of Assistants 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.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the ability of the group and parent charity 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 group and parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- We identified the laws and regulations applicable to the group and parent charity through discussions with management and from our knowledge and experience;

- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and parent charity, including the accounting framework referred to above and the Charities Act 2011;

- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of representatives of management and the review of minutes of Court meetings.

We assessed the susceptibility of the financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud and knowledge of actual, suspected and alleged fraud; and

- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected financial relationships;

- Tested and reviewed journal entries to identify unusual transactions;

- Tested the authorisation of expenditure;

- Gained an understanding of the processes in place for the management of the parent charity's investments; and

- Investigated the rationale behind significant or unusual financial transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Reviewing the minutes of meetings of those charged with governance;
- Enquiring of management as to actual and potential litigation and claims; and
- Agreeing financial statements disclosures to underlying supporting documentation.

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

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

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 auditor's report.

Use of our report

This report is made solely to the parent charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the parent 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 parent charity and the parent charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor

130 Wood Street
London
EC2V 6DL

Date: 6 March 2023

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

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 October 2022

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 31-Oct 2022 £000	Total 31-Oct 2021 £000
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	3	1	11	-	12	37
Charitable activities:						
Member subscriptions	4	320	-	-	320	309
Other income	5	1	263	-	264	191
Other trading activities	6	1,988	84	-	2,072	917
Investments:						
Investment property income	7	1,747	-	-	1,747	1,698
Listed investments		133	83	3	219	228
Interest on cash deposits		1	-	-	1	-
Total income	16	**4,191**	**441**	**3**	**4,635**	**3,380**
EXPENDITURE ON:						
Raising Funds						
Trading costs	6	1,135	80	-	1,215	878
Investment property costs	7	268	-	-	268	246
Investment management charges		29	18	1	48	73
Charitable activities:						
Military grants and other charitable expenditure	8	487	278	-	765	418
Maintenance and operation of Armoury House	9	969	-	-	969	656
Membership services and general administration	10	821	1	-	822	725
Total expenditure	16	**3,709**	**377**	**1**	**4,087**	**2,996**
Net operating income		**482**	**64**	**2**	**548**	**384**
(Losses)/gains on investments						
Net (loss)/gain on Listed investments	12	(602)	(419)	(16)	(1,037)	2,185
Investment property revaluation (loss)	11c	(3,399)	-	-	(3,399)	(417)
Net (expenditure), income and movement in funds for year		**(3,519)**	**(355)**	**(14)**	**(3,888)**	**2,152**
Funds brought forward at 1 November 2021	16	58,724	5,216	179	64,119	61,967
Funds carried forward at 31 October 2022	17	**55,205**	**4,861**	**165**	**60,231**	**64,119**

The Notes on pages 18 to 37 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 October 2021

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 31-Oct 2021 £000
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	3	34	-	37
Charitable activities:					
Member subscriptions	4	309	-	-	309
Other income	5	7	184	-	191
Other trading activities	6	917	-	-	917
Investments:					
Investment property income	7	1,698	-	-	1,698
Listed investments		135	89	4	228
Total income	16	**3,069**	**307**	**4**	**3,380**
EXPENDITURE ON:					
Raising Funds					
Trading costs	6	878	-	-	878
Investment property costs	7	246	-	-	246
Investment management charges	12	44	28	1	73
Charitable activities:					
Military grants and other charitable expenditure	8	151	267	-	418
Maintenance and operation of Armoury House	9	656	-	-	656
Membership services and general administration	10	723	2	-	725
Total expenditure	16	**2,698**	**297**	**1**	**2,996**
Net operating income		**371**	**10**	**3**	**384**
Gains/(losses) on investments					
Net gain/(loss) on Listed investments	12	1,239	889	57	2,185
Investment property revaluation gain	11c	(417)	-	-	(417)
Net income and net movement in funds for year		**1,193**	**899**	**60**	**2,152**
Funds brought forward at 1 November 2020	16	57,531	4,317	119	61,967
Funds carried forward at 31 October 2021	17	**58,724**	**5,216**	**179**	**64,119**

CONSOLIDATED & CHARITY BALANCE SHEETS
31 OCTOBER 2022

	Note	2022 Group £000	2021 Group £000	2022 Charity £000	2021 Charity £000
Fixed Assets					
Tangible assets - own use	11a	4,682	4,902	4,353	4,573
Tangible assets - Light Cavalry	11b	32	16	32	16
Tangible assets - Heritage assets	11b	147	147	147	147
Investment properties	11c	41,439	44,838	41,439	44,838
Intangible assets - software - own use	11d	21	47	21	47
Listed investments	12	9,902	10,784	9,902	10,784
Shareholding in subsidiaries	13	-	-	301	301
Total fixed assets		**56,223**	**60,734**	**56,195**	**60,706**
Current assets					
Stocks		6	7	1	1
Debtors and prepayments	14	776	780	1,903	1,064
Short-term deposits		3,217	2,376	2,446	2,376
Cash at bank and in hand		1,067	972	390	531
		5,066	**4,135**	**4,740**	**3,972**
Liabilities:					
Creditors falling due within one year	15	(1,058)	(750)	(711)	(559)
Net current assets		**4,008**	**3,385**	**4,029**	**3,413**
NET ASSETS		**60,231**	**64,119**	**60,224**	**64,119**
CHARITABLE FUNDS					
General Fund	16&17	1,681	1,681	1,681	1,681
Designated Reserves	16&17	7,135	7,255	7,131	7,255
Fixed Asset Fund	16&17	46,389	49,788	46,389	49,788
		55,205	58,724	55,201	58,724
Restricted Funds	16&17	4,861	5,216	4,858	5,216
Endowment Funds	16&17	165	179	165	179
TOTAL CHARITABLE FUNDS		**60,231**	**64,119**	**60,224**	**64,119**

The financial statements were approved by the Court of Assistants on 24 January 2023 and are signed on its behalf by:

Major S C Briggs, Vice-President

M P Basing Esq, Treasurer

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 OCTOBER 2022

	Note	Total Funds 31-Oct 2022 £000	Total Funds 31-Oct 2021 £000
Cash flows from operating activities:			
Net cash (used) in operating activities		**(844)**	**(1,265)**
Cash flows from investing activities:			
Dividends, interest and rent from investments		1,967	1,926
Purchase of tangible and intangible assets	11a/11b	(32)	(24)
Purchase of heritage assets		-	(4)
Purchase of investments - listed investments	12	(6,810)	(1,234)
Disposal of investments – listed investments	12	5,089	2,498
Net cash provided by investing activities		**214**	**3,162**
Change in cash and cash equivalents in reporting period		**(630)**	**1,897**
Cash and cash equivalents at 1 November 2021		5,421	3,524
Cash and cash equivalents at 31 October 2022		**4,791**	**5,421**

	Note	2022 £000	2022 £000
Reconciliation of net income to net cash flow from operating activities			
Net income for the reporting period		**(3,888)**	**2,143**
Adjustments for:			
Depreciation Charges:			
Depreciation, amortisation & impairment	11a/11d	252	283
Light Cavalry and Pikemen & Musketeers depreciation	11b	10	5
Loss on the disposal of Fixed Assets		-	6
(Gain)/Loss on Listed investments	12	1,037	(2,185)
Loss on Investment Property Revaluation	11c	3,399	417
Rents, dividends and interest from investments:			
Investment property income	7	(1,747)	(1,698)
Listed investments		(219)	(228)
Interest on cash deposits		(1)	-
(Increase) in stocks		1	(1)
Decrease in debtors		4	(37)
Increase in creditors		308	30
Net cash (used in)/generated by operating activities		(844)	**(1,265)**
Analysis of cash and cash equivalents			
Cash in hand (see note below)		1,067	972
Notice deposits (less than 3 months)		3,217	2,376
		4,284	**3,348**
Cash held with investment managers		**507**	**2,073**
Total cash and cash equivalents		**4,791**	**5,421**

Reconciliation of net debt:	At 1 November 2021 £000	Cash flows £000	At 31 October 2022 £000
Cash and cash equivalents	5,421	630	4,791

Cash at bank includes £840k deposits for future events

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2022

1. Constitution and subsidiaries

The Honourable Artillery Company was incorporated by Letters Patent on 25 August 1537 and is registered as a charity (registration number 208443). The subsidiary group companies are:

-HAC Enterprises Limited (registration no. 01677400)
-HAC Flank Companies' Ball Limited (registration no. 02266408)
-Pencelli Limited (registration no. 03724227)

2. Accounting Policies

Accounting convention

The charity is a public benefit entity for the purposes of The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and therefore 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 FRS 102 (Charities SORP FRS102), the Charities Act 2011 and FRS 102.

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 the Charities SORP FRS 102 rather than the earlier version which it replaced.

Consolidation

The accounts of the Company include those activities of the Company which have a material effect on its financial position or results. Certain funds, in particular those of the Old Comrades' Association, have not been included because they are not material.

The consolidated accounts include the accounts of the Company and its three subsidiaries, HAC Enterprises Ltd, HAC Flank Companies' Ball Ltd and Pencelli Ltd. The accounts of the Company of Pikemen & Musketeers and the Light Cavalry are included as part of the Company's accounts for the financial year. The Unconsolidated Balance Sheet of the Company is shown alongside the Consolidated Balance Sheet, in the format recommended by the Charities SORP FRS 102.

A separate Statement of Financial Activities for the Company is not presented as permitted by the Charities SORP FRS 102.

Going concern

The trustees have assessed the use of the going concern basis for preparing the accounts of the Company and its three subsidiaries. The trustees are satisfied that the going concern basis is appropriate and have referred to the approved budget for next year and the latest 5 year business plan and 10 year financial projections to arrive at this conclusion, and are satisfied that the Company has sufficient resources to meet its ongoing liabilities and that it can continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Income and Endowments

a) Donations and legacies are recognised when they are received or when the Company has legal entitlement and receipt is probable.

b) Member subscriptions are recognised when receivable and receipt is probable and are net of applicable VAT, and are accounted for on an accruals basis. Gift aid reclaimed on subscriptions paid under Deed of Covenant is recognised when receivable and receipt is probable.

c) Other income is recognised when receivable less any provision for bad debt.

d) Income from Trading Activities which includes sutling, grounds hire, bedrooms, car parking, the Flank Companies' Ball and miscellaneous sales is recognised when receivable net of any provision for bad debt and accounted for on an accruals basis.

e) Investment property income represents rental income, licence fee income and miscellaneous income from the investment property portfolio comprising commercial and residential properties located around the perimeter of the Artillery Garden, and the Pencelli Estate. The income is recognised when receivable net of any provision for bad debt and accounted for on an accruals basis.

f) Listed investment income represents dividends received or accrued in the period.

g) Interest on cash deposits is recognised when received or accrued in the period.

Expenditure

a) Trading costs of sutling, grounds hire, bedrooms, car parking, cost of the Flank Companies' Ball and cost of miscellaneous sales are recognised as incurred and accounted for on an accruals basis. Trading costs include an allocation of total payroll costs for Company staff, contract and temporary staff, with the allocation being based on a percentage estimate of the time spent on trading activities. The allocation is reviewed each year. Trading costs also included an allocation of utilities and general office overheads agreed each year.

b) Investment property costs include the managing agent's fees and repair and maintenance and void costs, and are recognised as incurred. Costs paid for by the Company are accounted for on an accruals basis.

c) Investment management charges by Cazenove Capital Management Ltd and Smith and Williamson are paid directly from the Unrestricted/Restricted Pooled Fund and Benevolent Fund and are recognised when charged to each Fund.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2022 (cont'd)

d) Military grants to the Honourable Artillery Company Regiment are agreed by the Court of Trustees each year and recognised as incurred. Other ad hoc grants and donations are agreed by the Court of Trustees and accounted for on an accruals basis.

e) The costs of maintaining and operating Armoury House for Company usage is net of the allocation of payroll and utility costs allocated to trading activities.

f) The cost of support for the Membership and the cost of general Company administration and overheads is net of the allocation of general overheads to trading activities. Governance costs included in general overheads relate to the direct costs associated with the constitutional and statutory requirements of the Company and include the costs of external audit, secretarial and other constitutional related costs.

Other gains and losses

a) The listed investments in the Unrestricted/Restricted Pooled Fund and Benevolent Fund portfolios are valued each quarter and the total valuation change for the financial year is included in the Statement of Financial Activity (SOFA) together with realised gains and losses on disposals in the year.

b) The investment properties are professionally revalued every 3 years with desktop valuations in the intervening years. The valuation change since the previous valuation is included in the SOFA as an unrealised gain or loss.

Designated and Restricted Funds

Income and expenditure related to the designated and restricted funds are included in the consolidated SOFA.

Tangible and intangible fixed assets for own use

Freehold and leasehold land in use by the Company at the Artillery Garden and Pencelli have been valued at cost. No value is attributed to Armoury House other than the capitalised cost of alterations. Other assets are stated at cost less depreciation, calculated on a straight line basis as follows:

Alterations to property	20/25/30/60/150 years
Plant, fixtures and equipment	10/15/20 years
Computers and other electronic equipment	3 to 5 years
Software	5 years

Tangible assets - Heritage assets

No value is attributed to the Company's collection of memorabilia and treasures acquired prior to 1 November 2005 which are considered to be part of its heritage. Treasures acquired from 1 November 2005 have been capitalised at cost. Heritage assets are not depreciated as their useful life is considered to be indefinite. Detailed records of Heritage assets are managed by the Museum and Treasures Committee who are also responsible for the ongoing preservation.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2022 (cont'd)

Access to Heritage assets is available by written request to the Museum and Treasures Committee.

Investments (including properties held as investments)
Investments are stated in the Balance Sheet at market values applying at the financial period end.

Stocks
Stocks are stated at the lower of cost and net realisable value.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

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

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

Basic financial assets
Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Basic financial liabilities
Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price and subsequently measured 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. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

a) The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11a, 11b and 11d for the carrying amount of the property, plant and equipment and the accounting policy above for the useful economic lives for each class of asset.

b) The Group uses the valuation performed by its independent professional valuers every 3 years as the fair value of its investment properties. The valuation is based upon the key assumptions of estimated rental values and market based yields. With regard to redevelopments and refurbishments, future development costs and an appropriate discount rate are also used. In determining fair value the valuers make reference to market evidence and recent transaction prices for similar properties. The Trustees consider any change in values in between formal professional valuations. Details of the last valuation methodology and key assumptions are given in note 11c. Management consider the significant assumptions to the valuation of investment properties to be estimated rental values and market based yields, together with general observations as to the state of the market at the Balance Sheet date.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2022 (cont'd)

3. Donations and legacies

	2022	2021
	£000	£000
Benevolent Fund	11	13
Other Restricted Funds	-	21
Restricted Funds	11	34
Unrestricted Funds	1	3
Total	**12**	**37**

4. Member subscriptions

	2022	2021
	£000	£000
Paid by members	290	285
Tax recovered on Gift Aid subscriptions	61	55
Entrance fees	1	2
VAT payable on subscription income	(32)	(33)
Total	**320**	**309**

5. Other income

	2022	2021
	£000	£000
Pikemen & Musketeers income	54	14
Light Cavalry income	209	170
Restricted funds	263	184
Other Events - unrestricted funds	1	7
Total	**264**	**191**

6. Other trading activities

	2022 Income	2022 Expenses	2022 Surplus/ (Deficit)	2021 Surplus/ (Deficit)
	£000	£000	£000	£000
Sutling	1,582	(740)	842	(114)
Sports & grounds activities	312	(150)	162	182
Bedrooms	89	(80)	9	(20)
Car parking	2	-	2	11
Sale of books, ties, cards and other income	3	(2)	1	3
Audit fees	-	(5)	(5)	(5)
Administration charge	-	(158)	(158)	(18)
Unrestricted Funds	1,988	(1,135)	853	39
Flank Companies' Ball – restricted funds	84	(80)	4	-
Total	**2,072**	**(1,215)**	**857**	**39**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2022 (cont'd)

6. Other trading activities

	2021 Income	*2021 Expenses*	*2021 Surplus/ (Deficit)*
	£000	*£000*	*£000*
Sutling	538	(652)	(114)
Sports & grounds activities	332	(150)	182
Bedrooms	32	(52)	(20)
Car parking	11	-	11
Sale of books, ties, cards and other income	4	(1)	3
Audit fees	-	(5)	(5)
Administration charge	-	(18)	(18)
Total	**917**	**(878)**	**39**

7. **Investment property income and expenditure**	**2022**	**2021**
Income	**£000**	**£000**
Commercial	984	961
Residential	401	373
Other rental income	362	364
Total income	**1,747**	**1,698**
Expenditure		
Management fees (including the Pencelli estate)	50	44
Cost of insurance, legal and professional fees	37	38
Maintenance and repairs	181	164
Total expenditure	**268**	**246**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2022 (cont'd)

8. Military grants and other charitable expenditure

	No of Grants 2022	2022 £000	No of Grants 2021	2021 £000
Grants to the Regiment and Sub Units - unrestricted	47	380	14	151
Grants from the Benevolent Fund to individuals	5	10	12	15
Grants to Pikemen & Musketeers from the Dugdale Bequest	-	-	1	3
Total grants paid	**52**	**390**	**27**	**169**
Other charitable expenditure	1	1	7	3
Vambrace expenditure	-	106	-	55
Pikemen & Musketeers expenditure	-	41	-	18
Light Cavalry expenditure	-	227	-	173
Total military grants and other charitable expenditure	**53**	**765**	**34**	**418**

9. Maintenance and operation of Armoury House

	2022 £000	2021 £000
Staff costs, including taxes and pension contributions (including contract and temporary staff)	535	371
Rates, water, power and heating	134	82
Cleaning and waste removal	44	40
Property maintenance and repairs	375	206
Treasures, Archives	44	49
Recharges to trading subsidiaries	(163)	(92)
Total	**969**	**656**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2022 (cont'd)

10. Membership services and general administration

	2022 £000 Unrestricted Funds	2022 £000 Restricted Funds	2022 £000 Total	2021 £000 Unrestricted Funds	2021 £000 Restricted Funds	2021 £000 Total
Staff costs, including taxes, pension contributions and pensions to former employees	475	-	475	410	-	410
Employee termination payments	-	-	-	19	-	19
Office services, IT and telephone	143	-	143	99	-	99
Membership administration	13	-	13	14	-	14
Insurance	103	-	103	96	-	96
Publications	27	-	27	25	-	25
Bank charges, other legal and professional costs	27	-	27	42	-	42
Recharges to trading subsidiaries	(5)	-	(5)	(11)	-	(11
Benevolent Fund administration costs	-	1	1	-	2	2
Governance	38	-	38	29	-	29
	821	**1**	**822**	723	**2**	**725**
Auditors' remuneration (excluding VAT) included in above total:						
Audit Fees	28	-	28	24	-	24

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2022 (cont'd)

11. Fixed assets

11a. Tangible fixed assets for own use

	Freehold/ Leasehold Land & Buildings £000	Furniture, Plant and Equipment £000	Charity Total £000	Subsidiary Freehold Land £000	Group Total £000
Cost					
At 1 November 2021	8,584	1,875	10,459	329	10,788
Additions	-	6	6	-	6
At 31 October 2022	8,584	1,881	10,465	329	10,794
Depreciation					
At 1 November 2021	4,601	1,285	5,886	-	5,886
Charge for year	102	124	226	-	226
At 31 October 2022	4,703	1,409	6,112	-	6,112
Net Book Value					
At 31 October 2022	**3,881**	**472**	**4,353**	**329**	**4,682**
At 31 October 2021	**3,983**	**590**	**4,573**	**329**	**4,902**

The Company has substantial long-held historic assets which are used in the course of the Company's activities to support the Regiment, Special Constabulary Detachment and Company membership. These comprise the land and buildings at Armoury House, together with certain military and ceremonial items and other treasured artefacts. The buildings at Armoury House were constructed principally in 1734-35, 1787, 1826-28 and 1843. Due to the age of these items, and in many cases the unique nature, reliable historical cost information is not available for these assets and could not be obtained except at disproportionate expense. In the opinion of the Court the depreciated historical costs of these items is now immaterial. Heritage assets acquired from 1 November 2005 have been capitalised by the Company (see note 11b).

