

# **HONOURABLE ARTILLERY COMPANY**

**(Charity Registered in England and Wales Number 208443)**

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## **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.

**Honourable Artillery Company**

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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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the Charity's Trustees, as a body, in accordance with section 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
<b>INCOME AND ENDOWMENTS FROM:</b>					
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
<b>Total income</b>	<b>16</b>	<b>4,699</b>	<b>623</b>	<b>5,322</b>	<b>5,096</b>
<b>EXPENDITURE ON:</b>					
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
<b>Total expenditure</b>	<b>16</b>	<b>4,650</b>	<b>564</b>	<b>5,214</b>	<b>5,739</b>
<b>Net operating income/(expenditure)</b>		<b>49</b>	<b>59</b>	<b>108</b>	<b>(643)</b>
Gains/(losses) on investments					
Net gain on Listed investments	12	714	434	1,148	204
Investment property revaluation (loss)	11c	(51)	-	(51)	(3,596)
<b>Net income/(expenditure) and net movement in funds for year</b>		<b>712</b>	<b>493</b>	<b>1,205</b>	<b>(4,035)</b>
<b>Funds brought forward at 1 November 2023</b>	<b>16</b>	<b>50,935</b>	<b>5,261</b>	<b>56,196</b>	<b>60,231</b>
<b>Funds carried forward at 31 October 2024</b>	<b>17</b>	<b>51,647</b>	<b>5,754</b>	<b>57,401</b>	<b>56,196</b>

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

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 October 2023

		Unrestricted	Restricted	Total
	Note	Funds £000	Funds £000	31- Oct 2023 £000
<b>INCOME AND ENDOWMENTS FROM:</b>				
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
<b>Total income</b>	16	<b>4,474</b>	<b>622</b>	<b>5,096</b>
<b>EXPENDITURE ON:</b>				
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
<b>Total expenditure</b>	16	<b>5,262</b>	<b>477</b>	<b>5,739</b>
<b>Net operating income</b>		<b>(788)</b>	<b>145</b>	<b>(643)</b>
(Losses)/gains on investments				
Net (loss)/gain on Listed investments	12	114	90	204
Investment property revaluation (loss)	11c	(3,596)	-	(3,596)
<b>Net (expenditure)/income and net movement in funds for year</b>		<b>(4,270)</b>	<b>235</b>	<b>(4,035)</b>
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



**Honourable Artillery Company**

**CONSOLIDATED & CHARITY BALANCE SHEETS**

**31 OCTOBER 2024**

		2024	2023	2024	2023
	Note	Group £000	Group £000	Charity £000	Charity £000
<b>Fixed Assets</b>					
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
<b>Total fixed assets</b>		<b>54,294</b>	<b>52,811</b>	<b>54,266</b>	<b>52,783</b>
<b>Current assets</b>					
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
		<b>4,428</b>	<b>4,519</b>	<b>4,127</b>	<b>4,278</b>
<b>Liabilities:</b>					
Creditors falling due within one year	15	(1,321)	(1,134)	(992)	(903)
<b>Net current assets</b>		<b>3,107</b>	<b>3,385</b>	<b>3,135</b>	<b>3,375</b>
<b>NET ASSETS</b>		<b>57,401</b>	<b>56,196</b>	<b>57,401</b>	<b>56,158</b>
<b>CHARITABLE FUNDS</b>					
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
		<b>51,647</b>	<b>50,935</b>	<b>51,647</b>	<b>50,897</b>
<b>Restricted Funds</b>	16&17	<b>5,754</b>	<b>5,261</b>	<b>5,754</b>	<b>5,261</b>
<b>TOTAL CHARITABLE FUNDS</b>		<b>57,401</b>	<b>56,196</b>	<b>57,401</b>	<b>56,158</b>

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

  
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
<b>Cash flows from operating activities:</b>			
Net cash (used) in operating activities		(2,115)	(2,178)
<b>Cash flows from investing activities:</b>			
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
<b>Net cash provided by investing activities</b>		<b>996</b>	<b>1,839</b>
<b>Change in cash and cash equivalents in reporting period</b>		<b>(1,119)</b>	<b>(339)</b>
Cash and cash equivalents as at 1 November 2023		4,452	4,791
<b>Cash and cash equivalents as at 31 October 2024</b>		<b>3,333</b>	<b>4,452</b>
		<b>2024</b>	<b>2023</b>
		<b>£000</b>	<b>£000</b>
<b>Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>	Note		
Net income/expenditure for the reporting period		1,205	(4,035)
<b>Adjustments for:</b>			
<b>Depreciation Charges:</b>			
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
<b>Net cash (used in)/generated by operating activities</b>		<b>(2,115)</b>	<b>(2,178)</b>
<b>Analysis of cash and cash equivalents</b>			
Cash in hand		627	937
Notice deposits (less than 3 months)		2,501	2,907
		<b>3,128</b>	<b>3,844</b>
<b>Cash held with investment managers</b>		<b>205</b>	<b>608</b>
<b>Total cash and cash equivalents</b>		<b>3,333</b>	<b>4,452</b>
<b>Reconciliation of net debt:</b>			

	At 1 November 2023 £000	Cash flows 2024 £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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 October 2024 (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.

