

# LLOYD'S PATRIOTIC FUND

England & Wales · Charity number 210173

## Details

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Other names	Lloyd's Veterans Charity
Status	Registered
Legal form	Other
Registered	1963-03-05
Register	<a href="#">View on the Charity Commission register</a>

## Contact

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Address	Lloyd's One Lime Street London EC3M 7HA
Phone	02073275484
Email	<a href="mailto:charity@lloyds.com">charity@lloyds.com</a>
Website	<a href="https://lloydsvc.org/">https://lloydsvc.org/</a>

## Activities

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**Objects:** PECUNIARY AID OR ASSISTANCE TO MEMBERS OF HER MAJESTY'S ARMED FORCES OR THEIR WIDOWS, ORPHANS, OR DEPENDENT RELATIVES AS THE TRUSTEES SHALL DECIDE ARE FITTING OBJECTS FOR SUCH AID, HAVING SPECIAL REGARD TO SUFFERINGS AND LOSSES ARISING DURING SERVICES IN ACTION. THE EDUCATION OF THE CHILDREN OF SUCH SERVICEMEN.(SEE CLAUSES 17 - 21 OF SCHEME OF 28TH MAY 1875).SURPLUS INCOME MAY BE APPLIED IN MAKING GRANTS TO ANY OF THE INSTITUTIONS REFERRED TO IN SCHEME OF 1875 OR INSTITUTIONS HAVING SIMILAR OBJECTS.

**Activities:** Lloyd's Patriotic Fund supports serving and ex-service members of the British Armed Forces and their families, with a particular focus on those who are disabled or facing poverty, illness and hardship.

## Classification

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- **How:** Makes Grants To Individuals, Makes Grants To Organisations
- **What:** General Charitable Purposes, Education/training, Disability, The Prevention Or Relief Of Poverty
- **Who:** Other Defined Groups

## Geography

- **Area of benefit:** NATIONAL
- Throughout England And Wales

## Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£439,000	£256,000	-	-
2023-12-31	£464,000	£214,000	-	-
2022-12-31	£579,000	£400,000	£4,185,000	0
2021-06-30	£470,000	£185,000	-	-
2020-06-30	£441,000	£348,000	-	-

## Trustees

Name	Role	Appointed
<b>Edward Butler</b>	Chair	2019-01-30
Hannah Rowland		2025-09-03
James de Labilliere		2023-07-13
Jane Warren		2025-02-28
Mark Keville		2024-08-20
Nicola West		2024-10-22
Nigel Somerville		2025-09-03
Sean McGovern		2024-01-01
Simon Maxwell		2023-02-21
Warren Clegg		2024-08-27

## Linked charities

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- ST GEORGE'S HOME FOR OFFICERS CHILDREN KNOWN AS ST GEORGE'S FUND (210173-1)
- THE JANSON FUND (210173-2)
- WARRINGTON FUND (210173-3)
- EDWIN HAMPSON MACKINTOSH FUND (210173-4)
- THE HUGH STEWART MCCORQUODALE MEMORIAL FUND (210173-5)
- WAR FUND (NAVAL) (210173-6)
- WAR FUND (MILITARY) (210173-7)
- SOUTH AFRICAN FUND (210173-8)
- SOUTH AFRICAN (TRANSVAAL WAR) FUND (210173-9)

**LLOYD'S PATRIOTIC FUND**

England & Wales - Charity number 210173

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# Accounts

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**LLOYD'S PATRIOTIC FUND**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2024**

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**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024**

**TRUSTEES AND OFFICIALS**

<b>Registered number</b>	210173
<b>Address</b>	Lloyd's of London One Lime Street London EC3M 7HA 020 7327 1000
<b>Trustees</b>	Mr Ed Butler (Chair) Mrs Michelle Alston (retired June 2024) Mr Bruce Carnegie-Brown (retired September 2024) Mr Warren Clegg (appointed August 2024) Mr James De Labilliere (appointed as Deputy Chair – November 2024) Dr Paul Hughes (retired October 2024) Mr Mark Keville (appointed August 2024) Mr Neil Maidment Mr Simon Maxwell Mr Sean McGovern (appointed January 2024) Mr William Roscoe (Deputy Chair - retired October 2024) Air Commodore Wendy Rothery (retired May 2025) Mrs Caroline Sandeman-Allen (retired March 2025) Mr Duncan Welham Mrs Nicola West (appointed October 2024) Ms Jane Warren (appointed February 2025)
<b>Secretary</b>	Mrs Lucy Dinsdale
<b>Investment Advisors</b>	Cazenove Capital Management 12 Moorgate London EC2R 6DA
<b>Auditors</b>	TC Group Suffolk House George Street Croydon CR0 0YN
<b>Bankers</b>	National Westminster Bank PLC PO Box 12258 1 Princes Street London EC2R 8PA

## LLOYD'S PATRIOTIC FUND

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

The trustees of Lloyd's Patriotic Fund (The Fund) have pleasure in presenting their report together with the audited financial statements of the Fund for the year ended 31 December 2024.