Included within the cost of freehold land and buildings are the capitalised costs of later acquisitions and alterations to the land and buildings, including £6,606k relating to the development of the Prince Consort Rooms. Buildings insurance for properties owned by the Company including Armoury House and other Investment properties (see note 11c) at 31 October 2022 is held to the value of £41,439k (2021 £44,838) (insurance value). This excludes any investment properties let on a full repairing lease where the tenant has the obligation to insure. The insurance value is reviewed annually.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2022 (cont'd)

11. Fixed assets, contd

11b. Tangible fixed assets, contd

	Light Cavalry £000	Pikemen & Musketeers £000	Heritage Assets £000
Cost			
At 1 November 2021	37	300	147
Additions	26	-	-
At 31 October 2022	63	300	147
Depreciation			
At 1 November 2021	21	300	-
Charge for year	10	-	-
At 31 October 2022	31	300	-
Net Book Value			
At 31 October 2022	**32**	-	**147**
At 31 October 2021	**16**	-	**147**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2022 (cont'd)

11. Fixed assets, contd

11c. Investment Properties

	2022 £000	2021 £000
Valuation at 1 November 2021	44,838	45,255
Revaluation (loss)	(3,399)	(417)
At 31 October 2022	**41,439**	**44,838**

The investment properties are professionally valued on a triennial basis and the value is reviewed by the trustees on an annual basis. The investment properties were last valued on an 'open market' basis by Farebrother, the Company's Property agents, at 31 October 2020 and a desktop valuation was undertaken by Farebrother as at 31 October 2022.

11d. Intangible assets – Software for own use

	2022 £000
Cost	
At 1 November 2021	101
At 31 October 2022	101
Amortisation	
At 1 November 2021	54
Charge for year	26
At 31 October 2022	80
Net Book Value	
At 31 October 2022	**21**
At 31 October 2021	**47**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2022 (cont'd)

12. Listed investments

	2022 £000	2021 £000
Investments at market value - 1 November 2021	8,711	7,790
Additions	6,810	1,234
Disposal proceeds	(5,089)	(2,498)
Realised and unrealised (losses)/gains	(1,037)	2,185
Sub-Total	9,395	8,711
Investment cash	507	2,073
Investments at market value - 31 October 2022	**9,902**	**10,784**
Investments at cost	9,876	9,278
Unrealised gains	26	1,506
	9,902	**10,784**
Split of investments - 31 October 2022		
UK listed investments	3,255	4,654
Overseas listed investments	5,730	3,077
Multi-Asset funds	410	980
Held as cash	507	2,073
	9,902	**10,784**

13. Subsidiary companies

The Company has three wholly-owned subsidiary companies, all registered in England and Wales:

- HAC Enterprises Limited, which is responsible for Sutling, House and Ground hire, and sports activities.
- HAC Flank Companies' Ball Limited (owned by HAC Enterprises Limited), which organises an annual ball on the Company's premises.
- Pencelli Ltd, which owns the Welsh Pencelli Estate in the Brecon Beacons.

A deed of covenant is in place between HAC Enterprises Limited and the Company whereby the subsidiary donates the whole of their taxable profit to the Company each year. The amounts owed by the subsidiaries to the Company at 31 October 2022 are shown below:

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2022 (cont'd)

13 Subsidiary companies (cont'd)

	HAC Enterprises Ltd £000	HAC Flank Companies' Ball Ltd £000	Pencelli Ltd £000
Fixed assets			
Tangible assets for own use	-	-	329
Shares in subsidiary (see above)	1	-	-
Total fixed assets	**1**	-	329
Current assets			
Stocks	4	-	-
Debtors	415	-	-
Other debtors and prepayments	24	-	-
Cash at bank and in hand	1,433	14	-
Total current assets	1,876	14	-
Creditors			
Trade creditors	71	-	-
Accruals and deferred income	406		-
Amounts owed to Company	1,399	9	29
Total creditors	1,876	5	29
Net current assets/(liabilities)	-	5	(29)
Net assets	**1**	**5**	**300**
Share capital and reserves	**1**	**5**	**300**

14. Debtors and prepayments

	Group		Charity	
	2022	2021	2022	2021
	£000	£000	£000	£000
Trade debtors	383	404	80	77
Sundry debtors	249	48	253	40
Prepayments and accrued income	124	323	92	323
Taxation	20	5	85	5
Amounts owed by subsidiaries (note 13)	-	-	1,393	619
Total	**776**	**780**	**1,903**	**1,064**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2022 (cont'd)

15. Creditors due within one year	Group		Charity	
	2022	2021	2022	2021
	£000	£000	£000	£000
Trade creditors	220	153	160	116
Accruals	173	169	177	166
Deferred income	370	235	74	84
Taxation	41	24	41	24
Other creditors	254	169	259	169
Total	**1,058**	**750**	**711**	**559**

Deferred income represents income in advance for events, accommodation, room and grounds hire, rent and subscriptions.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2022 (cont'd)

16. Charitable Funds

a)Current period	1 November 2021	Income	Expenditure	Investment Gains/(Losses) & Transfers	31 October 2022
	£000	£000	£000	£000	£000
Unrestricted Funds:					
General Reserve	1,681	4,191	(3,709)	(482)	1,681
Designated Reserves	7,255	-		(120)	7,135
Fixed Asset Fund	49,788	-	-	(3,399)	46,389
Total Unrestricted Funds	**58,724**	**4,191**	**(3,709)**	**(4,001)**	**55,205**
Restricted Funds:					
Benevolent Fund	3,791	90	(27)	(400)	3,454
Regimental Grants Fund	506	-	-	-	506
Light Cavalry	170	209	(226)	-	153
Pikemen & Musketeers	269	54	(42)	-	281
Other Restricted Funds	480	88	(82)	(19)	467
Total Restricted Funds	**5,216**	**441**	**(377)**	**(419)**	**4,861**
Endowment Funds					
Dugdale Bequest	179	3	(1)	(16)	165
Total Funds	**64,119**	**4,635**	**(4,087)**	**(4,436)**	**60,231**

b)Prior period	1 November 2020	Income	Expenditure	Investment Gains/(Losses) & Transfers	31 October 2021
	£000	£000	£000	£000	£000
Unrestricted Funds:					
General Reserves	**1,194**	3,069	(2,426)	(156)	1,681
Designated Reserves	**5,860**	-	-	1,395	7,255
Fixed Asset Fund	50,477	-	(272)	(417)	49,788
Total Unrestricted Funds	**57,531**	**3,069**	**(2,698)**	**822**	**58,724**
Restricted Funds:					
Benevolent Fund	2,944	98	(65)	814	3,791
Regimental Grants Fund	506	-	-	-	506
Light Cavalry	173	169	(172)	-	170
Pikemen & Musketeers	277	13	(21)	-	269
Other Restricted Funds	417	27	(39)	75	480
Total Restricted Funds	**4,317**	**307**	**(297)**	**889**	**5,216**
Endowment Funds					
Dugdale Bequest	119	4	(1)	57	179
Total Funds	**61,967**	**3,380**	**(2996)**	**1,768**	**64,119**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2022 (cont'd)

Unrestricted Funds:

Designated Reserves comprises:

Medium Term Reserve - This is the cash balance required to fund the Capital Expenditure for the next 5 years as set out in the Company's latest capital expenditure forecast and consistent with the latest 10 Year Business Plan. As at 31 October 2022 this reserve had a balance of £778k.

Long Term Reserve - This reserve has been established with a target of £10million for the future long term needs of the HAC Regiment which are for additional facilities and equipment. The reserve is held in a mix of cash, working capital, and equity investments. At 31 October 2022 this reserve had a balance of £6,357k.

Fixed Asset Fund – This has been set up to identify those funds that are not free funds. The value shown represents the net book value of tangible and intangible fixed assets, including property investments.

Restricted Funds:

Benevolent Fund – The value of this fund increased during the current year mainly due to investment gains. Dividends received have been reinvested. The Benevolent Fund Committee actively seeks potential applicants and members are invited to bring needy cases to the HAC Trustees' attention. Fund income currently derives from legacies, donations, bank interest on cash balances and dividend income from investments.

Regimental Grants Fund – The purpose of this fund is to provide recruiting and retention in the Regiment and can be spent on both capital and revenue expenditures. In reviewing the long-term requirements for this fund it has been agreed that the value of this fund is to be capped at £600k. The main source of income for this fund is from interest earned on bank deposits. The value of the fund is supplemented by the profit of HAC Flank Companies' Ball Ltd, which is Gift Aided to this fund.

Light Cavalry – The balance on this fund represents the asset value of the HAC Light Cavalry.

Pikemen & Musketeers – The balance on this fund represents the asset value of the Company of Pikemen & Musketeers.

Other Restricted Funds – The balances on these funds consist of the Gridley Will Trust, which is used by the Commanding Officer to fund annual prizes, and the Benton Bequest ('A' Battery Fund), used to support the cost of an annual dinner. Income for these other restricted funds derives from a combination of legacies, donations, dividends and bank interest.

Permanent Endowment Funds – The Dugdale Bequest is to be held in perpetuity, with only the annual income being used to maintain the equipment of the Company of Pikemen & Musketeers. no funds were distributed in the year (2021: £3k).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2022 (cont'd)

17.

Analysis of Group net assets between Funds - 2022	Tangible and Intangible Fixed Assets	Investments	Current Assets	Liabilities	Total 2022
	£000	£000	£000	£000	£000
Unrestricted Funds					
General Reserve	-	1,175	870	(364)	1,681
Designated Reserves	-	4,705	3,095	(665)	7,135
Fixed Asset Fund	46,142	247	-	-	46,389
Total Unrestricted Funds	**46,142**	**6,127**	**3,965**	**(1,029)**	**55,205**
Restricted Funds					
Benevolent Fund	-	3,402	52	-	3,454
Regimental Grants Fund	-	-	506	-	506
Light Cavalry	32	-	16	(26)	22
Pikemen & Musketeers	-	-	284	(3)	281
Other Restricted Funds	147	212	239	-	598
Total Restricted Funds	**179**	**3,614**	**1,097**	**(29)**	**4,861**
Endowment Funds					
Dugdale Bequest	-	161	4	-	165
Total Funds	**46,321**	**9,902**	**5,066**	**(1,058)**	**60,231**

During the year, in accordance with the Cash Management Policy approved by the Court, the cash resources of the Unrestricted and Restricted funds of the Company have continued to be operated as a single pooled-cash resource. At 31 October 2022 the amount owing to Restricted Funds by the Unrestricted Funds, was £765k (2021: £765k).

Analysis of Group net assets between Funds - 2021	Tangible and Intangible Fixed Assets	Investments	Current Assets	Liabilities	Total 2021
	£000	£000	£000	£000	£000
Unrestricted Funds					
General Reserve	-	1,659	676	(654)	1,681
Designated Reserves	-	4,977	2,341	(63)	7,255
Fixed Asset Fund	49,788	-	-	-	49,788
Total Unrestricted Funds	**49,788**	**6,636**	**3,017**	**(717)**	**58,724**
Restricted Funds					
Benevolent Fund	-	3,745	62	-	3,807
Regimental Grants Fund	-	-	506	-	506
Light Cavalry	16	-	54	(31)	39
Pikemen & Musketeers	-	-	272	(2)	270
Other Restricted Funds	146	229	219	-	594
Total Restricted Funds	**162**	**3,974**	**1,113**	**(33)**	**5,216**
Endowment Funds					
Dugdale Bequest	-	174	5	-	179
Total Funds	**49,950**	**10,784**	**4,135**	**(750)**	**64,119**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2022 (cont'd)

18. Payroll costs

	2022	2021
	£000	£000
HAC salaries (excl. Er's NI, pensioners & contract staff)	802	706
HAC employer's National Insurance	89	71
HAC emoluments (excluding pensioners & contract staff)	**891**	**777**
HAC Job Retention Scheme payments received	-	**(38)**
Light Cavalry salaries (excl. Er's NI)	88	71
Light Cavalry employer's National Insurance	8	6
Light Cavalry emoluments	**96**	**77**
Light Cavalry Job Retention Scheme payments received	-	**(9)**
Pensions paid	**11**	**10**
Total Staff Costs	**998**	**817**

	2022	2021
	No.	No.
Average number of HAC employees (excl. contract staff and pensioners)	20	20
Average number of Light Cavalry employees	3	3
Average number of pensioners	1	1
Total Staff	**24**	**24**

Number of employees earning between £60k and £70k	1	1
Number of employees earning between £90k and £100k	-	1
Number of employees earning between £110k and £120k	1	-

The highest paid employee received employer pension scheme contributions of £11,021 (2020: £9,451).

The remuneration of the 7 (2021: 7) key management personnel totalled £392,395 (2021: £424,255). This includes employer pension contributions of £31,881 (2021: £29,216) and employer national insurance contributions of £48,381 (2021: £41,444).

HAC Emoluments in 2022 include no redundancy payments (2021: £18,538)

19. Capital commitments

The Company has no capital commitments as at 31 October 2022 (2021: £nil).

The Company is considering a request from the Regiment to provide additional storage space and facilities. This project, if approved, will span several years. Costs incurred to date amount to £552k (2021: £446k) by way of professional fees which have been included as expenditure - see note 8.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2022 (cont'd)

20. The Court and related parties

The Members of the Court of Assistants are the Trustees of the Company. The Trustees were covered by indemnity insurance for the year ended 31 October 2022.

Two Trustees (2021: two), who served during the year, rent flats that are owned by the Company, one of which is subject to a regulated tenancy agreement, while the other is let at market rates.

No expenses were claimed by Trustees during the current year or previous years.

Fees totalling £1,813 (2021: £1,744) were charged to the Company by Major Charles Marment, a Trustee, for services as Secretary to the HAC Regimental Council.

The Commanding Officer of the Regiment, Lieutenant Colonel A G E Bate, who is also a Trustee of the Company, is provided with free accommodation and also has exclusive discretion over the application of the Active Unit Grant. The Active Unit Grant amounted to £40k for the year ended 31 October 2022 (2021: nil).

No other remuneration or benefits were received by Trustees.

HONOURABLE ARTILLERY COMPANY

England & Wales - Charity number 208443

Accounts

HONOURABLE ARTILLERY COMPANY

(Charity Registered in England and Wales Number 208443)

Report of the Court of Assistants and Financial Statements
For the year ended 31 October 2021

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The Membership of the Court of Assistants of the Company as at 31 October 2021 was:

EX-OFFICIO MEMBERS

Captain-General ..... Her Majesty The Queen*
Colonel Commandant & President ..... General Sir Patrick Sanders KCB CBE DSO ADC Gen
Vice President ..... Major P D C Vyvyan-Robinson TD
Treasurer ..... M P Basing Esq
Regimental Colonel ..... Lieutenant Colonel A D C Caie TD
Commanding Officer (Resigned 01/06/21) ..... Lieutenant Colonel J P Chorley
Commanding Officer (Appointed 01/06/21) ..... Lieutenant Colonel A G E Bate
Senior Major ..... Major W H Grove
Commander of the City of London Special Constabulary Detachment ..... Special Superintendent P M P FitzGerald
Captain of the Company of Pikemen & Musketeers ..... Major R J Jackson TD
Officer Commanding the Light Cavalry ..... A R Willis VR

HONORARY MEMBERS*

HRH Prince Michael of Kent GCVO, Royal Honorary Colonel
Field Marshal Sir John Chapple GCB CBE DL
Brigadier General Joe Milano AHAC
The Lord Mayor, the Aldermen, the Recorder and Sheriffs of the City of London for the time being

* *Not Trustees of the Company.*

TWENTY-THREE MEMBERS

(a) ***Appointed by the Commanding Officer****: Sgt Dudman L A*
(b) ***Appointed by the Court of Assistants:*** *Lieutenant Colonel S J R Halliday TD; G R Smith Esq*
(c) ***Due to the coronavirus pandemic, there was no election this year. Instead, the term for existing Elected Assistants was extended by the Annual General Court for a further year (one Assistant was drawn from the Elective list:***

Major C V Marment VR (2001)
Major General S F N Lalor CB TD (1993)
Special Sergeant Dr S F Edwards (2020)
Major D Brigden TD (2018)
Major T L Davies TD (1982)
E A Seabrook Esq (1991)
Major J O Leighton TD (2004)
Captain H D N M Voyantzis (2007)
Major R P Quain TD (2006)
The Reverend (Major) M W Bezerra Speeks CF (2016)
Captain R M Huleatt-James TD (2010) (resigned 24/03/2021)
Lieutenant Colonel J R Longbottom MBE QVRM VR (2002)
Major I C S Morpeth TD (1992)
Captain H R Jee (1997)
Lieutenant T J Monger-Godfrey (2019)
Major J A Robinson (2016)
Major S C Briggs TD (2003)
Major C O Wragg (2020)
Captain T H Cardwell (2016)
M J Cutteridge Esq (2019)
L/Cpl Watson C (2021) (Appointed 24/03/2021)

Note: *The date in brackets shows the year each member was first appointed or elected to the Court.*

The Principal Executive Officers of the Company are:

Chief Executive ..... S D Crane OBE
Court & Membership Secretary ..... D A K Freeman LVO
Finance Controller ..... S Hewett FCCA
Director of Catering & Events ..... Mrs R Kitching
House Manager ..... H W Green Esq

Annual Report of the Court of Assistants ('The Court')

The Court submits its annual report and the audited financial statements of the Company for the year ended 31 October 2021. The Court has adopted the provisions of Financial Reporting Standard 102 Statement of Recommended Practice ("FRS 102 SORP") and the Charities Act 2011 in preparing the annual report and financial statements of the Company.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Honourable Artillery Company is a company incorporated by Letters Patent and registered with the Charity Commission for England and Wales under charity number 208443. The Company is administered from its principal address at: Armoury House, City Road, London EC1Y 2BQ. Details of the trustees and executive officers are shown on page 1. Particulars of the Charity's professional advisers are shown on page 8.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The governing document of the Charity is the Letters Patent granted by His Majesty King Henry VIII on 25 August 1537.