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 October 2024 (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 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	2023	
		Income	Expenses	Surplus/
				(Deficit)
		£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	
	91	(71)	20	
	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 <i>Income</i>	2023 <i>Expenses</i>	2023 <i>Surplus/ (Deficit)</i>
	£000	£000	£000
<i>Sutling</i>	1,958	(740)	1,218
<i>Sports &amp; grounds activities</i>	238	(188)	50
<i>Bedrooms</i>	118	(96)	22
<i>Car parking</i>	2	-	2
<i>Sale of books, ties, cards and other income</i>	15	(2)	13
<i>Audit fees</i>	-	(10)	(10)
<i>Administration charge</i>	-	(182)	(182)
<i>Unrestricted Funds</i>	2,331	(1,218)	1,113
<i>Flank Companies' Ball – restricted funds</i>	73	(78)	(5)
<b>Total</b>	<b>2,404</b>	<b>(1,296)</b>	<b>1,108</b>

**7. Investment property income and expenditure**

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

**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	2023 £000
Grants to the Regiment and Sub Units - unrestricted	47	432	47	387
Grants from the Benevolent Fund to individuals	19	32	5	32
Vambrace expenditure (see note below)	1	232	1	952
<b>Total grants paid</b>	<b>67</b>	<b>696</b>	<b>53</b>	<b>1,371</b>
Other charitable expenditure	1	1	1	1
Pikemen & Musketeers expenditure	-	77	-	98
Light Cavalry expenditure	-	235	-	242
<b>Total military grants and other charitable expenditure</b>	<b>68</b>	<b>1,009</b>	<b>54</b>	<b>1,712</b>

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)
<b>Total</b>	<b>1,309</b>	<b>1,432</b>

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 October 2024 (cont'd)

## 10. Membership services and general administration

	2024	2023
	£000	£000
	Total	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
	<u>1,092</u>	<u>929</u>
Auditor's remuneration (excluding VAT) included in above total:		
Audit Fees	<u>37</u>	<u>31</u>

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

**11. Fixed assets**

<b>11a. Tangible fixed assets for own use</b>	<b>Freehold/ Leasehold Land &amp; Buildings £000</b>	<b>Furniture, Plant and Equipment £000</b>	<b>Charity Total £000</b>	<b>Subsidiary Freehold Land £000</b>	<b>Group Total £000</b>
<b>Cost</b>					
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
<b>Depreciation</b>					
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
<b>Net Book Value</b>					
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
<b>Cost</b>			
At 1 November 2023	48	300	147
Additions	11	-	-
	<hr/>	<hr/>	<hr/>
At 31 October 2024	59	300	147
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1 November 2023	25	300	-
Charge for year	13	-	-
	<hr/>	<hr/>	<hr/>
At 31 October 2024	38	300	-
	<hr/>	<hr/>	<hr/>
<b>Net Book Value</b>			
At 31 October 2024	21	-	147
	<hr/>	<hr/>	<hr/>
At 31 October 2023	23	-	147
	<hr/>	<hr/>	<hr/>

## 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)
<b>At 31 October 2024</b>	<b>37,792</b>	<b>37,843</b>

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
<b>Cost</b>	
At 1 November 2023	101
At 31 October 2024	101
<b>Amortisation</b>	
At 1 November 2023	96
Charge for year	4
At 31 October 2024	100
<b>Net Book Value</b>	
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	2023
	£000	£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	<u>1,148</u>	<u>204</u>
Sub-Total	11,383	9,645
Investment cash	205	608
<b>Investments at market value – 31 October 2024</b>	<b><u>11,588</u></b>	<b><u>10,253</u></b>