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Frequency of meetings and quorate meetings

Lloyd's Patriotic Fund (LPF) was established in 1803 constituted by a Trust Deed dated 28 May 1875 and is a registered charity subject to the provisions of the Charities Act 2011. The financial statements have been prepared in accordance with the accounting policies set out on pages 17 and 18 and comply with the Fund's Trust Deed and applicable law.

LPF is also guided by a separate terms of reference which covers matters such as number of trustees, frequency of meetings and quorate meetings.

Responsibility for carrying out the objectives of LPF rests with the trustees. The Charity Partnerships team at the Corporation of Lloyd's acts as Secretariat to The Fund, and works under the direction of the trustees. Delegated authority is given to the Lloyd's Charity Partnerships team, an outsourced finance team (TC SWP Ltd) and Lloyd's Treasury and Investment Management to advise and assist as per LPF's Delegated Authority documentation. With the exception of audit fees, bank charges, insurance and investment management fees which are borne directly by the Fund, all administration costs of the Fund are borne in full by the Corporation of Lloyd's.

The disbursement of the Fund is at the sole discretion of the trustees unless funds have been given for a specific purpose.

##### Trustees

There were eleven trustees as at 31 December 2024.

According to the governing document, upon the death, retirement or resignation of a trustee or when the number of trustees falls to seven, the trustees are required to appoint new trustees up to a maximum of fourteen. In accordance with the governing document the Board of Trustees did not fall below seven or exceed fourteen trustees at any one time.

The maximum term of office is nine years and trustees are asked to serve a minimum of three years.

All trustees give their time freely and no trustee remuneration was paid in the year from the funds of LPF. Any reasonable travel expenses were covered for trustees as a cost borne to the Corporation of Lloyd's.

##### Governance

New trustees are appointed by the Board of Trustees following approval from the Council of Lloyd's.

As a charity established to provide charitable grants on behalf of the Lloyd's market, trustees are drawn from across the Lloyd's market with the aim of representing different market constituencies – underwriters, brokers and members of Lloyd's governing body. Trustees external to the Lloyd's market are also on the board and the majority of trustees have military experience directly or indirectly.

LPF also aims to be a diverse board of trustees representing different voices as outlined in its Recruitment Policy which is reviewed every three years. With a formal external recruitment process implemented in June 2019 potential trustees can apply. LPF has a Trustee Recruitment subcommittee who formally interview potential candidates and decide who to put forward to the board. The board collectively agree what skills and knowledge gaps exist on the board and recruit candidates based on their experience and expertise, knowledge and interest in the charitable sector.

**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

Consideration is given to relevant experience such as military service as well as knowledge of Lloyd's and the London insurance market, their interest or experience in the military charitable sector and experience of charity governance.

Potential trustees are invited to meet with the Trustee Recruitment subcommittee (including the Chair and the Charity Partnerships team). Before agreeing to become a trustee they will take part in a trustee induction session with the Charity Partnerships team to be informed of LPF's structure, objectives and activities and their responsibilities as a trustee. This induction ensures that all new trustees follow good practice and guidance from the Charity Commission. All new trustees are required to sign LPF's Code of Conduct as part of their onboarding process.

Once appointed, trustees will be supported by the Charity Partnerships team and the Board of Trustees in any area of induction or training needed. Regular updates are provided at the meetings with regards to governance issues and changes to charity regulations.

All trustees complete a Register of Interests and a diversity and skills audit on an annual basis. They are also made aware of the requirement to alert the Chair and Charity Partnerships team at any time when a new potential conflict of interest arises.

Trustees meet three times a year as this is sufficient for the size and nature of the organisation. Four trustees present at a meeting shall be quorum. As stated in the original Trust Deed all matters and questions shall be determined by a majority vote of the trustees present at any meeting but in the event of a tie, the Chair shall have a second or casting vote.

At the trustee meetings the trustees agree the broad strategy and areas of activity for the Fund including consideration of governance, grant giving, charity partnerships, investment, reserve and risk management policies and performance.