Governing Body

The Company is governed in its civil affairs and finances by a Court of Assistants ('the Court'), whose members are the Trustees of the Company, whose membership is set out on page 1. The Court delegate's authority to committees appointed from amongst its members, to some of which certain other persons are co-opted.

Recruitment and Training of Trustees

There are nominally 32 Trustees on the Court. Two are the Vice-President and Treasurer who are Civil Chiefs, elected by the Court for two and three years respectively, helping to provide continuity to the Court. Both these positions are elected by and from within the body of the Court. Seven Trustees are ex-officio appointments. One Trustee is appointed by the Commanding Officer and up to two are appointed by the Court. Consideration of the balance of skills, expertise and experience of Trustees is an essential component in the selection of the Court appointees. Twenty Trustees are elected by the membership and the result of the ballot is declared at the Company's Annual General Court, which is held in March each year.

Training has been offered to trustees throughout the year. In addition, each member is issued with a copy of the booklet *The Essential Trustee* CC3, published by the Charity Commission, to provide a source of permanent reference. Trustees are also encouraged to attend external training courses where this is considered appropriate.

Organisational Management

The Court meets ten times per year and is legally responsible for the overall management and control of the civil affairs of the Company. Detailed work is undertaken by a number of committees, comprising the Executive Committee, Property Committee, Sutling Committee, Membership Committee, Audit Committee, Sports Committee, Treasures Committee and Benevolent Fund Committee. Committee meetings are scheduled according to the amount of work involved, with additional meetings being arranged if more activity is required. The committees submit a formal report to the next following meeting of the Court and approval is sought for any decisions which are outside the terms of reference of the committee. In addition, there is a team of specialist investment advisers who meet up to four times per year to review and offer advice on the performance of the Company's investments and property portfolio as well as the choice of Investment Portfolio Manager.

Day-to-day operation of the Company is delegated to the Chief Executive and the Company Office, who have authority to operate within the constraints of the approved budget. Quarterly Management Accounts, updated current year Forecasts, and lists of monthly payments in excess of £5,000 are reviewed by the Court, and in addition monthly management accounts, including a balance sheet and 12 month cash flow, are reviewed by the Executive Committee. The Company's long term Business Plan is reviewed by the Executive Committee and the Court from time to time. The signature of at least one Trustee is required for all payments above £30,000.

Remuneration
A Remuneration Committee was formed in the spring of 2016. The Committee met in 2021 to review a submission drafted by the Treasurer reviewing the remuneration of the staff of Company Office. There was an external benchmarking exercise in 2019 and this exercise will be repeated in 2022 and thereafter in alternate years.

Group Structure and Relationships
The Charity has three wholly-owned non-charitable subsidiaries: HAC Enterprises Ltd and HAC Flank Companies' Ball Ltd, both of which carry out fundraising activities for the charity; and Pencelli Ltd, which was set up to hold the assets of the Welsh Pencelli Estate situated in the Brecon Beacons. The activities and performance of the trading companies are discussed below.

Risk Management
In accordance with the Court's Risk Management Policy paper of 20 October 2009, the Company maintains a formal risk register. This is reviewed regularly and systematically by the Court committees and the Company Office.

Risks are identified at committee level or by the Company Office. They are assessed as to their likelihood and impact, and the measures taken to mitigate the risks are listed and evaluated with judgement made on whether the mitigation actions are acceptable or whether further action is required.

There are two major risks to the Company:

- The temporary loss of the use of Armoury House as a facility due to an unforeseen event. This risk has been mitigated by insurance cover for business interruption up to four years, and adequate buildings insurance cover. However, while the impact of COVID-19 was clearly an unforeseen event and impacted the commercial activities of the Company, it was outside the scope of the business interruption insurance cover.

- The loss of income from the hire of the Artillery Garden for commercial events, should the main user terminate their contract or planning consent for the temporary structure be withdrawn by the local authority. Although there would be a major loss of income to HAC Enterprises Ltd, the impact on the Company is not considered significant enough to adversely impact the Company's ability to continue meeting its current charitable obligations.

OBJECTIVES, ACTIVITIES AND PUBLIC BENEFIT
The main activities in the year to meet the Company's objectives, public benefit and the Trustees' duty under section 17 of the Charities Act 2011 are set out below.

Charitable Objectives
The charitable objectives of the Company are defined as, 'for military exercise and training and for the better defence of the realm' and, to this end, it uses its freehold property at Armoury House as a base

for its military unit, a Regiment of the Army Reserve. To meet the requirements of the Charities Act 2011, the Court agreed an updated articulation of the Company's Objectives. These are: support to the HAC Regiment and the HAC's City of London Special Constabulary Detachment; support to the Company's ceremonial sub-units; conservation of Company treasures; maintenance and utilisation of the Company's estate; support for the Benevolent Fund; sustaining Company membership; and maintaining the Company's long-term financial sustainability.

Aims and Intended Impact

To meet these objectives, the Company's aims are: to further improve its facilities with a view to preserving the Regiment's place in the British Army's Order of battle by encouraging improved recruiting for and retention within all elements of the Company; to run commercial activity as necessary to ensure the Company's long-term financial sustainability; and to conserve the Company's estate and the Company's treasures for posterity.

Objectives for the Year

The main objectives for the year were supporting the HAC Regiment in its recruiting and retention efforts and fulfilling the Company's wider charitable aims, both in the immediate term and by providing for the Company's long-term sustainability, in part through continued commercial use of its facilities. This objective has been achieved to the extent that the constraints imposed by COVID-19 have allowed.

Public Benefit

During the year the Court of Assistants has, in exercising its powers and duties, complied with the duty in section 17 of the Charities Act 2011 to have due regard to the guidance on public benefit published by the Charity Commission. In particular, it has provided public benefit in that the Company has:

- Support to the Regiment has included: welfare support for the individuals andfamilies of those deployed in line with policy; provision of training space on the Artillery Garden, on the parade square and in Armoury House. In 2020/21 a decision was made to not award any annual grants to the regiment due to the uncertainty of COVID-19 at the beginning of the financial year.
- Provided training and financial support totalling £50k, to a Combined Cadet Forces at the City of London Academy, Islington and Mossbourne Community Academy, Hackney.
- Provided accommodation within Armoury House for the HAC Special Constabulary Detachment, which patrols within the City of London.
- Provided training and facilities within Armoury House for the City of London Police Cadets.
- Provided accommodation within Armoury House for the Pikemen & Musketeers and the Light Cavalry. These sub-units provide displays to the general public and ceremonial guards for State Occasions and City events, which were restarted once the COVID-19 restrictions were relaxed.
- Sustained Company membership at around 2,500 members. Members made an annual contribution of £309k to the Charity during the year.
- Conserved the Company's estate at Armoury House and the Artillery Garden, makingfacilities available to the Regiment and the Special Constabulary Detachment as required. The Pencelli Estate in the Brecon Beacons National Park is used for training purposes, not just by the HAC, but by a large and varied number of other military and cadet units. In 2021 the House and grounds were re-opened to the public once COVID-19 restrictions were relaxed and the grounds have been made available weekly to a London Borough of Islington primary school for games and recreation.

- Contributed to the engagement of a Warden and volunteers on the Brecon Beacons National Park to help ensure this public facility is not damaged by illegal off-road bicycles and vehicles.
- Maintained the HAC Benevolent Fund for HAC members and other eligible beneficiaries, and provided insurance cover for Regimental members mobilised on operational duty.

The Outcome of the Charity's Work

- **The HAC Regiment. Is part of**the Reserve Forces and is a body of trained manpower ready at appropriate notice to deploy as individuals on short duration military operations or as a formed body for general war. The Charity's support for the Regiment enables it to be the best recruited Reserve Forces unit in the British Army, with a high level of retention as a consequence of the financial and material support received that supports its training, recruiting, welfare and unit cohesion. The location of the site, coupled with the facilities that the Regiment can offer through the Company, means that the Regiment's recruits tend to be of high calibre and amenable to a higher level of training in the short periods that they are in uniform. During the period, members of the Regiment have been deployed operationally to South Sudan, Iraq and the Balkans and in support of the national COVID-19 response.
- **Special Constabulary.** The Company supports the only formed detachment of Special Constabulary in the United Kingdom. The success of this model has caused the City of London Police to turn to the HAC Specials to act as the seed corn for an expansion of Special Constabulary numbers in the City.
- **Ceremonial Sub-Units.** As regular forces reduce, the demand on the Company of Pikemen & Musketeers and the Light Cavalry for ceremonial support in and beyond the City increases. The sub-units are able to meet this added tempo thanks to the support that the Company gives them in terms of grants for equipment and facilities for training, storage and control.
- **Cadets.** The three cadet contingent that the Company supports make a marked difference to the lives of those young people involved from the local community.Particularly from the City of London Academy Islington and Mossbourne Community Academy Hackney, from which the CCFs are drawn. By promoting discipline, self-reliance and team work it is reported that performance of cadets elsewhere in the curriculum is improved. The Company has provided information to the Government Review on this impact.
- **The Membership.** One of the roles of Members is to act as an advocacy network for Defence and Security throughout the country. The Company's programme of lectures, and the facilities the Company provides for veteran and serving reserves to interact, keeps this network informed, active and relevant.
- **The House and Artillery Garden.** The House and Garden have normally been open to the public for the Open Evening in May and act as a backdrop to offices and homes in the Finsbury area. It is the largest open space in Islington and is used by the Regiment for low-level training. This means that the Regiment is able to run its own Phase 1 (basic) training weekends and training nights which enable it to set particular store by its standards and develops Regimental ethos and cohesion from the start.

The Strategy for Achieving those Outcomes

In order to achieve our goals the charity must simultaneously maintain its estate, both in London and in Wales, such that it is available for training and ceremonial purposes, whilst at the same time using it to raise funds that can then be granted to the beneficiaries to support their work. Particularly in London, where space is at a premium, this involves judgement and constant, detailed attention to the application of a broad strategy that sees the needs of the Regiment come first, with unused space then made available for commercial use.

Grant Making Policy

The Company makes annual grants to the Regiment for expenses, such as adventurous training and recruiting. These grants are fixed on an annual basis following discussions with the Commanding Officer. If the Commanding Officer makes additional applications for grants during the year then these are considered by the Court on an *ad hoc* basis and will normally be met, provided that financial circumstances allow. In some circumstances, grants are made to individuals to allow specific training to be undertaken or to support other military purposes.

The Benevolent Fund, which is disclosed as a 'restricted' fund of the Company, makes grants to individuals connected with the Company, in accordance with the Benevolent Fund Trust Deed.

Volunteers

The Court is grateful to those members of the Company who give freely of their time in support of the Company. In view of the wide sphere of activities in which members support the Company, evaluation of this activity has proved impracticable.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational Performance of the Company

The Company has provided Armoury House, the Artillery Garden and the Pencelli Estate for the use of its Military Unit, its Special Constabulary Detachment and its ceremonial sub-units throughout the year, subject to COVID-19 regulations and precautions. It has also provided financial support to all these elements of the Company. From April 2021 the Company was able to resume its commercial activities on the Artillery Garden and from late May 2021 in the House. This has resulted in a positive contribution by commercial activities to the Company's result for the year.

Investment Performance against Objectives

The value of Listed investments (excluding £580k of additional cash and dividends invested) increased by £2,185k (2020: £ (868) k decrease). This broadly reflects stock market performance over the period.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The consolidated statement of financial activities shows a net surplus for the year of £2,152k (2020: £7,686k). The 2021 surplus includes an investment property revaluation loss of £(417)k and an increase in the value of listed investments of £2,185k. The net operating surplus in 2021 was £375k.

The Company's wholly owned subsidiary, HAC Enterprises Ltd continued to carry out fund-raising activities for the charity, and with COVID-19 restrictions being relaxed from April 2021 the trading company, the House and Artillery Gardens made a strong contribution to the recovery of the HAC. Net income from trading was £39k (2020: £26k) (see Note 6). The trading subsidiaries made Gift Aid payments to the Company totalling £34k (2020: £26k).

At 31 October 2021, the total consolidated net assets of the Company, as shown by the balance sheet, were £64,119k (2020: £61,967k). The Company has taken advantage of the specific clauses in FRS 102 SORP with regard to the treatment of assets. The net assets of the Company do not include the market value of freehold and leasehold properties used for the Company's charitable purposes, or the value of the Company's military and similar artefacts acquired prior to 1 November 2005. No value has been placed upon the artefacts, as the process and costs of obtaining valuations for the items involved would be disproportionate to any public benefit that might be derived. It is considered impractical to apply conventional valuation techniques to the collections, due to their unique nature. Freehold and leasehold properties are included in the accounts at cost. However, it is not appropriate to apply conventional valuation techniques to these assets, due to the restrictive-use clauses set out in the title and lease agreements. Details of the re-building insurance values of these properties are given in Note 11a of the financial statements.

Cash Flows
The consolidated statement of cash flows shows a net inflow for 2021 of £140K (2020 :£(1,386)k outflow). The main reasons for the inflow in 2021 were the net operating surplus for the year, and an increase in working capital balances; principally an increase in deposits received for future events. Due to the recovery a further cash investment was made (£580k) in listed investments, which still left the HAC with a cash inflow. Cash balances at 31 October 2021 stand at £3,348k of which £2,207k represents cash in Unrestricted funds (2020: £3,208k of which cash in Unrestricted funds was £2,072k).

Reserves Policy
The Court policy on unrestricted funds is to hold cash within a general reserve (free reserves) at a level equivalent to six months' budgeted running costs. The balance of cash held was £1,681k at 31 October 2021 in line with the policy. A designated Medium Term reserve is also held in cash at a level to provide for 5 years capital expenditure as set out in the Company's latest capital expenditure forecast. At 31 October 2021 the balance on the Medium Term reserve was £778k. A Long Term designated reserve with a target of £10million has been established to meet the future needs of the HAC Regiment, and is held in a mix of cash, working capital and investments. At 31 October 2021 the balance on the Long Term reserve was £6,540k.

Investment Policy and Objectives
The Company aims to maximise total return with a balanced approach to seeking income and capital return.

Fundraising Policy
Our approach to fundraising is to seek donations from our membership and from our commercial contacts. We do not actively seek donations from the general public.

We do not use third parties to help us with fundraising. During the year we did not receive any complaints related to our fundraising activities.

FUTURE PLANS
The priorities set in the Company's current 5 Year Plan, which was approved by the Court on 27 September 2017 and confirmed at a Court Away Day in January 2019, are to improve the support given to the HAC Regiment and the HAC Special Constabulary Detachment in terms of both financial backing and the standard of the facilities made available, to provide financial support to the City of London Academy Islington (HAC) Combined Cadet Force, and to provide financial support to the police cadets, the Company of Pikemen & Musketeers and the Light Cavalry. Specific projects include a plan to provide significant additional space and facilities for the Regiment, including better equipment storage and changing space for reserve soldiers, planning for which commenced in 2016/17, with a likely project timeframe of 3 to 5 years. A 5-year re-equipment programme for the Company of Pikemen & Musketeers, which began in 2016/17, has continued into 2021/22.

The trading outcome of HAC Enterprises Ltd for Financial Year 2021/22 is anticipated to be similar to 2019/20, with outdoor events as a focus and subject to the lifting of COVID-19 restrictions following rollout of a widespread vaccination programme. The Company will also review its activities ahead of the potential for significant expenditure to support the proposed enhanced Regimental facilities although any impact is expected to be in 2022/23 and future periods.

Statement of the Court's Responsibilities

The Court is responsible for preparing the Annual Report of the Court of Assistants and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Court to prepare financial statements for each financial year that give a true and fair view of the state of the affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Court is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Court is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Letters Patent dated 25 August 1537, associated Royal Warrants and Rules and Orders.

The Court is 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.

Professional Advisers

Details of professional advisers are given below:

Auditors	Buzzacott LLP	130 Wood Street, London EC2V 6DL
Solicitors	Charles Russell Speechlys LLP Boodle Hatfield LLP	5 Fleet Place, London EC4M 7RD 240 Blackfriars Road, London SE1 8NW
Bankers	National Westminster Bank Plc	1 Princes Street, London EC2R 8BP
Property Agents	Daniel Watney LLP	165 Fleet Street London EC4A 2DW
Investment Managers	Smith & Williamson	25 Moorgate, London EC2R 6AY

Auditors

Buzzacott LLP have indicated their willingness to continue in office and in accordance with the provisions of the Charities Act 2011 it is proposed that they be reappointed auditors to the charity and the group for the ensuing year.

By Order of the Court of Assistants

M P Basing, Treasurer

Date: 25 January 2022

INDEPENDENT AUDITOR'S REPORT TO THE COURT OF ASSISTANTS AND MEMBERS OF THE HONOURABLE ARTILLERY COMPANY

Opinion

We have audited the financial statements of the Honourable Artillery Company (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 October 2021 which comprise the consolidated statement of financial activities, consolidated and parent charity balance sheets, consolidated statement of cash flows, and the notes to the financial statements including a summary of the principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 affairs of the group and of the parent charity as at 31 October 2021 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 ability of the group or parent charity 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 Report of the Court of Assistants and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Act 2011 requires us to report to you if, in our opinion:

- the information given in the report of the Court of Assistants 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.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the ability of the group and parent charity 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 group and parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- We identified the laws and regulations applicable to the group and parent charity through discussions with management and from our knowledge and experience;

- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and parent charity, including the accounting framework referred to above and the Charities Act 2011;

- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of representatives of management and the review of minutes of Court meetings.

We assessed the susceptibility of the financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud and knowledge of actual, suspected and alleged fraud; and

- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected financial relationships;

- Tested and reviewed journal entries to identify unusual transactions;

- Tested the authorisation of expenditure;

- Gained an understanding of the processes in place for the management of the parent charity's investments; and

- Investigated the rationale behind significant or unusual financial transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Reviewing the minutes of meetings of those charged with governance;
- Enquiring of management as to actual and potential litigation and claims; and
- Agreeing financial statements disclosures to underlying supporting documentation.