## 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
	<b><u>11,588</u></b>	<b><u>10,253</u></b>

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
<b>Fixed assets</b>			
Tangible assets for own use	-	-	329
Shares in subsidiary (see above)	1	-	-
<b>Total fixed assets</b>	<b>1</b>	<b>-</b>	<b>329</b>
<b>Current assets</b>			
Stocks	3	-	-
Debtors	177	-	-
Other debtors and prepayments	88	-	-
Cash at bank and in hand	1,240	23	-
<b>Total current assets</b>	<b>1,508</b>	<b>23</b>	<b>-</b>
<b>Creditors</b>			
Trade creditors	74	-	-
Accruals and deferred income	255	-	-
Amounts owed to Company	1,179	24	29
<b>Total creditors</b>	<b>1,508</b>	<b>24</b>	<b>29</b>
<b>Net current (liabilities)</b>	<b>-</b>	<b>(1)</b>	<b>(29)</b>
<b>Net assets</b>	<b>1</b>	<b>(1)</b>	<b>300</b>
<b>Share capital and reserves</b>	<b>1</b>	<b>(1)</b>	<b>300</b>

## 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
<b>Total</b>	<b>1,296</b>	<b>669</b>	<b>2,262</b>	<b>1,987</b>



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 October 2024 (cont'd)

15. Creditors due within one year	Group		Charity	
	2024 £000	2023 £000	2024 £000	2023 £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
<b>Total</b>	<b>1,321</b>	<b>1,134</b>	<b>992</b>	<b>903</b>

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
<b>Unrestricted Funds:</b>					
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
<b>Total Unrestricted Funds</b>	<b>50,935</b>	<b>4,699</b>	<b>(4,650)</b>	<b>663</b>	<b>51,647</b>
<b>Restricted Funds:</b>					
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
<b>Total Restricted Funds</b>	<b>5,261</b>	<b>623</b>	<b>(564)</b>	<b>434</b>	<b>5,754</b>
<b>Total Funds</b>	<b>56,196</b>	<b>5,322</b>	<b>(5,214)</b>	<b>1,097</b>	<b>57,401</b>
<b>b) Prior period</b>	<b>1 November 2022</b>	<b>Income</b>	<b>Expenditure</b>	<b>Investment Gains/(Losses) &amp; Transfers</b>	<b>31 October 2023</b>
	£000	£000	£000	£000	£000
<b>Unrestricted Funds:</b>					
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
<b>Total Unrestricted Funds</b>	<b>55,205</b>	<b>4,474</b>	<b>(5,262)</b>	<b>(3,482)</b>	<b>50,935</b>
<b>Restricted Funds:</b>					
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
<b>Total Restricted Funds</b>	<b>5,026</b>	<b>622</b>	<b>(477)</b>	<b>90</b>	<b>5,261</b>
<b>Total Funds</b>	<b>60,231</b>	<b>5,096</b>	<b>(5,739)</b>	<b>(3,392)</b>	<b>56,196</b>

## 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 Pikemen & 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 £000	Investments £000	Current Assets £000	Liabilities £000	Total 2024 £000
	<b>Unrestricted Funds</b>					
	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
	<b>Total Unrestricted Funds</b>	<b>42,538</b>	<b>6,983</b>	<b>3,191</b>	<b>(1,065)</b>	<b>51,647</b>
	<b>Restricted Funds</b>					
	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
	<b>Total Restricted Funds</b>	<b>168</b>	<b>4,605</b>	<b>1,237</b>	<b>(256)</b>	<b>5,754</b>
	<b>Total Funds</b>	<b>42,706</b>	<b>11,588</b>	<b>4,428</b>	<b>(1,321)</b>	<b>57,401</b>

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 £000	Investments £000	Current Assets £000	Liabilities £000	Total 2023 £000
	<b>Unrestricted Funds</b>					
	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
	<b>Total Unrestricted Funds</b>	<b>42,388</b>	<b>6,460</b>	<b>3,121</b>	<b>(1,034)</b>	<b>50,935</b>
	<b>Restricted Funds</b>					
	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
	<b>Total Restricted Funds</b>	<b>170</b>	<b>3,793</b>	<b>1,398</b>	<b>(100)</b>	<b>5,261</b>
	<b>Total Funds</b>	<b>42,558</b>	<b>10,253</b>	<b>4,519</b>	<b>(1,134)</b>	<b>56,196</b>

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

<b>18. Payroll costs</b>	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
HAC salaries (excl. Er's NI, pensioners & contract staff)	976	894
HAC employer's National Insurance	107	98
HAC emoluments (excluding pensioners & contract staff)	<b>1,083</b>	<b>992</b>
Light Cavalry salaries (excl. Er's NI)	88	72
Light Cavalry employer's National Insurance	8	6
Light Cavalry emoluments	<b>96</b>	<b>78</b>
Pension Contributions	105	100
Pensions paid	<b>12</b>	<b>11</b>
<b>Total Staff Costs</b>	<b><u>1,296</u></b>	<b><u>1,181</u></b>
	<b>2024</b>	<b>2023</b>
	<b>No.</b>	<b>No.</b>
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
<b>Total Staff</b>	<b>27</b>	<b>26</b>
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.