Minutes are taken at each meeting and are circulated to trustees along with action points and responsibilities and are kept as a record.

LPF has a number of subcommittees of which trustees and the Charity Partnerships team are a part. These include:

- Fundraising
- Grants
- Investments & Finance
- Risk & Audit
- Communications

The day-to-day administration of grants and the processing and handling of applications prior to consideration by the relevant subcommittee is delegated to the Charity Partnerships team. The Grants subcommittee of trustees meet to review all applications for grants, shortlist applications and agree recommendations to take forward to trustee meetings.

**Charity Governance Code**

The Board of Trustees oversees the charity's governance policies and procedures. All work undertaken is in line with the Charity Governance Code which although not a legal or regulatory requirement, it sets the principles and recommended practice for good governance. The charity recognises that good governance is fundamental to its success and strives to develop high standards of governance.

## LLOYD'S PATRIOTIC FUND

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

#### **Risk Management**

The trustees have considered the major risks to which the charity is exposed and reviewed those risks and established systems and procedures to manage those risks.

The Risk Register outlines the major risks to which the charity is exposed. The Risk Register is reviewed annually and trustees are also alerted to any new risks.

As Lloyd's employees, all individuals administering LPF are able to raise issues relating to fraud and financial crime in accordance with Lloyd's Whistleblowing procedures. LPF has a Conflicts of Interests policy and procedure which all trustees are familiar with and follow. This is reviewed every three years.

#### **OBJECTIVES AND ACTIVITIES**

Founded in 1803, Lloyd's Patriotic Fund is the oldest military charity of its kind, supporting the armed forces community on behalf of the Lloyd's market. We focus on improving the transition to civilian life for veterans and their families who need the most help.

Each year, 15,000 personnel leave the UK Armed Forces and return to civilian life and their families. For the majority the transition is successful, however a high proportion of veterans find this more difficult, putting them in a vulnerable position.

Today, Lloyd's Patriotic Fund unites support from the market to aid the successful transition to civilian life for veterans and their families to ensure successful futures. Through a programme of grants, ranging in size and duration, Lloyd's Patriotic Fund partners with military charities who are best placed to meet the mental health and employment needs of the military community.

The trustees confirm that they have referred to the advice contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities.

The Fund is divided into a number of individual funds established for public benefit to achieve the Fund's strategic priorities.

#### **General Fund (1803)**

This Fund provides assistance to officers and men and women of the Royal Navy, the Army, Royal Marines and Royal Air Force or their families (partners, widows, orphans, dependants and relatives) who, at the trustees' discretion, are fitting recipients.

#### **The Hugh Stewart McCorquodale Memorial Fund (1901)**

A bequest of 1,000 guineas made by Lieutenant Hugh Stewart McCorquodale, killed during the South African War, where the use of income is at the discretion of trustees.

#### **Edwin Hampson Mackintosh Fund (1916)**

Lieutenant Edwin Hampson Mackintosh killed on the first day of the Battle of Loos, bequeathed £1,000 with the stipulation that the income is used for the benefit of officers of the Royal Navy or Royal Marines or their dependants.

#### **Janson Fund (1918) – now formally part of the general fund as of 28 January 2021**

A gift of £10,000 was made by the then Chair Percy Janson. Trustees designated that the capital or income be used primarily to assist officers of the Royal Navy, the Army and Royal Marines or their dependants in the form of grants towards the education and maintenance of their children.

## LLOYD'S PATRIOTIC FUND

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

#### Charles Skey Fund (2013)

In May 2013 Charles Skey, former trustee and Chair of Lloyd's Patriotic Fund, made a bequest of £1,000,000 to Lloyd's Patriotic Fund. Mr Skey expressed the wish that the capital is invested and untouched and that the income is used for the general charitable purposes of the Fund.

## ACHIEVEMENTS

### Fundraising

The trustees continue to focus on LPF's fundraising "Slip" campaign as a primary strategic fundraising campaign. The aim of this is to increase financial support from the Lloyd's market for LPF in collaboration with the Royal British Legion Lloyd's and City branch. This campaign focuses on donations from companies in the Lloyd's market. This approach has been in place since February 2019 following a review after which the LPF took a new approach to fundraising, grant giving and the way it works with its charity partners.

### Partnerships and Grant Giving

LPF continues to work closely with charities which support veterans and their families transitioning to civilian life through employability and mental health programmes.