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

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

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 auditor's report.

Use of our report

This report is made solely to the parent charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the parent 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 parent charity and the parent charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor

130 Wood Street
London
EC2V 6DL

Date 21/2/22

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

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 October 2021

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 31-Oct 2021 £000	Total 31-Oct 2020 £000
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	3	3	34	-	37	56
Charitable activities:						
Member subscriptions	4	309	-	-	309	310
Other income	5	7	184	-	191	204
Other trading activities	6	917	-	-	917	1,158
Investments:						
Investment property income	7	1,698	-	-	1,698	1,651
Listed investments		135	89	4	228	165
Interest on cash deposits		-	-	-	-	9
Total income	17	**3,069**	**307**	**4**	**3,380**	**3,553**
EXPENDITURE ON:						
Raising Funds						
Trading costs	6	878	-	-	878	1,132
Investment property costs	7	246	-	-	246	323
Investment management charges	12	44	28	1	73	68
Charitable activities:						
Military grants and other charitable expenditure	8	151	267	-	418	668
Maintenance and operation of Armoury House	9	656	-	-	656	815
Membership services and general administration	10	732	2	-	734	780
Total expenditure	17	**2,707**	**297**	1	3,005	3,786
Net operating income/(expenditure)		**362**	10	3	375	(233)
Gains/(losses) on investments						
Net gain/(loss) on Listed investments	12	1,239	889	57	2,185	(868)
Investment property revaluation (loss)/gain	11c	(417)	-	-	(417)	8,773
Net income		**1,184**	899	60	**2,143**	**7,672**
Other recognised gains						
Actuarial gains on defined benefit pension scheme	16	9	-	-	9	14
Net movement in funds for year		**1,193**	**899**	60	**2,152**	**7,686**
Funds brought forward at 1 November 2020	17	57,531	4,317	119	61,967	54,281
Funds carried forward at 31 October 2021	18	58,724	5,216	179	64,119	61,967

The Notes on pages 18 to 37 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
Year ended 31 October 2020

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 31-Oct 2020 £000
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	1	55	-	56
Charitable activities:					
Member subscriptions	4	310	-	-	310
Other income	5	-	204	-	204
Other trading activities	6	1,158	-	-	1,158
Investments:					
Investment property income	7	1,651	-	-	1,651
Listed investments		100	63	2	165
Interest on cash deposits		7	2	-	9
Total income	17	**3,227**	**324**	**2**	**3,553**
EXPENDITURE ON:					
Raising Funds					
Trading costs	6	1,132	-	-	1,132
Investment property costs	7	323	-	-	323
Investment management charges	12	36	31	1	68
Charitable activities:					
Military grants and other charitable expenditure	8	383	283	2	668
Maintenance and operation of Armoury House	9	815	-	-	815
Membership services and general administration	10	774	6	-	780
Total expenditure	17	**3,463**	**320**	**3**	**3,786**
Net operating income		**(236)**	**4**	**(1)**	**(233)**
Gains/(losses) on investments					
Net gain/(loss) on Listed investments	12	(525)	(331)	(12)	(868)
Investment property revaluation gain	11c	8,773	-	-	8,773
Net income/(expenditure)		**8,012**	**(327)**	**(13)**	**7,672**
Other recognised gains					
Actuarial gains on defined benefit pension scheme	16	14	-	-	14
Net movement in funds for year		**8,026**	**(327)**	**(13)**	**7,686**
Funds brought forward at 1 November 2019	17	49,505	4,644	132	54,281
Funds carried forward at 31 October 2020	18	**57,531**	**4,317**	**119**	**61,967**

CONSOLIDATED & CHARITY BALANCE SHEETS
31 OCTOBER 2021

	Note	2021 Group £000	2020 Group £000	2021 Charity £000	2020 Charity £000
Fixed Assets					
Tangible assets – own use	11a	4,902	5,149	4,573	4,820
Tangible assets – Light Cavalry	11b	16	13	16	13
Tangible assets – Heritage assets	11b	147	143	147	143
Investment properties	11c	44,838	45,255	44,838	45,255
Intangible assets – software - own use	11d	47	73	47	73
Listed investments	12	10,784	8,106	10,784	8,106
Shareholding in subsidiaries	13	-	-	301	301
Total fixed assets		60,734	58,739	60,706	58,711
Current assets					
Stocks		7	6	1	1
Debtors and prepayments	14	780	743	1,064	907
Short-term deposits		2,376	2,376	2,376	2,376
Cash at bank and in hand		972	832	531	527
		4,135	**3,957**	**3,972**	**3,811**
Liabilities:					
Creditors falling due within one year	15	(687)	(657)	(496)	(483)
Net current assets		**3,448**	**3,300**	**3,476**	**3,328**
Total net assets before pension liability		**64,182**	**62,039**	**64,182**	**62,039**
Pension scheme funding liability	16	(63)	(72)	(63)	(72)
NET ASSETS		**64,119**	**61,967**	**64,119**	**61,967**
CHARITABLE FUNDS					
General Fund	17&18	1,681	1,194	1,681	1,194
Designated Reserves	17&18	7,318	5,932	7,318	5,932
Fixed Asset Fund	17&18	49,788	50,477	49,788	50,477
Less: Pension Reserve (liability)	16	(63)	(72)	(63)	(72)
		58,724	57,531	58,724	57,531
Restricted Funds	17&18	5,216	4,317	5,216	4,317
Endowment Funds	17&18	179	119	179	119
TOTAL CHARITABLE FUNDS		**64,119**	**61,967**	**64,119**	**61,967**

The financial statements were approved by the Court of Assistants on 25 January 2022 and are signed on its behalf by:

Major P D C Vyvyan-Robinson, Vice-President

M P Basing Esq, Treasurer

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 OCTOBER 2021

	Note	Total Funds 31-Oct 2021 £000	Total Funds 31-Oct 2020 £000
Cash flows from operating activities:			
Net cash (used) in operating activities		**(946)**	**(2,042)**
Cash flows from investing activities:			
Dividends, interest and rent from investments		1,680	1,504
Purchase of tangible and intangible assets	11a/11b/11d	(24)	(291)
Purchase of heritage assets	11b	(4)	(4)
Purchase of investments - listed investments	12	(580)	(560)
Disposal of investments – listed investments	12	14	7
Net cash provided by /(used in) investing activities		**1,086**	**656**
Change in cash and cash equivalents in reporting period		**140**	**(1,386)**
Cash and cash equivalents at 1 November 2020		3,208	4,594
Cash and cash equivalents at 31 October 2021		**3,348**	**3,208**

	Note	2021 £000	2020 £000
Reconciliation of net income to net cash flow from operating activities			
Net income for the reporting period		**2,143**	**7,672**
Adjustments for:			
Depreciation Charges:			
Depreciation, amortisation & impairment	11a/11d	283	313
Light Cavalry and Pikemen & Musketeers depreciation	11b	5	41
Loss on the disposal of Fixed Assets		6	2
(Gain)/Loss on Listed investments	12	(2,185)	868
Loss/(Gain) on Investment Property Revaluation	11c	417	(8,773)
Rents, dividends and interest from investments:			
Investment property income	7	(1,698)	(1,651)
Listed investments		(228)	(165)
Interest on cash deposits		-	(9)
Investment property costs	7	246	323
Investment management charges	12	73	68
(Increase) in stocks		(1)	-
(Increase)/Decrease in debtors		(37)	109
Increase/(Decrease) in creditors		30	(840)
Net cash (used in)/ generated by operating activities		**(946)**	**(2,042)**

Analysis of cash and cash equivalents		
Cash in hand	972	832
Notice deposits (less than 3 months)	2,376	2,376
Total cash and cash equivalents	**3,348**	**3,208**

Reconciliation of net debt:	At 1 November 2020 £000	Cash flows £000	At 31 October 2021 £000
Cash and cash equivalents	3,208	140	3,348

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2021

1. Constitution and subsidiaries

The Honourable Artillery Company was incorporated by Letters Patent on 25 August 1537 and is registered as a charity (registration number 208443). The subsidiary group companies are:

-HAC Enterprises Limited (registration no. 01677400)
-HAC Flank Companies' Ball Limited (registration no. 02266408)
-Pencelli Limited (registration no. 03724227)

2. Accounting Policies

Accounting convention

The charity is a public benefit entity for the purposes of The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and therefore 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 FRS 102 (Charities SORP FRS102), the Charities Act 2011 and FRS 102.

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 the Charities SORP FRS 102 rather than the earlier version which it replaced.

Consolidation

The accounts of the Company include those activities of the Company which have a material effect on its financial position or results. Certain funds, in particular those of the Old Comrades' Association, have not been included because they are not material.

The consolidated accounts include the accounts of the Company and its three subsidiaries, HAC Enterprises Ltd, HAC Flank Companies' Ball Ltd and Pencelli Ltd. The accounts of the Company of Pikemen & Musketeers and the Light Cavalry are included as part of the Company's accounts for the financial year. The Unconsolidated Balance Sheet of the Company is shown alongside the Consolidated Balance Sheet, in the format recommended by the Charities SORP FRS 102.

A separate Statement of Financial Activities for the Company is not presented as permitted by the Charities SORP FRS 102.

Going concern

The trustees have assessed the use of the going concern basis for preparing the accounts of the Company and its three subsidiaries. The trustees are satisfied that the going concern basis is appropriate and have referred to the approved budget for next year and the latest 5 year business plan and 10 year financial projections to arrive at this conclusion, and are satisfied that the Company has sufficient resources to meet its ongoing liabilities and that it can continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2021 (cont'd)

Income and Endowments

a) Donations and legacies are recognised when they are received or when the Company has legal entitlement and receipt is probable.

b) Member subscriptions are recognised when receivable and receipt is probable and are net of applicable VAT, and are accounted for on an accruals basis. Gift aid reclaimed on subscriptions paid under Deed of Covenant is recognised when receivable and receipt is probable.

c) Other income is recognised when receivable less any provision for bad debt.

d) Income from Trading Activities which includes sutling, grounds hire, bedrooms, car parking, the Flank Companies' Ball and miscellaneous sales is recognised when receivable net of any provision for bad debt and accounted for on an accruals basis.

e) Investment property income represents rental income, licence fee income and miscellaneous income from the investment property portfolio comprising commercial and residential properties located around the perimeter of the Artillery Garden, and the Pencelli Estate. The income is recognised when receivable net of any provision for bad debt and accounted for on an accruals basis.

f) Listed investment income represents dividends received or accrued in the period.

g) Interest on cash deposits is recognised when received or accrued in the period.

Expenditure

a) Trading costs of sutling, grounds hire, bedrooms, car parking, cost of the Flank Companies' Ball and cost of miscellaneous sales are recognised as incurred and accounted for on an accruals basis. Trading costs include an allocation of total payroll costs for Company staff, contract and temporary staff, with the allocation being based on a percentage estimate of the time spent on trading activities. The allocation is reviewed each year. Trading costs also included an allocation of utilities and general office overheads agreed each year.

b) Investment property costs include the managing agent's fees and repair and maintenance and void costs, and are recognised as incurred. Costs paid for by the Company are accounted for on an accruals basis.

c) Investment management charges by Cazenove Capital Management Ltd and Smith and Williamson are paid directly from the Unrestricted/Restricted Pooled Fund and Benevolent Fund and are recognised when charged to each Fund.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2021 (cont'd)

d) Military grants to the Honourable Artillery Company Regiment are agreed by the Court of Trustees each year and recognised as incurred. Other ad hoc grants and donations are agreed by the Court of Trustees and accounted for on an accruals basis.

e) The costs of maintaining and operating Armoury House for Company usage is net of the allocation of payroll and utility costs allocated to trading activities.

f) The cost of support for the Membership and the cost of general Company administration and overheads is net of the allocation of general overheads to trading activities. Governance costs included in general overheads relate to the direct costs associated with the constitutional and statutory requirements of the Company and include the costs of external audit, secretarial and other constitutional related costs.

Other gains and losses

a) The Listed investments in the Unrestricted/Restricted Pooled Fund and Benevolent Fund portfolios are valued each quarter and the total valuation change for the financial year is included in the SOFA together with realised gains and losses on disposals in the year.

b) The Investment Properties are professionally revalued every 3 years and the trustees consider any realised gains/losses change in values in between formal professional valuations. The valuation change since the previous valuation is included in the SOFA as an unrealised gain or loss.

c) The defined benefit pension scheme is an unfunded future cash flow liability which is calculated each financial period and discounted to the Balance Sheet date. The change in the total liability during the financial period is included in the SOFA as an actuarial gain or loss.

Designated and Restricted Funds

Income and expenditure related to the designated and restricted funds are included in the consolidated Statement of Financial Activities.

Tangible and intangible fixed assets for own use

Freehold and leasehold land in use by the Company at the Artillery Garden and Pencelli have been valued at cost. No value is attributed to Armoury House other than the capitalised cost of alterations. Other assets are stated at cost less depreciation, calculated on a straight line basis as follows:

Alterations to property	20/25/30/60/150 years
Plant, fixtures and equipment	10/15/20 years
Computers and other electronic equipment	3 to 5 years
Software	5 years

Tangible assets - Heritage assets

No value is attributed to the Company's collection of memorabilia and treasures acquired prior to 1 November 2005 which are considered to be part of its heritage. Treasures acquired from 1 November 2005 have been capitalised at cost. Heritage assets are not depreciated as their useful life is considered to be indefinite. Detailed records of Heritage assets are managed by the Museum and Treasures Committee who are also responsible for the ongoing preservation.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2021 (cont'd)

Access to Heritage assets is available by written request to the Museum and Treasures Committee.

Investments (including properties held as investments)
Investments are stated in the Balance Sheet at market values applying at the financial period end.

Stocks
Stocks are stated at the lower of cost and net realisable value.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

Retirement benefits
It is the policy of the Company to recognise the liability for all work which has been completed and to accrue for any outstanding expenses. The financial statements show the value of the Pension Reserve Deficit in respect of unfunded pensions, which are payable directly by the Company to past employees (see Note 16).

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

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

Basic financial assets
Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Basic financial liabilities
Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price and subsequently measured 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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2021 (cont'd)

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

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

a) The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11a, 11b and 11d for the carrying amount of the property, plant and equipment and the accounting policy above for the useful economic lives for each class of asset.

b) The Group uses the valuation performed by its independent professional valuers every 3 years as the fair value of its investment properties. The valuation is based upon the key assumptions of estimated rental values and market based yields. With regard to redevelopments and refurbishments, future development costs and an appropriate discount rate are also used. In determining fair value the valuers make reference to market evidence and recent transaction prices for similar properties. The Trustees consider any change in values in between formal professional valuations. Details of the last valuation methodology and key assumptions are given in note 11c. Management consider the significant assumptions to the valuation of investment properties to be estimated rental values and market based yields, together with general observations as to the state of the market at the Balance Sheet date.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2021 (cont'd)

3. Donations and legacies

	2021	2020
	£000	£000
Unrestricted Fund	3	1
Benevolent Fund Restricted Funds	13	53
Other Restricted Funds	21	2
Total	**37**	**56**

4. Member subscriptions

	2021	2020
	£000	£000
Paid by members	285	293
Tax recovered on Gift Aid subscriptions	55	49
Entrance fees	2	3
VAT payable on subscription income	(33)	(35)
Total	**309**	**310**

5. Other income

	2021	2020
	£000	£000
Pikemen & Musketeers income Restricted Funds	14	32
Light Cavalry income Restricted Funds	170	170
Other Events	7	2
Total	**191**	**204**

6. Other trading activities

	2021 Income	2021 Expenses	2021 Surplus/ (Deficit)	2020 Surplus/ (Deficit)
	£000	£000	£000	£000
Sutling	538	(652)	(114)	34
Sports & grounds activities	332	(150)	182	(1)
Bedrooms	32	(52)	(20)	(25)
Car parking	11	-	11	43
Sale of books, ties, cards and other income	4	(1)	3	1
Flank Companies' Ball	-	-	-	-
	917	**(855)**	**62**	**52**
Other Expenses				
Audit fees	-	(5)	(5)	(10)
Administration charge	-	(18)	(18)	(16)
	-	(23)	(23)	(26)
Total	**917**	**(878)**	**39**	**26**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2021 (cont'd)

6. Other trading activities

	2020 Income	*2020 Expenses*	*2020 Surplus/ (Deficit)*
	£000	*£000*	*£000*
Sutling	*921*	*(887)*	*34*
Sports & grounds activities	*136*	*(137)*	*(1)*
Bedrooms	*54*	*(79)*	*(25)*
Car parking	*43*	*-*	*43*
Sale of books, ties, cards and other income	*4*	*(3)*	*1*
Flank Companies' Ball	*-*	*-*	*-*
	1,158	***(1,106)***	***52***
Other Expenses			
Audit fees	*-*	*(10)*	*(10)*
Administration charge	*-*	*(16)*	*(16)*
	-	*(26)*	*(26)*
Total	***1,158***	***(1,132)***	***26***

7. **Investment property income and expenditure**	**2021**	**2020**
Income	**£000**	**£000**
Commercial	961	955
Residential	373	353
Other rental income	364	343
Total income	**1,698**	**1,651**
Expenditure		
Management fees (including the Pencelli estate)	44	37
Cost of insurance, legal and professional fees	38	57
Maintenance and repairs	164	229
Total expenditure	**246**	**323**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2021 (cont'd)

8. Military grants and other charitable expenditure

	No of Grants 2021	2021 £000	No of Grants 2020	2020 £000
Grants to the Regiment and Sub Units	14	151	14	342
Other charitable expenditure from Unrestricted Fund	7	3	7	7
Vambrace impairment provision from Restricted Funds	-	55	-	34
Total grants paid from the Company's general resources	21	209	21	383
Grants from the Regimental Grants Fund (not quantified)	-	-	2	37
Grants from the Benevolent Fund to individuals from Restricted Funds	9	15	15	17
Other charitable expenditure from Restricted Funds	-	-	3	3
Grants to Pikemen & Musketeers from the Dugdale Bequest	1	3	1	2
Total grants paid	**31**	**227**	**42**	**442**
Pikemen & Musketeers expenditure	-	18	-	59
Light Cavalry expenditure	-	173	-	167
Total military grants and other charitable expenditure	**31**	**418**	**42**	**668**

9. Maintenance and operation of Armoury House

	2021 £000	2020 £000
Staff costs, including taxes and pension contributions (including contract and temporary staff)	371	409
Rates, water, power and heating	82	106
Cleaning and waste removal	40	41
Property maintenance and repairs	206	303
Treasures, Archives	49	60
Recharges to trading subsidiaries	(92)	(104)
Total	**656**	**815**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2021 (cont'd)

10. Membership services and general administration

	2021 £000 Unrestricted Funds	2021 £000 Restricted Funds	2021 £000 Total	2020 £000 Unrestricted Funds	2020 £000 Restricted Funds	2020 £000 Total
Staff costs, including taxes, pension contributions and pensions to former employees	419	-	419	453	-	453
Employee termination payments	19	-	19	3	-	3
Office services, IT and telephone	99	-	99	128	-	128
Membership administration	14	-	14	20	-	20
Insurance	96	-	96	87	-	87
Publications	25	-	25	59	-	59
Bank charges, other legal and professional costs	42	-	42	39	-	39
Recharges to trading subsidiaries	(11)	-	(11)	(65)	-	(65)
Benevolent Fund administration costs	-	2	2	-	6	6
Governance	29	-	29	50	-	50
	732	**2**	**734**	**774**	**6**	**780**
Auditors' remuneration (excluding VAT) included in above total:						
Audit Fees	24	-	24	30	-	30

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2021 (cont'd)

11. Fixed assets

11a. Tangible fixed assets for own use

	Freehold/ Leasehold Land & Buildings £000	Furniture, Plant and Equipment £000	Charity Total £000	Subsidiary Freehold Land £000	Group Total £000
Cost					
At 1 November 2020	8,574	1,875	10,449	329	10,778
Additions	10	-	10	-	10
At 31 October 2021	8,584	1,875	10,459	329	10,788
Depreciation					
At 1 November 2020	4,481	1,148	5,629	-	5,629
Charge for year	120	137	257	-	257
At 31 October 2021	4,601	1,285	5,886	-	5,886
Net Book Value					
At 31 October 2021	**3,983**	**590**	**4,573**	**329**	**4,902**
At 31 October 2020	**4,093**	**727**	**4,820**	**329**	**5,149**

The Company has substantial long-held historic assets which are used in the course of the Company's activities to support the Regiment, Special Constabulary Detachment and Company membership. These comprise the land and buildings at Armoury House, together with certain military and ceremonial items and other treasured artefacts. The buildings at Armoury House were constructed principally in 1734-35, 1787, 1826-28 and 1843. Due to the age of these items, and in many cases the unique nature, reliable historical cost information is not available for these assets and could not be obtained except at disproportionate expense. In the opinion of the Court the depreciated historical costs of these items is now immaterial.