Donations are provided for strategic charity partnerships to undertake an agreed project, subject to rigorous due diligence checks and a detailed Grant Agreement. The effectiveness of the grants and partnerships are monitored through 6-monthly reporting produced by charity partners and presented to trustees, and consistent relationships with the Charity Partnerships team at the Corporation of Lloyd's. Individual trustees are responsible for leading the engagement with charity partners including project updates and visits where possible, regular meetings and approving the mid-project and end of project update reports to all trustees.

### Long-term partnerships

In 2023 the LPF entered into partnerships, through the charity's large grants programme with Forces Employment Charity and Scotty's Little Soldiers who will receive £100,000 and £85,000 per annum respectively over a 3 year period.

### Forces Employment Charity

The Charity provides life-long, life-changing support, job opportunities and training to Service leavers, veterans, reservists and their families, regardless of circumstances, rank, length of service, or reason for leaving. Funding from the LPF has secured the employment of two full-time Family Employment Advisors over a three year period as they seek funding from multiple sources to build this project to cover the whole of the UK. In 2024, the highly skilled Families Employment Advisors' support has resulted in 94% of beneficiaries increasing their job search skills. Significantly, 89% of beneficiaries increased their social mobility with 221 entering new employment or training.

During 2024 the FEC Families Programme has supported 1,100 beneficiaries and has received 792 new referrals to the project.

The FEC's continuous efforts to impact an increasingly diverse range of beneficiaries were acknowledged when the Families Programme was selected as a finalist for the Diversity and Inclusion Initiative of the Year at the Ex-Forces Business Awards.

### Scotty's Little Soldiers

Scotty's Little Soldiers (Scotty's) is a charity dedicated to supporting children and young people (0 to 25 years) who have experienced the death of a parent who served in the British Armed Forces. The charity is the only UK organisation that provides long-term holistic support to hundreds of bereaved Forces children and young people and services offered include guidance to parents and carers, access to professional child bereavement support, personal education and learning assistance (including grants) and fun activities such

**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

as holiday respite breaks and group events. These are all designed to remind the children and young people supported by Scotty’s that they are not alone, their sacrifice hasn’t been forgotten and they are part of a supportive community.

The LPF funding supports two programmes that are central to the work of the charity – STRIDES programme and Military Bereavement in Education.

The STRIDES programme which helps promote a positive attitude to learning and provides opportunities to develop life skills.

In 2024, Scotty’s have been able to award 248 grants thanks to LPF funding:

- Scotty Driving Grants – 24 (total value £2,400)
- Scotty’s New School Grants – 21 (total value £1,050)
- Scotty’s Super Grants – 3 (total value £2,950)
- Scotty Allowance – 169 (total value £16,900)
- Springboard Higher Education – 10 (total value £9,698)
- Springboard Allowance – 21 (total value £2,002)

All of the above grants have benefitted recipients in a number of ways including: increasing confidence and self-esteem, promoting independence, improving physical health which in turn supports more positive mental health and has provided access to some outstanding development opportunities that may otherwise not have been possible without LPF’s support.

The STANDBY project is a 3-year strategic programme funded by the LPF and the Armed Forces Covenant Trust, which aims to ensure bereaved children and young people are sensitively supported in their education following the death of their parent who served in the British Armed Forces. Through influencing at the highest levels in the UK, the programme seeks to drive system change in UK primary and secondary education, to reduce the impacts of negative experiences at school suffered by bereaved military children.

Significant steps were taken in the project in 2024 including:

- a visit by the Scotty’s Council, a group of bereaved military children to 10 Downing Street
- completion of a research project to gather data on bereaved children’s experiences from c. 200 families
- the development of animations to represent the experiences of bereaved children

**Small Grants**

Complementing the charity’s long-term partnerships programme, LPF has traditionally supported charities with smaller value projects delivered over one or more years. In 2024, two more charities were successful in gaining funding, bringing the total of small grant partners to four.

<b>Charity</b>	<b>Grant start</b>	<b>Length</b>	<b>Amount</b>	<b>Focus</b>
The Contact Group (via Help for Heroes)	Nov 2022	3 years	£21,000	Mental health – providing funding for 8 small organisations to access training and support services for their staff from the Royal College of Psychiatrists
The Ripple Pond	April 2023	3 years	£30,000	Mental health – supporting family members of service leavers caring for loved ones physically or psychologically harmed during service
Care After Combat	June 2024	3 years	£45,000	Mental health – one-to-one support and mentoring for veterans in custody
High Ground	June 2024	1 year	£15,000	Employability – supporting female veterans to understand opportunities available within the land-based sector

**LLOYD'S PATRIOTIC FUND****REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)****FINANCIAL REVIEW****Funding Sources and Reserves Policy**

The revenue of the Fund is generated from investment income and legacies and donations from individuals and companies.