Included within the cost of freehold land and buildings are the capitalised costs of later acquisitions and alterations to the land and buildings, including £6,606k relating to the development of the Prince Consort Rooms. Buildings insurance for properties owned by the Company including Armoury House and other Investment properties (see note 11c) at 31 October 2021 is held to the value of £44,838K (insurance value). This excludes any investment properties let on a full repairing lease where the tenant has the obligation to insure. The insurance value is reviewed annually.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2021 (cont'd)

11. Fixed assets, contd

11b. Tangible fixed assets, contd

	Light Cavalry £000	Pikemen & Musketeers £000	Heritage Assets £000
Cost			
At 1 November 2020	52	300	143
Additions	14	-	4
Disposals	(29)	-	-
At 31 October 2021	37	300	147
Depreciation			
At 1 November 2020	39	300	-
Charge for year	5	-	-
Disposals	(23)	-	-
At 31 October 2021	21	300	-
Net Book Value			
At 31 October 2021	**16**	**-**	**147**
At 31 October 2020	**13**	**-**	**143**

Depreciation applied to the assets of the Light Cavalry is in line with their useful economic life.

In accordance with the FRS 102 Charity SORP, heritage assets acquired from 1 November 2005 have been capitalised by the Company.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2021 (cont'd)

11. Fixed assets, contd

11c. Investment Properties

	2021 £000	2020 £000
Valuation at 1 November 2020	45,255	36,482
Revaluation (loss)/gain	(417)	8,773
At 31 October 2021	**44,838**	**45,255**

The investment properties are professionally valued on a triennial basis and the value is reviewed by the trustees on an annual basis. The investment properties were last valued on an 'open market' basis by Farebrother, the Company's Property agents, at 31 October 2020 and a desktop valuation was undertaken by Farebrother as at 31 October 2021.

11d. Intangible assets - Software for own use

	2021 £000
Cost	
At 1 November 2020	101
At 31 October 2021	101
Amortisation	
At 1 November 2020	28
Charge for year	26
At 31 October 2021	54
Net Book Value	
At 31 October 2021	**47**
At 31 October 2020	**73**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2021 (cont'd)

12. Listed investments

	2021 £000	2020 £000
Investments at valuation – 1 November 2020	8,106	8,489
Funds added	580	560
Funds removed	(14)	(7)
Revaluation gain/(loss)	2,185	(868)
Investment management charges	(73)	(68)
Investments at market value – 31 October 2021	**10,784**	**8,106**
Investments at cost	8,106	7,276
Unrealised gains	2,678	830
	10,784	**8,106**
Split of investments – 31 October 2021		
UK listed investments	4,654	3,984
Overseas listed investments	3,077	3,679
Multi-Asset funds	980	127
Held as cash	2,073	316
	10,784	**8,106**

The Charity's own accounts also include the investment in its subsidiaries (note 13).

13. Subsidiary companies

The Company has three wholly-owned subsidiary companies, all registered in England:

- HAC Enterprises Limited, which is responsible for Sutling, House and Ground hire, and sports activities.
- HAC Flank Companies' Ball Limited (owned by HAC Enterprises Limited), which organises an annual ball on the Company's premises.
- Pencelli Ltd, which owns the Welsh Pencelli Estate in the Brecon Beacons.

Gift Aid arrangements have been made between HAC Enterprises Limited and the Company whereby the subsidiary donates the whole of their taxable profit to the Company each year. The amounts owed by the subsidiaries to the Company at 31 October 2021 are shown below:

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2021 (cont'd)

13 subsidiary companies (cont'd)

	HAC Enterprises Ltd £000	HAC Flank Companies' Ball Ltd £000	Pencelli Ltd £000
Fixed assets			
Tangible assets for own use	-	-	329
Shares in subsidiary (see above)	1	-	-
Total fixed assets	**1**	-	329
Current assets			
Stocks	6	-	-
Debtors	325	-	-
Other debtors and prepayments	1	-	-
Cash at bank and in hand	433	9	-
Total current assets	765	9	-
Creditors			
Trade creditors	37	-	-
Accruals and deferred income	159		-
Amounts owed to Company	569	8	29
Total creditors	765	8	29
Net current assets/(liabilities)	-	1	(29)
Net assets	**1**	**1**	**300**
Share capital of subsidiary	**1**	**1**	**300**

14. Debtors and prepayments

	Group		Charity	
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade debtors	404	326	77	310
Sundry debtors	48	61	40	35
Prepayments and accrued income	323	333	323	321
Taxation	5	23	5	23
Amounts owed by subsidiaries (note 13)	-	-	619	218
Total	**780**	**743**	**1,064**	**907**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2021 (cont'd)

15. Creditors due within one year

	Group		Charity	
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade creditors	153	163	116	146
Accruals	169	169	166	167
Deferred income	235	253	84	98
Taxation	24	21	24	21
Other creditors	106	51	106	51
Total	**687**	**657**	**496**	**483**

Deferred income represents income in advance for events, accommodation, room and grounds hire, rent and subscriptions.

16. Pensions

The Company subscribes to a Group Personal Pension Scheme for those employees who have elected to join the scheme. The fund is administered on behalf of the employees by Aviva. Twenty-three employees have elected to join this scheme and the cost to the Company of contributions for the year to 31 October 2021 was £63k, of which £15k is related to two employees who earned above £60k per year.

One past employee (2020: One) is in receipt of a pension payable directly by the Company and which is unfunded. At 31 October 2021 the pensions in payment had an annual cost of £10k (2020: £10k). The Company estimated the value of the unfunded future pension obligation at 31 October 2021 as £63k (2020: £72k). An average inflation rate of 1.0% and a discount rate of 0.01% have been assumed in assessing this liability. The movement in the Pension Reserve (liability) was as follows:

	2021	2020
	£000	£000
Opening liability at 1 November 2020	72	86
Past service cost	(10)	(10)
Changes in demographic and financial assumptions	1	(4)
Closing liability 31 October 2021	63	72

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2021 (cont'd)

17. Charitable Funds

a)Current period	1 November 2020	Income	Expenditure	Investment Gains/(Losses) & Transfers	31 October 2021
	£000	£000	£000	£000	£000
Unrestricted Funds:					
General Reserve	1,194	3,069	(2,435)	(147)	1,681
Designated Reserves	5,932	-	-	1,386	7,318
Fixed Asset Fund	50,477	-	(272)	(417)	49,788
Less: Pension Reserve liability	(72)	-	-	9	(63)
Total Unrestricted Funds	**57,531**	**3,069**	(2,707)	**831**	**58,724**
Restricted Funds:					
Benevolent Fund	2,944	98	(65)	814	3,791
Regimental Grants Fund	506	-	-	-	506
Light Cavalry	173	169	(172)	-	170
Pikemen & Musketeers	277	13	(21)	-	269
Other Restricted Funds	417	27	(39)	75	480
Total Restricted Funds	**4,317**	**307**	(297)	**889**	**5,216**
Endowment Funds					
Dugdale Bequest	119	4	(1)	57	179
Total Funds	**61,967**	**3,380**	**(3,005)**	**1,777**	**64,119**

b)Prior period	1 November 2019	Income	Expenditure	Investment Gains/(Losses) & Transfers	31 October 2020
	£000	£000	£000	£000	£000
Unrestricted Funds:					
General Reserves	1,532	3,227	(3,463)	(102)	1,194
Designated Reserves	6,281	-	-	(349)	5,932
Fixed Asset Fund	41,778	-	-	8,699	50,477
Less: Pension Reserve liability	(86)	-	-	14	(72)
Total Unrestricted Funds	**49,505**	**3,227**	**(3,463)**	**8,262**	**57,531**
Restricted Funds:					
Benevolent Fund	3,198	114	(53)	(315)	2,944
Regimental Grants Fund	542	1	(37)	-	506
Light Cavalry	170	170	(167)	-	173
Pikemen & Musketeers	304	32	(59)	-	277
Other Restricted Funds	430	7	(4)	(16)	417
Total Restricted Funds	**4,644**	**324**	**(320)**	**(331)**	**4,317**
Endowment Funds					
Dugdale Bequest	132	2	(3)	(12)	119
Total Funds	**54,281**	**3,553**	**(3,786)**	7,919	**61,967**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2021 (cont'd)

Unrestricted Funds:

Designated Reserves comprises:

Medium Term Reserve - This is the cash balance required to fund the Capital Expenditure for the next 5 years as set out in the Company's latest capital expenditure forecast and consistent with the latest 10 Year Business Plan. As at 31 October 2021 this reserve had a balance of £778k.

Long Term Reserve - This reserve has been established with a target of £10million for the future long term needs of the HAC Regiment which are for additional facilities and equipment. The reserve is held in a mix of cash, working capital, and equity investments. At 31 October 2021 this reserve had a balance of £6,540k.

Fixed Asset Fund – This has been set up to identify those funds that are not free funds. The value shown represents the net book value of tangible and intangible fixed assets, including property investments.

Restricted Funds:

Benevolent Fund – The value of this fund increased during the current year mainly due to investment gains. Dividends received have been reinvested. The Benevolent Fund Committee actively seeks potential applicants and members are invited to bring needy cases to the HAC Trustees' attention. Fund income currently derives from legacies, donations, bank interest on cash balances and dividend income from investments.

Regimental Grants Fund – The purpose of this fund is to provide recruiting and retention in the Regiment and can be spent on both capital and revenue expenditures. In reviewing the long-term requirements for this fund it has been agreed that the value of this fund is to be capped at £600k. The main source of income for this fund is from interest earned on bank deposits. The value of the fund is supplemented by the profit of HAC Flank Companies' Ball Ltd, which is Gift Aided to this fund.

Light Cavalry – The balance on this fund represents the asset value of the HAC Light Cavalry.

Pikemen & Musketeers – The balance on this fund represents the asset value of the Company of Pikemen & Musketeers.

Other Restricted Funds – The balances on these funds consist of the Gridley Will Trust, which is used by the Commanding Officer to fund annual prizes, and the Benton Bequest ('A' Battery Fund), used to support the cost of an annual dinner. Income for these other restricted funds derives from a combination of legacies, donations, dividends and bank interest.

Permanent Endowment Funds – The Dugdale Bequest is to be held in perpetuity, with only the annual income being used to maintain the equipment of the Company of Pikemen & Musketeers. £2k was distributed in the year (2020: £2k).

Year ended 31 October 2021 (cont'd)

18.

Analysis of Group net assets between Funds – 2021	Tangible and Intangible Fixed Assets	Investments	Current Assets	Liabilities	Total 2021
	£000	£000	£000	£000	£000
Unrestricted Funds					
General Reserve	-	1,659	676	(654)	1,681
Designated Reserves	-	4,977	2,341	-	7,318
Fixed Asset Fund	49,788	-	-	-	49,788
Less: Pension Reserve liability	-	-	-	(63)	(63)
Total Unrestricted Funds	**49,788**	**6,636**	**3,017**	**(717)**	**58,724**
Restricted Funds					
Benevolent Fund	-	3,745	62	-	3,807
Regimental Grants Fund	-	-	506	-	506
Light Cavalry	16	-	54	(31)	39
Pikemen & Musketeers	-	-	272	(2)	270
Other Restricted Funds	146	229	219	-	594
Total Restricted Funds	**162**	**3,974**	**1,113**	**(33)**	**5,216**
Endowment Funds					
Dugdale Bequest	-	174	5	-	179
Total Funds	**49,950**	**10,784**	**4,135**	**(750)**	**64,119**

During the year, in accordance with the Cash Management Policy approved by the Court, the cash resources of the Unrestricted and Restricted funds of the Company have continued to be operated as a single pooled-cash resource. At 31 October 2021 the amount owing to Restricted Funds by the Unrestricted Funds, was £765k (2020: £750k).

Analysis of Group net assets between Funds – 2020	Tangible Fixed Assets	Investments	Current Assets	Liabilities	Total 2020
	£000	£000	£000	£000	£000
Unrestricted Funds					
General Reserve	-	1,267	562	(635)	1,194
Designated Reserves	-	3,682	2,250	-	5,932
Fixed Asset Fund	50,477	-	-	-	50,477
Less: Pension Reserve liability	-	-	-	(72)	(72)
Total Unrestricted Funds	50,477	4,949	**2,812**	(707)	57,531
Restricted Funds					
Benevolent Fund	-	2,882	62	-	2,944
Regimental Grants Fund	-	-	506	-	506
Light Cavalry	13	-	182	(22)	173
Pikemen & Musketeers	-	-	277	-	277
Other Restricted Funds	143	156	118	-	417
Total Restricted Funds	**156**	**3,038**	**1,145**	**(22)**	**4,317**
Endowment Funds					
Dugdale Bequest	-	119	-	-	119
Total Funds	**50,633**	**8,106**	**3,957**	**(729)**	**61,967**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2021 (cont'd)

19. Payroll costs

	2021 £000	2020 £000
HAC salaries (excl. Er's NI, pensioners & contract staff)	706	913
HAC employer's National Insurance	71	82
HAC emoluments (excluding pensioners & contract staff)	**777**	**995**
HAC Job Retention Scheme payments received	**(38)**	**(66)**
Light Cavalry salaries (excl. Er's NI)	71	72
Light Cavalry employer's National Insurance	6	5
Light Cavalry emoluments	**77**	**77**
Light Cavalry Job Retention Scheme payments received	**(9)**	**(7)**
Pensions paid	**10**	**10**
Total Staff Costs	**817**	**1,009**

	2021 No.	2020 No.
Average number of HAC employees (excl. contract staff and pensioners)	20	22
Average number of Light Cavalry employees	3	3
Average number of pensioners	1	1
Total Staff	**24**	**26**
Number of employees earning between £60k and £70k	1	1
Number of employees earning between £90k and £100k	1	-
Number of employees earning between £110k and £120k	-	1

The highest paid employee received employer pension scheme contributions of £9,451 (2020: £10,582).

The remuneration of the 7 (2020: 6) key management personnel totalled £424,255 (2020: £402,173). This includes employer pension contributions of £29,216 (2020: £21,711) and employer nationall insurance contributions of £41,444 (2020: £40,035).

HAC Emoluments in 2021 include £18,538 of redundancy payments (2020: £16,947)

20. Capital commitments

The company had capital commitments as at 31 October 2021 totalling £nil (2020: £nil).

The company is considering a request from the Regiment to provide additional storage space and facilities. This project, if approved, will span several years. Costs incurred to date amount to £446k (2020: £391k) by way of professional fees and has been written down to £nil with an additional Impairment Provision of £55k in the current year (2020: £34k) – see note 8.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2021 (cont'd)

21. The Court and related parties

The Members of the Court of Assistants are the Trustees of the Company. The Trustees were covered by indemnity insurance for the year ended 31 October 2021.

Two Trustees (2020: two), who served during the year, rent flats that are owned by the Company, one of which is subject to a regulated tenancy agreement, while the other is let at market rates.

No expenses were claimed by Trustees during the current year or previous years.

Fees totalling £1,744 (2020: £1,007) were charged to the Company by Major Charles Marment, a Trustee, for services as Secretary to the HAC Regimental Council.

The Commanding Officer of the Regiment, Lieutenant Colonel A G E Bate, who is also a Trustee of the Company, is provided with free accommodation and also has exclusive discretion over the application of the Active Unit Grant. The Active Unit Grant amounted to £0k for the year ended 31 October 2021 (2020: £90k).

No other remuneration or benefits were received by Trustees.

During the year there was £6k of general donations were received from the Trustees contributing to the purchase of a historic sword.