The General Fund of LPF received a donation of £100,000 (2023: £100,00) from the Council of Lloyd's to support the grant giving programme. The Lloyd's Patriotic Fund also fundraises by an annual 'slip' which asks for support from companies in the market.

The charity aims to maintain the real capital value of its investments in its reserves whilst fully expending its donation and investment derived income in pursuit of its aims and objectives. Trustees have a reserves policy of holding circa £125,000 in reserve at all times (plus or minus 10%). A resolution will need to be passed to approve taking the cash reserves lower than £100,000. This allows cover for any unbudgeted expenditure during the year. Trustees wish to keep at least 70% of the assets in investments that can be realised within three months and a minimum of 2% of total assets should be kept in cash or near cash investments at all times.

**Risk analysis**

The Fund's principal risk is the reduction in funding and inability to fundraise. This could manifest through the Council of Lloyd's ceasing funding to the Fund, the Fund losing their ability to fundraise or if the Fund's investment portfolio weakens, meaning that dividends significantly reduce.

LPF have significant mitigation processes in place which means that these scenarios are very unlikely. The Lloyd's charities risk register and regular risk reviews mean that controls are in place for each risk. This is supported in kind by the Lloyd's Corporation Risk & Regulatory team. LPF also have a cash reserve meaning in any circumstance which this may occur, they are able to honour their grant giving requirements within their current partnership contracts. Grant agreements also feature termination clauses which protect LPF from these risks and protect any reputational issues.

**Investment policy and management**

The invested funds of Lloyd's Patriotic Fund are held in funds managed by Cazenove Capital Management whereby the costs of the investment management are borne directly by the Fund and amount to £17,000 for the year ended 31 December 2024 (period ended 31 December 2023: £16,000).

Fees are deducted based on the whole portfolio on a daily average market value at a rate of 0.325% subject to VAT. There is also underlying fund management charges which are deducted from investment income or capital.

Investments are reviewed on a regular basis during the year by the relevant lead trustee and monitored by the Board of Trustees to ensure that they are meeting the trustees' long term objectives of maximising income available for charitable purposes whilst protecting the capital value of the fund.

Bi-annual review meetings are held with the Fund's advisory investment manager, Cazenove Capital Management as part of the Charities Investment Advisory Committee as well as additional meetings with the lead trustees for LPF's investments.

A report on the investments by Cazenove Capital Management is included on pages 10-11.

The overall gross annual investment income amounted to £154,000 for the year ended 31 December 2024 (period ended 31 December 2023: £145,000).

The excess of income over expenditure for the year amounted to £183,000 for the year ended 31 December 2024 (period ended 31 December 2023 as restated: £301,000) and during the year the market value of the Foundation's investment portfolio increased to a total of £4,543,000 (2023: £4,182,000).

**LLOYD'S PATRIOTIC FUND****REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)****Ethical Policies**

The trustees regularly review their level of exposure to ethically sensitive investments and agreed that the total sector exposure to ethically sensitive stocks should remain under 10%. The exposure level to ethically sensitive investments continues to be low and investment managers continue to engage with companies to encourage them to manage their ESG impact. The exposure rating was reviewed in 2020 by the lead trustees for LPF's investments who also sit on the Charities Investment Advisory Committee. The trustees do not wish to adopt an exclusionary policy but individual investments may be excluded if perceived to conflict with the Fund's purpose. It is ensured that all investments are held with acceptable evidence of ESG integration and the board's ethical investments approach is monitored by the board of trustees regularly.

**Commitments and Liabilities**

LPF has made a commitment to spend the annual donation from the Council of Lloyd's on charitable partnerships that achieve the strategy of LPF as well as using investment income and reserves to make further grants. Large grant charity partners (Forces Employment Charity and Scotty's Little Soldiers) receive committed expenditure amounts of £100,000 and £85,000 per year each for three years, with £185,000 committed and yet to be donated. LPF has also made a commitment to spend £30,000 on a grant to Care After Combat, payable over the next two years, and a commitment to spend £10,000 on a grant to The Ripple Pond, payable in 2025.

Any potential reduction in future investment income will not materially affect any current project commitments. Trustees will continue to monitor the markets closely and have the option to drawdown funds as they see fit.