HONOURABLE ARTILLERY COMPANY

England & Wales - Charity number 208443

Accounts

HONOURABLE ARTILLERY COMPANY

(Charity Registered in England and Wales Number 208443)

Report of the Court of Assistants and Financial Statements
For the year ended 31 October 2020

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The Membership of the Court of Assistants of the Company as at 31 October 2020 was:

EX-OFFICIO MEMBERS

Captain-General ..... Her Majesty The Queen*
Colonel Commandant & President ..... General Sir Patrick Sanders KCB CBE DSO ADC Gen
Vice President ..... Major P D C Vyvyan-Robinson TD
Treasurer ..... M P Basing Esq
Regimental Colonel ..... Lieutenant Colonel A D C Caie TD
Commanding Officer ..... Lieutenant Colonel J P Chorley
Senior Major ..... Major W H Grove
Commander of the City of London Special Constabulary Detachment
..... Special Superintendent P M P FitzGerald
Captain of the Company of Pikemen & Musketeers ..... Major R J Jackson TD
Officer Commanding the Light Cavalry ..... A R Willis VR

HONORARY MEMBERS*

HRH Prince Michael of Kent GCVO, Royal Honorary Colonel
Field Marshal Sir John Chapple GCB CBE DL
Brigadier General Joe Milano AHAC
The Lord Mayor, the Aldermen, the Recorder and Sheriffs of the City of London for the time being

* *Not Trustees of the Company.*

TWENTY-THREE MEMBERS

(a) ***Appointed by the Commanding Officer***: *Vacant*

(b) ***Appointed by the Court of Assistants:*** *Lieutenant Colonel S J R Halliday TD; G R Smith Esq*

(c) ***Elected at the General Court on 18 March 2020 (and amended where shown), in the order of votes recorded:***

Major C V Marment VR (2001)
Major General S F N Lalor CB TD (1993)
Special Sergeant Dr S F Edwards (2020)
Major D Brigden TD (2018)
Major T L Davies TD (1982)
E A Seabrook Esq (1991)
Major J O Leighton TD (2004)
Captain H D N M Voyantzis (2007)
Major R P Quain TD (2006)
The Reverend (Major) M W Bezerra Speeks CF (2016)
Captain R M Huleatt-James TD (2010)
Lieutenant Colonel J R Longbottom MBE QVRM VR (2002)
Major I C S Morpeth TD (1992)
Captain H R Jee (1997)
Lieutenant T J Monger-Godfrey (2019)
Major J A Robinson (2016)
Major S C Briggs TD (2003)
Major C O Wragg (2020)
Captain T H Cardwell (2016)
M J Cutteridge Esq (2019)

Note: *The date in brackets shows the year each member was first appointed or elected to the Court.*

The Principal Executive Officers of the Company are:

Chief Executive ..... S D Crane OBE
Court & Membership Secretary ..... D A K Freeman LVO
Finance Director (to 10 September 2020) ..... A S T Elliott-Frey BSc ACA
Finance Controller (from 23 November 2020) ..... S Hewett FCCA
Director of Catering & Events ..... Mrs R Kitching
House Manager ..... H W Green Esq

Annual Report of the Court of Assistants ('the Court')

The Court submits its annual report and the audited financial statements of the Company for the year ended 31 October 2020. The Court has adopted the provisions of Financial Reporting Standard 102 Statement of Recommended Practice ("FRS 102 SORP") and the Charities Act 2011 in preparing the annual report and financial statements of the Company.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Honourable Artillery Company is a company incorporated by Letters Patent and registered with the Charity Commission for England and Wales under charity number 208443. The Company is administered from its principal address at: Armoury House, City Road, London EC1Y 2BQ. Details of the trustees and executive officers are shown on page 1. Particulars of the Charity's professional advisers are shown on page 8.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The governing document of the Charity is the Letters Patent granted by His Majesty King Henry VIII on 25 August 1537.

Governing Body

The Company is governed in its civil affairs and finances by a Court of Assistants ('the Court'), whose members are the Trustees of the Company, whose membership is set out on page 1. The Court delegates authority to committees appointed from amongst its members, to some of which certain other persons are co-opted.

Recruitment and Training of Trustees

There are nominally 32 Trustees on the Court. Two are the Vice-President and Treasurer who are Civil Chiefs, elected by the Court for two and three years respectively, helping to provide continuity to the Court. Both these positions are elected by and from within the body of the Court. Seven Trustees are ex-officio appointments. One Trustee is appointed by the Commanding Officer and up to two are appointed by the Court. Consideration of the balance of skills, expertise and experience of Trustees is an essential component in the selection of the Court appointees. Twenty Trustees are elected by the membership and the result of the ballot is declared at the Company's Annual General Court, which is held in March each year.

Training has been offered to trustees throughout the year. In addition, each member is issued with a copy of the booklet *The Essential Trustee* CC3, published by the Charity Commission, to provide a source of permanent reference. Trustees are also encouraged to attend external training courses where this is considered appropriate.

Organisational Management

The Court meets ten times per year and is legally responsible for the overall management and control of the civil affairs of the Company. Detailed work is undertaken by a number of committees, comprising the Executive Committee, Property Committee, Sutling Committee, Membership & Communications Committee, Audit Committee, Sports Committee, Treasures Committee and Benevolent Fund Committee. Committee meetings are scheduled according to the amount of work involved, with additional meetings being arranged if more activity is required. The committees submit a formal report to the next following meeting of the Court and approval is sought for any decisions which are outside the terms of reference of the committee. In addition, there is a team of specialist investment advisers who meet up to four times per year to review and offer advice on the performance of the Company's investments and property portfolio as well as the choice of Investment Portfolio Manager.

Day-to-day operation of the Company is delegated to the Chief Executive and the Company Office, who have authority to operate within the constraints of the approved budget. Quarterly Management Accounts, updated current year Forecasts, and lists of monthly payments in excess of £2,000 are reviewed by the Court, and in addition monthly Financial Status Reports and monthly Cash Balance information are reviewed by the Executive Committee. The Company's long term Business Plan is reviewed by the Executive Committee and the Court from time to time and will be reviewed in FY2020/21. The signature of at least one Trustee is required for all payments above £15,000.

Remuneration
A Remuneration Committee was formed in the spring of 2016. The Committee met in 2019 to review a submission drafted by the Treasurer reviewing the remuneration of the staff of Company Office. There was an external benchmarking exercise in 2019 and this exercise will be repeated in 2021 and thereafter in alternate years.

Group Structure and Relationships
The Charity has three wholly-owned non-charitable subsidiaries: HAC Enterprises Ltd and HAC Flank Companies' Ball Ltd, both of which carry out fundraising activities for the charity; and Pencelli Ltd, which was set up to hold the assets of the Welsh Pencelli Estate situated in the Brecon Beacons. The activities and performance of the trading companies are discussed below.

Risk Management
In accordance with the Court's Risk Management Policy paper of 20 October 2009 the Company maintains a formal risk register. This is reviewed regularly and systematically by the Court committees and the Company Office.

Risks are identified at committee level or by the Company Office. They are assessed as to their likelihood and impact, and the measures taken to mitigate the risks are listed and evaluated with judgement made on whether the mitigation actions are acceptable or whether further action is required.

There are two major risks to the Company:

- The temporary loss of the use of Armoury House as a facility due to an unforeseen event. This risk has been mitigated by insurance cover for business interruption up to four years, and adequate buildings insurance cover. However, while the impact COVID-19 was clearly an unforeseen event and impacted the commercial activities on the Company, it was outside the scope of the business interruption insurance cover.

- The loss of income from the hire of the Artillery Garden for commercial events, should the main user terminate their contract or planning consent for the temporary structure not continue to be granted by the local authority. Although there would be a major loss of income to HAC Enterprises Ltd, the impact on the Company is not considered significant enough to adversely impact the Company's ability to continue meeting its current charitable obligations.

OBJECTIVES, ACTIVITIES AND PUBLIC BENEFIT
The main activities in the year to meet the Company's objectives, public benefit and the Trustees' duty under section 17 of the Charities Act 2011 are set out below.

Charitable Objectives
The charitable objectives of the Company are defined as, 'for military exercise and training and for the better defence of the realm' and, to this end, it uses its freehold property at Armoury House as a base

for its military unit, a Regiment of the Army Reserve. To meet the requirements of the Charities Act 2011, the Court agreed an updated articulation of the Company's Objectives. These are: support to the HAC Regiment and the HAC's City of London Special Constabulary Detachment; support to the Company's ceremonial sub-units; conservation of Company treasures; maintenance and utilisation of the Company's estate; support for the Benevolent Fund; sustaining Company membership; and maintaining the Company's long-term financial sustainability.

Aims and Intended Impact

To meet these objectives, the Company's aims are: to further improve its facilities with a view to preserving the Regiment's place in the British Army's Order of battle by encouraging improved recruiting for and retention within all elements of the Company; to run commercial activity as necessary to ensure the Company's long-term financial sustainability; and to conserve the Company's estate and the Company's treasures for posterity.

Objectives for the Year

The main objectives for the year were supporting the HAC Regiment in its recruiting and retention efforts and fulfilling the Company's wider charitable aims, both in the immediate term and by providing for the Company's long-term sustainability, in part through continued commercial use of its facilities. This objective has been achieved to the extent that the constraints imposed by COVID-19 have allowed.

Public Benefit

During the year the Court of Assistants has, in exercising its powers and duties, complied with the duty in section 17 of the Charities Act 2011 to have due regard to the guidance on public benefit published by the Charity Commission. In particular, it has provided public benefit in that the Company has:

- Supported the Regiment including: welfare support for individuals and the families of those deployed in line with policy; provision of training space on the Artillery Garden, on the parade square and in Armoury House; and grants of £292k, including £35k for the broader recruiting effort and £30k to support battlefield study visits.
- Provided training and financial support, £40k, to a Combined Cadet Force at the City of London Academy, Islington, as well as Mossbourne Community Academy, Hackney.
- Supported the HAC Special Constabulary Detachment, which patrols within the City of London, with accommodation within Armoury House.
- Supported the City of London Police Cadets with training and facilities within Armoury House.
- Supported the Pikemen & Musketeers and the Light Cavalry with grants totalling £10k and accommodation within Armoury House. These sub-units provided displays to the general public and ceremonial guards for State and City occasions until COVID-19 restrictions curtailed these activities.
- Sustained the Company membership at around 2,500 members. The members made an annual contribution of £293k to the Charity during the year.
- Conserved the Company's Estate at Armoury House and made facilities available for the Regiment and the Special Constabulary Detachment. The Artillery Garden and Pencelli Estate in the Brecon Beacons National Park are used for training purposes, not just by the HAC, but by a large number of varied military and cadet units. In 2020 the House and grounds were not opened to the public as in previous years, however, when possible, the grounds have been

made available weekly to a London Borough of Islington primary school for games and recreation.

- The Company has contributed to the engagement of a Warden and volunteers on the Brecon Beacons National Park to help ensure this public facility is not damaged by illegal off-road bicycles and vehicles.
- Maintained the HAC Benevolent Fund for HAC members and other eligible beneficiaries, and provided insurance cover for Regimental members mobilised on operational duty.

The Outcome of the Charity's Work

- **The Regiment.** A Reserve Army regiment is a body of trained manpower ready at appropriate notice to deploy as individuals as part of its paired unit on short duration contingency operations or as a formed body for general war. The Charity's support for the HAC Regiment sets conditions necessary for it to be the best recruited Reserve Army regiment in the British Army, with a high level of retention of trained manpower thanks to the financial and material support given to training, recruiting, welfare and unit cohesion. The location of the site, coupled with the facilities that the Regiment can offer through the Company, means that the Regiment's recruits tend to be of high calibre and amenable to a higher level of training in the short periods that they are in uniform. During the period, members of the Regiment have been deployed operationally to South Sudan, Iraq and the Balkans and in support of the national COVID-19 response.
- **Special Constabulary.** The Company supports the only formed detachment of Special Constabulary in the United Kingdom. The success of this model has caused the City of London Police to turn to the HAC Specials to act as the seed corn for an expansion of Special Constabulary numbers in the City.
- **Ceremonial Sub-Units.** As regular forces reduce, the demand on the Company of Pikemen & Musketeers and the Light Cavalry for ceremonial support in and beyond the City increases. The sub-units are able to meet this added tempo thanks to the support that the Company gives them in terms of grants for equipment and facilities for training, storage and control.
- **Cadets.** The three cadet contingents that the Company support make a marked difference to the lives of the young people involved and the school, the City of London Academy Islington, from which the CCF is drawn. By promoting discipline, self-reliance and team work it is reported that performance of cadets elsewhere in the curriculum is improved. The Company has provided information to the Government Review on this impact.
- **The Membership.** The purpose of the membership is to act as an advocacy network for Defence and Security throughout the country. The Company's programme of lectures, and the facilities the Company provides for veteran and serving reserves to interact, keeps this network informed, active and relevant.
- **The House and Artillery Garden.** The House and Garden are normally open to the public for the Open Evening in May and act as a backdrop to offices and homes in the Finsbury area. It is the largest open space in Islington and is used by the Regiment for low-level training. This means that the Regiment is able to run its own Phase 1 (basic) training weekends and training nights which enable it to set particular store by its standards and develops Regimental ethos and cohesion from the start.

The Strategy for Achieving those Outcomes

In order to achieve our goals the charity must simultaneously maintain its estate, both in London and in Wales, such that it is available for training and ceremonial purposes, whilst at the same time using it to raise funds that can then be granted to the beneficiaries to support their work. Particularly in London, where space is at a premium, this involves judgement and constant, detailed attention to the

application of a broad strategy that sees the needs of the Regiment come first, with unused space then made available for commercial use.

Grant Making Policy

The Company makes annual grants to the Regiment for expenses, such as adventurous training and recruiting. These grants are fixed on an annual basis following discussions with the Commanding Officer. If the Commanding Officer makes additional applications for grants during the year then these are considered by the Court on an *ad hoc* basis and will normally be met, provided that financial circumstances allow. In some circumstances, grants are made to individuals to allow specific training to be undertaken or to support other military purposes.

The Benevolent Fund, which is disclosed as a 'restricted' fund of the Company, makes grants to individuals connected with the Company, in accordance with the Benevolent Fund Trust Deed.

Volunteers

The Court is grateful to those members of the Company who give freely of their time in support of the Company. In view of the wide sphere of activities in which members support the Company, evaluation of this activity has proved impracticable.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational Performance of the Company

The Company has provided Armoury House, the Artillery Garden and the Pencelli Estate for the use of its Military Unit, its Special Constabulary Detachment and its ceremonial sub-units throughout the year, subject to COVID-19 regulations and precautions. It has also provided financial support to all these elements of the Company. Until March 2020 the Company was able to maintain its commercial activities both in the House and on the Artillery Garden. However, subsequent 'Lockdowns' and restrictions on events, both indoors and outdoors, have meant that while it was possible to run some outdoor events over the summer there was little or no activity in the House which has reduced the contribution made by commercial activities to the Company's result for the year.

Investment Performance against Objectives

The value of Listed investments (excluding £560k of additional cash and dividends invested) decreased by £(868)k (2019: £593k increase). This broadly reflects stock market performance over the period.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The consolidated statement of financial activities shows a net surplus for the year of £7,686k (2019: net surplus of £2,080k). The 2020 surplus includes an investment property revaluation gain of £8,773k and a decrease in the value of listed investments of £868k. The net operating deficit in 2020 was £(233)k. The 2019 surplus included income of £1,794k from an agreement with a neighbouring property redevelopment and an increase in the value of listed investments of £593k; the 2019 net operating deficit before the property development income was £(311)k .

The Company's wholly owned subsidiaries, HAC Enterprises Ltd and HAC Flank Companies' Ball Ltd, continued to carry out fund-raising activities for the charity, albeit that from March 2020 onwards restrictions on gatherings meant that only a very limited number of events could be held in the second half of the year. Net income from trading was £26k (2019: £659k) (see Note 6). The trading subsidiaries made Gift Aid payments to the Company totalling £26k (2019: £659k).

At 31 October 2020, the total consolidated net assets of the Company, as shown by the balance sheet, were £61,967k (2019: £54,281k). The Company has taken advantage of the specific clauses in FRS 102 SORP with regard to the treatment of assets. The net assets of the Company do not include the market

value of freehold and leasehold properties used for the Company's charitable purposes, or the value of the Company's military and similar artefacts acquired prior to 1 November 2005. No value has been placed upon the artefacts, as the process and costs of obtaining valuations for the items involved would be disproportionate to any public benefit that might be derived. It is considered impractical to apply conventional valuation techniques to the collections, due to their unique nature. Freehold and leasehold properties are included in the accounts at cost. However, it is not appropriate to apply conventional valuation techniques to these assets, due to the restrictive-use clauses set out in the title and lease agreements. Details of the re-building insurance values of these properties are given in Note 11a of the financial statements.

Cash Flows

The consolidated statement of cash flows shows a net outflow for 2020 of £(1,386)k (2019: £(388)k outflow). The main reasons for the outflow in 2020 were the net operating loss for the year, capital expenditure, additional cash invested in listed investments and a reduction in working capital balances; principally a reduction in deposits received for future events. Cash balances at 31 October 2020 stand at £3,208k of which £2,072k represents cash in Unrestricted funds (2019: £4,594k of which cash in Unrestricted funds was £3,408k).

Reserves Policy

The Court policy on unrestricted funds is to designate them to a particular purpose. A designated Short Term reserve is held in cash at a level equivalent to six months' budgeted running costs. The balance of cash held was £1,194k at 31 October 2020. A designated Medium Term reserve is also held in cash at a level to provide for 5 years capital expenditure as set out in the Company's latest capital expenditure forecast. At 31 October 2020 the balance on the Medium Term reserve was £778k. A Long Term reserve with a target of £10million has been established to meet the future needs of the HAC Regiment, and is held in a mix of cash, working capital and investments. At 31 October 2020 the balance on the Long Term reserve was £5,082k.

Investment Policy and Objectives

The Company aims to maximise total return with a balanced approach to seeking income and capital return.

Fundraising Policy

Our approach to fundraising is to seek donations from our membership and from our commercial contacts. We do not actively seek donations from the general public.

We do not use third parties to help us with fundraising. During the year we did not receive any complaints related to our fund raising activities.

FUTURE PLANS

The priorities set in the Company's current 5 Year Plan, which was approved by the Court on 27 September 2017 and confirmed at a Court Away Day in January 2019, are to improve the support given to the HAC Regiment and the HAC Special Constabulary Detachment in terms of both financial backing and the standard of the facilities made available, to provide financial support to the City of London Academy Islington (HAC) Combined Cadet Force, and to provide financial support to the police cadets, the Company of Pikemen & Musketeers and the Light Cavalry. Specific projects include a plan to provide significant additional space and facilities for the Regiment, including better equipment storage and changing space for reserve soldiers, planning for which commenced in 2016/17, with a likely project timeframe of 3 to 5 years. A 5-year re-equipment programme for the Company of Pikemen & Musketeers, which began in 2016/17, has continued into 2019/20.

The trading outcome of HAC Enterprises Ltd for Financial Year 2020/21 is anticipated to be similar to 2019/20, with outdoor events as a focus and subject to the lifting of COVID-19 restrictions following rollout of a widespread vaccination programme. The Company will also review its activities ahead of the potential for significant expenditure to support the proposed enhanced Regimental facilities although any impact is expected to be in 2021/22 and future periods.

Statement of the Court's Responsibilities

The Court is responsible for preparing the Annual Report of the Court of Assistants and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Court to prepare financial statements for each financial year that give a true and fair view of the state of the affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Court is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Court is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Letters Patent dated 25 August 1537, associated Royal Warrants and Rules and Orders.

The Court is 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.

Professional Advisers

Details of professional advisers are given below:

Auditors	Buzzacott LLP	130 Wood Street, London EC2V 6DL
Solicitors	Charles Russell Speechlys LLP Boodle Hatfield LLP	5 Fleet Place, London EC4M 7RD 240 Blackfriars Road, London SE1 8NW
Bankers	National Westminster Bank Plc	1 Princes Street, London EC2R 8BP
Property Agents	Tandem Property Asset Management LLP	27 Bream's Building, Fetter Lane, London EC4A 1DZ
Investment Managers	Cazenove Capital Management Ltd	12 Moorgate, London EC2R 6DA

Auditors

Buzzacott LLP have indicated their willingness to continue in office and in accordance with the provisions of the Charities Act 2011 it is proposed that they be reappointed auditors to the charity and the group for the ensuing year.

By Order of the Court of Assistants



M P Basing, Treasurer

Date: 23 February 2021

INDEPENDENT AUDITOR'S REPORT TO THE COURT OF ASSISTANTS AND MEMBERS OF THE HONOURABLE ARTILLERY COMPANY

Opinion

We have audited the accounts of Honourable Artillery Company (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 October 2020 which comprise the group and parent charity statement of financial activities, balance sheets, statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 October 2020 and of their income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the accounts section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the accounts 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE COURT OF ASSISTANTS AND MEMBERS OF THE HONOURABLE ARTILLERY COMPANY (cont'd)

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 there is a material misstatement in the accounts or a material misstatement of the other information. 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 Act 2011 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 accounts; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity accounts 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 trustees' responsibilities statement, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the group's and the parent 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 group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE COURT OF ASSISTANTS AND MEMBERS OF THE HONOURABLE ARTILLERY COMPANY (cont'd)

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 with 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.



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 24 February 2021

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

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
Year ended 31 October 2020

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 31-Oct 2020 £000	Total 31-Oct 2019 £000
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	3	1	55	-	56	23
Charitable activities:						
Member subscriptions	4	310	-	-	310	319
Other income	5	-	204	-	204	2,024
Other trading activities	6	1,158	0	-	1,158	2,212
Investments:						
Investment property income	7	1,651	-	-	1,651	1,585
Listed investments		100	63	2	165	213
Interest on cash deposits		7	2	-	9	13
Total income	17	**3,227**	**324**	**2**	**3,553**	**6,389**
EXPENDITURE ON:						
Raising Funds						
Trading costs	6	1,132	-	-	1,132	1,553
Investment property costs	7	323	-	-	323	222
Investment management charges	12	36	31	1	68	60
Charitable activities:						
Military grants and other charitable expenditure	8	383	283	2	668	1,132
Maintenance and operation of Armoury House	9	815	-	-	815	1,083
Membership services and general administration	10	774	6	-	780	856
Total expenditure	17	**3,463**	**320**	**3**	**3,786**	**4,906**
Net operating income		**(236)**	**4**	**(1)**	**(233)**	**1,483**
Gains/(losses) on investments						
Net gain/(loss) on Listed investments	12	(525)	(331)	(12)	(868)	593
Investment Property revaluation gain	11c	8,773	-	-	8,773	-
Net income/(expenditure)		**8,012**	**(327)**	**(13)**	**7,672**	**2,076**
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension scheme	16	14	-	-	14	4
Net movement in funds for year		**8,026**	**(327)**	**(13)**	**7,686**	**2,080**
Funds brought forward at 1 November 2019	17	49,505	4,644	132	54,281	52,201
Funds carried forward at 31 October 2020	18	**57,531**	**4,317**	**119**	**61,967**	**54,281**

The Notes on pages 16 to 34 form part of these financial statements.

CONSOLIDATED & CHARITY BALANCE SHEET
31 OCTOBER 2020

	Note	2020 Group £000	2019 Group £000	2020 Charity £000	2019 Charity £000
Fixed Assets					
Tangible assets – own use	11a	5,149	5,227	4,820	4,898
Tangible assets – Light Cavalry	11b	13	6	13	6
Tangible assets – Pikemen & Musketeers	11b	-	-	-	-
Tangible assets – Heritage assets	11b	143	139	143	139
Tangible assets held as investments	11c	45,255	36,483	45,255	36,483
Intangible assets – software - own use	11d	73	68	73	68
Listed investments	12	8,106	8,489	8,106	8,489
Shareholding in subsidiaries	13	-	-	301	301
Total fixed assets		**58,739**	**50,412**	**58,711**	**50,384**
Current assets					
Stocks		6	6	1	-
Debtors and prepayments	14	743	852	907	590
Short-term deposits		2,376	2,944	2,376	2,944
Cash at bank and in hand		832	1,650	527	1,471
		3,957	**5,452**	**3,811**	**5,005**
Liabilities:					
Creditors falling due within one year	15	(657)	(1,497)	(483)	(1,022)
Net current assets		**3,300**	**3,955**	**3,328**	**3,983**
Creditors falling due after more than one year	15	-	-	-	-
Total net assets before pension liability		**62,039**	**54,367**	**62,039**	**54,367**
Pension scheme funding liability	16	(72)	(86)	(72)	(86)
NET ASSETS		**61,967**	**54,281**	**61,967**	**54,281**
CHARITABLE FUNDS					
Unrestricted Funds:					
Designated Reserves	17&18	7,126	7,813	7,126	7,813
Fixed Asset Fund	17&18	50,477	41,778	50,477	41,778
Less: Pension Reserve (liability)	16	(72)	(86)	(72)	(86)
		57,531	49,505	57,531	49,505
Restricted Funds	17&18	4,317	4,644	4,317	4,644
Endowment Funds	17&18	119	132	119	132
TOTAL CHARITABLE FUNDS		**61,967**	**54,281**	**61,967**	**54,281**

The financial statements were approved by the Court of Assistants on 23 February 2021 and are signed on its behalf by:

Major P D C Vyvyan-Robinson, Vice-President

M P Basing Esq, Treasurer

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 OCTOBER 2020

	Note	Total Funds 31-Oct 2020 £000	Total Funds 31-Oct 2019 £000
Cash flows from operating activities:			
Net cash generated/(used) in operating activities		**(2,042)**	**567**
Cash flows from investing activities:			
Dividends, interest and rent from investments		1,504	1,589
Purchase of tangible and intangible assets	11a/11b/11d	(291)	(350)
Purchase of historical assets	11b	(4)	-
Purchase of investments - listed investments	12	(560)	(2,088)
Disposal of investments – listed investments	12	7	80
Net cash provided by /(used in) investing activities		**656**	**(769)**
Cash flows from financing activities:			
Repayments of borrowings		-	(186)
Net cash used in financing activities		**-**	**(186)**
Change in cash and cash equivalents in reporting period		**(1,386)**	**(388)**
Cash and cash equivalents at 1 November 2019		4,594	4,982
Cash and cash equivalents at 31 October 2020		**3,208**	**4,594**

	Note	2020 £000	2019 £000
Reconciliation of net income/(expenditure) to net cash flow from operating activities			
Net income for the reporting period		**7,672**	**2,076**
Adjustments for:			
Depreciation Charges:			
Depreciation, amortisation & impairment	11a/11d	313	592
Light Cavalry and Pikemen & Musketeers depreciation	11b	41	32
Loss on the disposal of Fixed Assets		2	-
Loss/(Gain) on Listed investments	12	868	(593)
(Gain) on Investment Property Revaluation	11c	(8,773)	
Rents, dividends and interest from investments:			
Investment property income	7	(1,651)	(1,585)
Listed investments		(165)	(213)
Interest on cash deposits		(9)	(13)
Investment property costs	7	323	222
Investment management charges	12	68	60
(Increase) in stocks		-	(1)
Decrease/(Increase) in debtors		109	(291)
(Decrease)/Increase in creditors		(840)	281
Net cash (used in)/ generated by operating activities		**(2,042)**	**567**
Analysis of cash and cash equivalents			
Cash in hand		832	1,650
Notice deposits (less than 3 months)		2,376	2,944
Total cash and cash equivalents		**3,208**	**4,594**

Reconciliation of net debt:	At 1 November 2019 £000	Cash flows £000	Non-cash changes £000	At 31 October 2020 £000
Cash and cash equivalents	4,594	(1,386)	-	3,208

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2020

1. Constitution and subsidiaries

The Honourable Artillery Company was incorporated by Letters Patent on 25 August 1537 and is registered as a charity (registration number 208443). The subsidiary group companies are:

-HAC Enterprises Limited (registration no. 01677400)
-HAC Flank Companies' Ball Limited (registration no. 02266408)
-Pencelli Limited (registration no. 03724227)

2. Accounting Policies

Accounting convention

The charity is a public benefit entity for the purposes of FRS102 and therefore 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 Financial Reporting Standard 102 published on 16 July 2014, and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

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 the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102 published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Consolidation

The accounts of the Company include those activities of the Company which have a material effect on its financial position or results. Certain funds, in particular those of the Old Comrades' Association, have not been included because they are not material.

The consolidated accounts include the accounts of the Company and its three subsidiaries, HAC Enterprises Ltd, HAC Flank Companies' Ball Ltd and Pencelli Ltd. The accounts of the Company of Pikemen & Musketeers and the Light Cavalry are included as part of the Company's accounts for the financial year. The Unconsolidated Balance Sheet of the Company is shown alongside the Consolidated Balance Sheet, in the format recommended by the FRS 102 Charities SORP.

A separate Statement of Financial Activities for the Company is not presented as permitted by the FRS 102 Charities SORP. Under the requirements of the FRS 102 Charities SORP the Company has been required to disclose the value of its unfunded pension reserve deficit.

The accounts include a Consolidated Statement of Cash Flows as required by the FRS 102 Charities SORP.

Going concern

The trustees have assessed the use of the going concern basis for preparing the accounts of the Company and its three subsidiaries. The trustees are satisfied that the going concern basis is appropriate and have referred to the approved budget for next year and the latest 5 year

business plan and 10 year financial projections to arrive at this conclusion, and are satisfied that the Company has sufficient resources to meet its ongoing liabilities and that it can continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Income and Endowments

a) Donations and legacies are recognised when they are received or when the Company has legal entitlement and receipt is probable.

b) Member subscriptions are recognised when receivable and receipt is probable and are net of applicable VAT, and are accounted for on an accruals basis. Gift aid reclaimed on subscriptions paid under Deed of Covenant is recognised when receivable and receipt is probable.

c) Other income is recognised when receivable less any provision for bad debt.

d) Income from Trading Activities which includes sutling, grounds hire, bedrooms, car parking, the Flank Companies' Ball and miscellaneous sales is recognised when receivable net of any provision for bad debt and accounted for on an accruals basis.

e) Investment property income represents rental income, licence fee income and miscellaneous income from the investment property portfolio comprising commercial and residential properties located around the perimeter of the Artillery Garden, and the Pencelli Estate. The income is recognised when receivable net of any provision for bad debt and accounted for on an accruals basis.

f) Listed investment income represents dividends received or accrued in the period.

g) Interest on cash deposits is recognised when received or accrued in the period.

Expenditure

a) Trading costs of sutling, grounds hire, bedrooms, car parking, cost of the Flank Companies' Ball and cost of miscellaneous sales are recognised as incurred and accounted for on an accruals basis. Trading costs include an allocation of total payroll costs for Company staff, contract and temporary staff, with the allocation being based on a percentage estimate of the time spent on trading activities. The allocation is reviewed each year. Trading costs also included an allocation of utilities and general office overheads agreed each year.

b) Investment property costs include the managing agent's fees and repair and maintenance and void costs, and are recognised as incurred. Costs paid for by the Company are accounted for on an accruals basis.

c) Investment management charges by Cazenove Capital Management Ltd are paid directly from the Unrestricted/Restricted Pooled Fund and Benevolent Fund and are recognised when charged to each Fund.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2020 (cont'd)

d) Military grants to the Honourable Artillery Company Regiment are agreed by the Court of Trustees each year and recognised as incurred. Other ad hoc grants and donations are agreed by the Court of Trustees and accounted for on an accruals basis.

e) The costs of maintaining and operating Armoury House for Company usage is net of the allocation of payroll and utility costs allocated to trading activities.

f) The cost of support for the Membership and the cost of general Company administration and overheads is net of the allocation of general overheads to trading activities. Governance costs included in general overheads relate to the direct costs associated with the constitutional and statutory requirements of the Company and include the costs of external audit, secretarial and other constitutional related costs.

Other gains and losses

a) The Listed investments in the Unrestricted/Restricted Pooled Fund and Benevolent Fund portfolios managed by Cazenove Capital Management Ltd are valued each quarter and the total valuation change for the financial year is included in the SOFA as an unrealised gain or loss.

b) The Investment Properties are professionally revalued every 3 years and the valuation change since the previous valuation is included in the SOFA as an unrealised gain or loss. The trustees consider any change in values in between formal professional valuations.

c) The defined benefit pension scheme is an unfunded future cash flow liability which is calculated each financial period and discounted to the Balance Sheet date. The change in the total liability during the financial period is included in the SOFA as an actuarial gain or loss.

Designated and Restricted Funds

Income and expenditure related to the designated and restricted funds are included in the consolidated Statement of Financial Activities.

Tangible and intangible fixed assets for own use

Freehold and leasehold land in use by the Company at the Artillery Garden and Pencelli have been valued at cost. No value is attributed to Armoury House other than the capitalised cost of alterations. Other assets are stated at cost less depreciation, calculated on a straight line basis as follows:

Alterations to property	20/25/30/60/150 years
Plant, fixtures and equipment	10/15/20 years
Computers and other electronic equipment	3 to 5 years
Software	5 years

Tangible assets – Heritage assets

No value is attributed to the Company's collection of memorabilia and treasures acquired prior to 1 November 2005 which are considered to be part of its heritage. Treasures acquired from 1 November 2005 have been capitalised at cost. Heritage assets are not depreciated as their useful life is considered to be indefinite. Detailed records of Heritage assets are managed by the Museum and Treasures Committee who are also responsible for the ongoing preservation.

Access to Heritage assets is available by written request to the Museum and Treasures Committee.

Investments (including properties held as investments)
Investments are stated in the Balance Sheet at market values applying at the financial period end.

Stocks
Stocks are stated at the lower of cost and net realisable value.

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

Retirement benefits
It is the policy of the Company to recognise the liability for all work which has been completed and to accrue for any outstanding expenses. The financial statements show the value of the Pension Reserve Deficit in respect of unfunded pensions, which are payable directly by the Company to two past employees (see Note 16).

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

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

Basic financial assets
Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Basic financial liabilities
Basic financial liabilities, including trade and other creditors, bank loans, and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

a) The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11a, 11b and 11d for the carrying amount of the property, plant and equipment and note 2 for the useful economic lives for each class of asset.

b) The Company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 16 for the disclosures relating to the defined benefit pension scheme.

c) The Group uses the valuation performed by its independent professional valuers every 3 years as the fair value of its investment properties. The valuation is based upon the key assumptions of estimated rental values and market based yields. With regard to redevelopments and refurbishments, future development costs and an appropriate discount rate are also used. In determining fair value the valuers make reference to market evidence and recent transaction prices for similar properties.

d) Details of the last valuation methodology and key assumptions are given in note 11c. Management consider the significant assumptions to the valuation of investment properties to be estimated rental values and market based yields, together with general observations as to the state of the market at the Balance Sheet date.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2020 (cont'd)

3. Donations and legacies

	2020	2019
	£000	£000
Unrestricted Fund	1	2
Benevolent Fund	53	11
Other Restricted Funds	2	10
Total	**56**	**23**

4. Member subscriptions

	2020	2019
	£000	£000
Paid by members	293	283
Tax recovered on Gift Aid subscriptions	49	65
Entrance fees	3	3
VAT payable on subscription income	(35)	(32)
Total	**310**	**319**

5. Other income

	2020	2019
	£000	£000
Pikemen & Musketeers income	32	70
Light Cavalry income	170	160
Development agreement income-note (i)	-	1,794
Sports Levy	2	-
Total	**204**	**2,024**

Note (i): Exceptional income received from a neighbouring property under a development agreement

6. Other trading activities

	2020	2020	2020	2019
	Income	Expenses	Surplus/ (Deficit)	Surplus/ (Deficit)
	£000	£000	£000	£000
Sutling	921	887	34	555
Sports & grounds activities	136	137	(1)	61
Bedrooms	54	79	(25)	9
Car parking	43	-	43	4
Sale of books, ties, cards and other income	4	3	1	5
Flank Companies' Ball	-	-	-	54
	1,158	**1,106**	**52**	**688**
Other Expenses				
Audit fees	-	10	(10)	(11)
Administration charge	-	16	(16)	(18)
	-	26	(26)	(29)
Total	**1,158**	**1,132**	**26**	**659**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2020 (cont'd)

7. Investment property income and expenditure

	2020	2019
Income	**£000**	**£000**
Commercial	955	896
Residential	353	354
Other rental income	343	335
RFCA (for use of Prince Consort Rooms)	-	-
Total income	**1,651**	**1,585**
Expenditure		
Management fees (including the Pencelli estate)	37	32
Cost of insurance, legal and professional fees	57	45
Maintenance and repairs	229	145
Total expenditure	**323**	**222**

8. Military grants and other charitable expenditure

	No of Grants 2020	2020 £000	No of Grants 2019	2019 £000
Grants to the Regiment and Sub Units	14	342	18	408
Other charitable expenditure from Unrestricted Fund	7	7	8	42
Vambrace impairment provision	-	34	-	357
Total grants paid from the Company's general resources	21	383	26	807
Grants from the Regimental Grants Fund (not quantified)	2	37	-	28
Grants from the Benevolent Fund to individuals	15	17	15	55
Other charitable expenditure from Restricted Funds	3	3	3	12
Grants to Pikemen & Musketeers from the Dugdale Bequest	1	2	1	3
Total grants paid	**42**	**442**	**45**	**905**
Pikemen & Musketeers expenditure	-	59	-	58
Light Cavalry expenditure	-	167	-	169
Total military grants and other charitable expenditure	**42**	**668**	**45**	**1,132**

9. Maintenance and operation of Armoury House

	2020 £000	2019 £000
Staff costs, including taxes and pension contributions (including contract and temporary staff)	409	473
Rates, water, power and heating	106	139
Cleaning and waste removal	41	43
Property maintenance and repairs	303	468
Treasures, Archives	60	83
AIB Loan financing cost	-	2
Recharges to trading subsidiaries	(104)	(125)
Total	**815**	**1,083**

10. Membership services and general administration

	2020 £000 Unrestricted Funds	2020 £000 Restricted Funds	2020 £000 Total	2019 £000 Unrestricted Funds	2019 £000 Restricted Funds	2019 £000 Total
Staff costs, including taxes, pension contributions and pensions to former employees	453	-	453	533	-	533
Employee termination payments	3	-	3	-	-	-
Office services, IT and telephone	128	-	128	111	-	111
Membership administration	20	-	20	15	-	15
Insurance	87	-	87	82	-	82
Publications	59	-	59	56	-	56
Bank charges, other legal and professional costs	39	-	39	56	-	56
Recharges to trading subsidiaries	(65)	-	(65)	(57)	-	(57)
Benevolent Fund administration costs	-	6	6	-	6	6
Governance	50	-	50	53	1	54
	774	**6**	**780**	**849**	**7**	**856**
Auditors' remuneration (excluding VAT) included in above total:						
Audit Fees	30	-	30	20	1	21
Non-audit Fees	-	-	-	7	-	7

11. Fixed assets

11a. Tangible fixed assets for own use

	Freehold/ Leasehold Land & Buildings £000	Furniture, Plant and Equipment £000	Charity Total £000	Subsidiary Freehold Land £000	Group Total £000
Cost					
At 1 November 2019	8,495	1,739	10,234	329	10,563
Additions	79	136	215	-	215
Disposals	-	-	-	-	-
At 31 October 2020	8,574	1,875	10,449	329	10,778
Depreciation					
At 1 November 2019	4,323	1,013	5,336	-	5,336
Charge for year	124	135	259	-	259
Disposals	-	-	-	-	-
Impairment-note (i)	34	-	34	-	34
At 31 October 2020	4,481	1,148	5,629	-	5,629
Net Book Value					
At 31 October 2020	**4,093**	**727**	**4,820**	**329**	**5,149**
At 31 October 2019	**4,172**	**726**	**4,898**	**329**	**5,227**

Note (i): The Company has made an impairment provision of £34k against the carrying value of the costs incurred on Project VAMBRACE on the basis that the final asset is likely to be leased to the Regiment at a lower than market value rent.

The Company has substantial long-held historic assets which are used in the course of the Company's activities to support the Regiment, Special Constabulary Detachment and Company membership. These comprise the land and buildings at Armoury House, together with certain military and ceremonial items and other treasured artefacts. The buildings at Armoury House were constructed principally in 1734-35, 1787, 1826-28 and 1843. Due to the age of these items, and in many cases the unique nature, reliable historical cost information is not available for these assets and could not be obtained except at disproportionate expense. In the opinion of the Court the depreciated historical costs of these items is now immaterial.

Included within the cost of freehold land and buildings are the capitalised costs of later acquisitions and alterations to the land and buildings, including £6,606k relating to the development of the Prince Consort Rooms. Buildings insurance for properties owned by the Company including Armoury House and other Investment properties (see note 11c) at 31 October 2020 is held to the value of £47,397k (insurance value). This excludes any investment properties let on a full repairing lease where the tenant has the obligation to insure. The insurance value is reviewed annually.

11. Fixed assets, contd

11b. Tangible fixed assets, contd

	Light Cavalry £000	Pikemen & Musketeers £000	Heritage Assets £000
Cost			
At 1 November 2019	43	265	139
Additions	16	35	4
Disposals	(7)	-	-
At 31 October 2020	52	300	143
Depreciation			
At 1 November 2019	37	265	-
Charge for year	6	35	-
Disposals	(4)	-	-
At 31 October 2020	39	300	-
Net Book Value			
At 31 October 2020	**13**	**-**	**143**
At 31 October 2019	**6**	**-**	**139**

Depreciation applied to the assets of the Light Cavalry is in line with their useful economic life.

Amounts spent by the Pikemen & Musketeers in the year on re-equipping have been written down in the year.

In accordance with the FRS 102 Charity SORP, treasures acquired from 1 November 2005 have been capitalised by the Company.

11. Fixed assets, contd

11c. Tangible fixed assets held for investment – Properties

	2020 £000	2019 £000
Valuation at 1 November 2019	36,482	36,482
Revaluation	8,773	-
Additions	-	-
At 31 October 2020	**45,255**	**36,482**

The investment properties are professionally valued on a triennial basis and the value is informally reviewed by the trustees on an annual basis. The investment properties were last valued on an 'open market' basis by Farebrother, the Company's Property agents, at 31 October 2020. Since the onset of the COVID-19 pandemic, there has been a reduction in the certainty with which property values can be inferred from historic data. The ongoing control measures arising from the pandemic have also increased the uncertainties facing some of our tenants' businesses, which has a further consequential impact on valuations. Although the values reported above are believed to be a fair estimate, there will be a greater likelihood that actual amounts achievable would differ from these valuations than in previous periods.

11d. Intangible assets – Software for own use

	2020 £000
Cost	
At 1 November 2019	76
Additions	25
At 31 October 2020	101
Amortisation	
At 1 November 2019	8
Charge for year	20
At 31 October 2020	28
Net Book Value	
At 31 October 2020	**73**
At 31 October 2019	**68**

12. Listed investments

	2020 £000	2019 £000
Investments at valuation – 1 November 2019	8,489	5,948
Funds added	560	2,088
Funds removed	(7)	(80)
Revaluation gain/(loss)	(868)	593
Investment management charges	(68)	(60)
Investments at market value – 31 October 2020	**8,106**	**8,489**
Investments at cost	7,276	6,627
Unrealised gains	830	1,862
	8,106	**8,489**
Split of investments – 31 October 2020		
UK listed investments	3,984	4,379
Overseas listed investments	3,679	3,262
Multi-Asset funds	127	207
Held as cash	316	641
	8,106	**8,489**

The Charity's own accounts also include the investment in its subsidiaries (note 13).

13. Subsidiary companies

The Company has three wholly-owned subsidiary companies, all registered in England:

- HAC Enterprises Limited, which is responsible for Sutling, House and Ground hire, and sports activities.
- HAC Flank Companies' Ball Limited (owned by HAC Enterprises Limited), which organises an annual ball on the Company's premises.
- Pencelli Ltd, which owns the Welsh Pencelli Estate in the Brecon Beacons.

Gift Aid arrangements have been made between HAC Enterprises Limited and HAC Flank Companies' Ball Limited and the Company whereby these subsidiaries donate the whole of their surplus income to the Company each year. The donation from HAC Flank Companies' Ball Limited will be transferred to the Regimental Grants Fund. The amounts owed by the subsidiaries to the Company at 31 October 2020 are shown below:

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2020 (cont'd)

	HAC Enterprises Ltd £000	HAC Flank Companies' Ball Ltd £000	Pencelli Ltd £000
Fixed assets			
Tangible assets for own use	-	-	329
Shares in subsidiary (see above)	1	-	-
Total fixed assets	**1**	**-**	**329**
Current assets			
Stocks	5	-	-
Debtors	42	-	-
Owed by Company	-	-	-
Other debtors and prepayments	12	-	-
Cash at bank and in hand	296	9	-
Total current assets	355	9	-
Creditors			
Trade creditors	17	-	-
Accruals and deferred income	157		-
Amounts owed to Company	181	8	29
Other creditors	-	-	-
Total creditors	355	8	29
Net current assets	-	1	(29)
Net assets	**1**	**1**	**300**
Share capital of subsidiary	**1**	**1**	**300**

14. Debtors and prepayments

	Group		Charity	
	2020	**2019**	**2020**	**2019**
	£000	**£000**	**£000**	**£000**
Trade debtors	326	427	310	8
Sundry debtors	61	49	35	49
Prepayments and accrued income	333	348	321	325
Taxation	23	28	23	171
Amounts owed by subsidiaries (note 13)	-	-	218	37
Total	**743**	**852**	**907**	**590**

All debtors, excluding prepayments are financial instruments measured at amortised cost.

15. Creditors due within one year

	Group		Charity	
	2020	**2019**	**2020**	**2019**
	£000	**£000**	**£000**	**£000**
Trade creditors	163	459	146	389
Amounts owed to subsidiaries (note 13)	-	-	-	160
Accruals	169	219	167	200
Deferred income	253	688	98	142
Taxation	21	60	21	60
Other creditors	51	71	51	71
Total	**657**	**1,497**	**483**	**1,022**

Deferred income represents income in advance for events, accommodation, room and grounds hire, rent and subscriptions.

All creditors, excluding deferred income and taxation, are financial instruments measured at amortised cost.

16. Pensions

The Company subscribes to a Group Personal Pension Scheme for those employees who have elected to join the scheme. The fund is administered on behalf of the employees by Aviva. Twenty-three employees have elected to join this scheme and the cost to the Company of contributions for the year to 31 October 2020 was £72k, of which £11k related to an employee who earned above £60k per year.

One past employee (2019: Two) is in receipt of a pension payable directly by the Company and which is unfunded. At 31 October 2020 the pensions in payment had an annual cost of £10k (2019: £12k). The Company estimated the value of the unfunded future pension obligation at 31 October 2020 as £72k (2019: £86k). An average inflation rate of 2.0% and a discount rate of 0.01% have been assumed in assessing this liability. The movement in the Pension Reserve (liability) was as follows:

	2020	**2019**
	£000	**£000**
Opening liability at 1 November 2019	86	90
Past service cost	(10)	(12)
Changes in demographic and financial assumptions	(4)	8
Closing liability 31 October 2020	72	86

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2020 (cont'd)

17. Charitable Funds

a)Current period	1 November 2019	Income	Expenditure	Investment Gains/(Losses) & Transfers	31 October 2020
	£000	£000	£000	£000	£000
Unrestricted Funds:					
Designated Reserves	7,813	3,227	(3,463)	(451)	7,126
Fixed Asset Fund	41,778	-	-	8,699	50,477
Less: Pension Reserve liability	(86)	-	-	14	(72)
Total Unrestricted Funds	**49,505**	**3,227**	**(3,463)**	**8,262**	**57,531**
Restricted Funds:					
Benevolent Fund	3,198	114	(53)	(315)	2,944
Regimental Grants Fund	542	1	(37)	-	506
Light Cavalry	170	170	(167)	-	173
Pikemen & Musketeers	304	32	(59)	-	277
Other Restricted Funds	430	7	(4)	(16)	417
Total Restricted Funds	**4,644**	**324**	**(320)**	**(331)**	**4,317**
Endowment Funds					
Dugdale Bequest	132	2	(3)	(12)	119
Total Funds	**54,281**	**3,553**	**(3,786)**	**7,919**	**61,967**

b)Prior period	1 November 2018	Income	Expenditure	Investment Gains/(Losses) & Transfers	31 October 2019
	£000	£000	£000	£000	£000
Unrestricted Funds:					
Designated Reserves	**6,057**	5,903	(4,498)	351	7,813
Fixed Asset Fund	41,803	-	-	(25)	41,778
Less: Pension Reserve liability	(90)	-	-	4	(86)
Total Unrestricted Funds	**47,770**	**5,903**	**(4,498)**	**330**	**49,505**
Restricted Funds:					
Benevolent Fund	2,930	109	(87)	246	3,198
Regimental Grants Fund	514	56	(28)	-	542
Light Cavalry	165	160	(155)	-	170
Pikemen & Musketeers	280	70	(46)	-	304
Other Restricted Funds	418	88	(88)	12	430
Total Restricted Funds	**4,307**	**483**	**(404)**	**258**	**4,644**
Endowment Funds					
Dugdale Bequest	124	3	(4)	9	132
Total Funds	**52,201**	**6,389**	**(4,906)**	**597**	**54,281**

Unrestricted Funds:

Designated Reserves comprises:

Short Term Reserve – This is the cash balance required to fund a minimum of 6 months running costs based on the budget for the following year. As at 31 October 2020 this reserve had a balance of £1,194k.

Medium Term Reserve – This is the cash balance required to fund the Capital Expenditure for the next 5 years as set out in the Company's latest capital expenditure forecast and consistent with the latest 10 Year Business Plan. As at 31 October 2020 this reserve had a balance of £778k.

Long Term Reserve – This reserve has been established with a target of £10million for the future term needs of the HAC Regiment which are for additional facilities and equipment. The reserve is held in a mix of cash, working capital, and equity investments. At 31 October 2020 this reserve had a balance of £5,082k.

Fixed Asset Fund — This has been set up to identify those funds that are not free funds. The value shown represents the net book value of tangible and intangible fixed assets, including property investments.

Restricted Funds:

Benevolent Fund — The value of this fund decreased during the current year mainly due to investment losses. Dividends received have been reinvested. The Benevolent Fund Committee actively seeks potential applicants and members are invited to bring needy cases to the HAC Trustees' attention. Fund income currently derives from legacies and donations, and bank interest on cash balances.

Regimental Grants Fund — The purpose of this fund is to provide recruiting and retention in the Regiment and can be spent on both capital and revenue expenditures. In reviewing the long-term requirements for this fund it has been agreed that the value of this fund is to be capped at £600k. The main source of income for this fund is from interest earned on bank deposits. The value of the fund is supplemented by the profit of HAC Flank Companies' Ball Ltd, which is Gift Aided to this fund.

Light Cavalry — The balance on this fund represents the asset value of the HAC Light Cavalry, which has been consolidated into the accounts of the HAC.

Pikemen & Musketeers — The balance on this fund represents the asset value of the Company of Pikemen & Musketeers, which has been consolidated into the accounts of the HAC.

Other Restricted Funds — The balances on these funds consist of the Gridley Will Trust, which is used by the Commanding Officer to fund annual prizes, and the Benton Bequest ('A' Battery Fund), used to support the cost of an annual dinner. Income for these other restricted funds derives from a combination of legacies, donations, dividends and bank interest.

Permanent Endowment Funds — The Dugdale Bequest is to be held in perpetuity, with only the annual income being used to maintain the equipment of the Company of Pikemen & Musketeers. £2k was distributed in the year (2019: £3k).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 October 2019 (cont'd)

18.

Analysis of Group net assets between Funds – 2020	Tangible and Intangible Fixed Assets	Investments	Current Assets	Liabilities	Total 2020
	£000	£000	£000	£000	£000
Unrestricted Funds					
Designated Reserves	-	4,949	2,812	(635)	7,126
Fixed Asset Fund	50,477	-	-	-	50,477
Less: Pension Reserve liability	-	-	-	(72)	(72)
Total Unrestricted Funds	**50,477**	**4,949**	**2,812**	**(707)**	**57,531**
Restricted Funds					
Benevolent Fund	-	2,882	62	-	2,944
Regimental Grants Fund	-	-	506	-	506
Light Cavalry	13	-	182	(22)	173
Pikemen & Musketeers	-	-	277	-	277
Other Restricted Funds	143	156	118	-	417
Total Restricted Funds	**156**	**3,038**	**1,145**	**(22)**	**4,317**
Endowment Funds					
Dugdale Bequest	-	119	-	-	119
Total Funds	**50,633**	**8,106**	**3,957**	**(729)**	**61,967**

During the year, in accordance with the Cash Management Policy approved by the Court, the cash resources of the Unrestricted and Restricted funds of the Company have continued to be operated as a single pooled-cash resource. At 31 October 2020 the amount owing to Restricted Funds by the Unrestricted Funds, was £750k (2019: £790k).

Analysis of Group net assets between Funds – 2019	Tangible Fixed Assets	Investments	Current Assets	Liabilities	Total 2019
	£000	£000	£000	£000	£000
Unrestricted Funds					
Designated Reserves	-	5,019	4,267	(1,473)	7,813
Fixed Asset Fund	41,778	-	-	-	41,778
Less: Pension Reserve liability	-	-	-	(86)	(86)
Total Unrestricted Funds	**41,778**	**5,019**	**4,267**	**(1,559)**	**49,505**
Restricted Funds					
Benevolent Fund	-	3,164	34	-	3,198
Regimental Grants Fund	-	-	542	-	542
Light Cavalry	6	-	184	(20)	170
Pikemen & Musketeers	-	-	308	(4)	304
Other Restricted Funds	139	174	117	-	430
Total Restricted Funds	**145**	**3,338**	**1,185**	**(24)**	**4,644**
Endowment Funds					
Dugdale Bequest	-	132	-	-	132
Total Funds	**41,923**	**8,489**	**5,452**	**(1,583)**	**54,281**

19. Payroll costs

	2020 £000	2019 £000
HAC salaries (excl. Er's NI, pensioners & contract staff)	913	916
HAC employer's National Insurance	82	92
HAC emoluments (excluding pensioners & contract staff)	**995**	**1,008**
HAC Job Retention Scheme payments received	**(66)**	**-**
Light Cavalry salaries (excl. Er's NI)	72	64
Light Cavalry employer's National Insurance	5	5
Light Cavalry emoluments	**77**	**69**
Light Cavalry Job Retention Scheme payments received	**(7)**	**-**
Pensions paid	**10**	**12**
Total Staff Costs	**1,009**	**1,089**

	2020 No.	2019 No.
Average number of HAC employees (excl. contract staff and pensioners)	22	22
Average number of Light Cavalry employees	3	3
Average number of pensioners	1	2
Total Staff	**26**	**27**
Number of employees earning between £60k and £70k	1	-
Number of employees earning between £110k and £120k	1	1

The highest paid employee received employer pension scheme contributions of £10,704 (2019: £10,582).

The remuneration of the 6 (2019:7) key management personnel totalled 362,088 (2019: £360,549). Their employer pension contributions were £21,711 (2019: £22,109).

HAC Emoluments in 2020 include £16,947 of redundancy payments (2019: £Nil)

20. Capital commitments

The company had capital commitments as at 31 October 2020 totalling £nil (2019: £nil).

The company is considering a request from the Regiment to provide additional storage space and facilities. This project, if approved, will span several years. Costs incurred to date amount to £391k (2019: £357k) by way of professional fees and has been written down to £nil with an additional Impairment Provision of £34k in the current year (2019: £357k) – see note 11a (i). Further costs of £10k in 2020 (2019: £nil) have been met by a Grant from the Regimental Grants Fund and have been expensed.

21. The Court and related parties

The members of the Court of Assistants are the Trustees of the Company. The Trustees were covered by indemnity insurance for the year ended 31 October 2020.

Two Trustees (2019: two), who served during the year, rent flats that are owned by the Company, one of which is subject to a regulated tenancy agreement, while the other is let at market rates.

Expenses totalling £nil (2019: £921) were claimed by Trustees.

Fees totalling £1,007 (2019: £2,437) were charged to the Company by Major Charles Marment, a Trustee, for services as Secretary to the HAC Regimental Council.

The Commanding Officer of the Regiment, Lieutenant Colonel J P Chorley, who is also a Trustee of the Company, is provided with free accommodation and also has exclusive discretion over the application of the Active Unit Grant, which is one of the 26 grants to the Regiment and Sub Units included in Note 8. The Active Unit Grant amounted to £90k for the year ended 31 October 2020 (2019: £86k).