**Public Benefit**

The Trustees take full account of the published Charity Commission general guidance on public benefit and are satisfied that the aims of the charity are carried out wholly in pursuit of its charitable aims for the public benefit. Lloyd's Patriotic Fund's grant-making is of measurable benefit to individuals. Applications can be made by all military and ex-military charities that support serving and ex-service armed forces personnel and their dependants who are in need.

**Acknowledgement**

The Trustees wish to record their sincere thanks to members of the Corporation of Lloyd's staff who assist with the administration of the financial statements of the Fund and to the Corporation of Lloyd's which bears the majority of administration costs.

The Trustees are grateful to the Corporation of Lloyd's for their agreement to provide LPF with an annual donation from the Council of Lloyd's on behalf of the Lloyd's market.

The Trustees are grateful to the individuals and companies who supported the Fund with donations which amounted to £185,000 for the year ended 31 December 2024 (period ended 31 December 2023 as restated: £270,000) during the year.

The Trustees also wish to thank our charity partners for all their tireless support and help to the military community, veterans and their families.

Approved by the Board of Trustees on 26 June 2025 and signed on its behalf by: -

Ed Butler  
Chair

James de Labilliere  
Deputy Chair

**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

**Trustees' responsibilities statement**

The trustees are responsible for preparing the Trustees' Annual Report 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 & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

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

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

**REPORT OF THE INVESTMENT MANAGER TO THE TRUSTEES OF LLOYD'S PATRIOTIC FUND  
FOR THE YEAR ENDED 31 DECEMBER 2024**
**Overview**
**Investment Objective**

The portfolio is designed to maximise income whilst protecting the real value of capital over the medium to long term. The portfolio is managed on an advisory basis with Cazenove Capital Ltd providing investment advice on an ad hoc basis, custody, reporting and administration services. The portfolio uses a broad range of investments and may allocate a high proportion of its assets to equity or equity-like investments in pursuing its aims. Whilst the majority of the portfolio is invested in readily tradable assets, illiquid assets are considered part of the investable universe and the portfolio may have some exposure. Cash, fixed income and other defensive assets will normally account for only a small part of the portfolio.

**Portfolio Summary**

Description	Market Value £	Portfolio Weight %
<b>Equities</b>	<b>2,903,479</b>	<b>63.9%</b>
<b>UK</b>	<b>791,180</b>	<b>17.4%</b>
Vanguard FTSE UK All Share Index	239,632	5.2%
ASI UK All Share Tracker Fund	551,548	12.1%
<b>Global</b>	<b>2,112,298</b>	<b>46.5%</b>
Vanguard FTSE All-World ETF	935,851	20.6%
Fidelity Global Dividend	878,614	19.3%
HSBC FTSE All-World Index Fund	297,831	6.6%
<b>Multi-asset</b>	<b>1,085,868</b>	<b>23.9%</b>
Charity Multi-Asset Fund	106,409	2.3%
Charity Sustainable Multi-Asset Fund	979,459	21.6%
<b>Property</b>	<b>301,869</b>	<b>6.6%</b>
Charities Property Fund	301,869	6.6%
<b>Cash</b>	<b>251,695</b>	<b>5.5%</b>
JPMorgan Liquidity Fund	197,701	4.4%
Sterling cash	53,994	1.2%
<b>Total</b>	<b>4,542,912</b>	<b>100%</b>

Source: Cazenove Capital as of 31.12.2024

**Economic and Market outlook**

US stocks concluded their best two-year stretch in 25 years, as 2024 marked the second consecutive double-digit returns for the S&P 500. The Magnificent Seven technology companies once again led the way, accounting for 55% of the S&P 500 return, building on their contribution of 63% of the return in 2023. The final quarter of the year saw a dramatic shift in the global landscape, with Donald Trump winning the US election in November. US equities rallied following the election results, driven by optimism regarding deregulation and tax cuts. However, gains were later tempered by concerns about trade wars and rising inflation, which also dragged down other regions.

Looking ahead, we expect the global economy to continue to deliver growth in the region of 2.5-3% over the next couple of years. While this is broadly in line with the growth rates of 2023 and 2024, the relative stability masks significant shifts at the country level, with stronger growth expected in the US offset by weaker growth elsewhere. Trump's plan to cut taxes and reduce regulation should boost US growth in 2025 and 2026. However, faster growth may exacerbate inflationary pressures from potential tariffs and immigration restrictions, which could limit the scope for interest rate cuts. In the UK, the Labour government's mildly expansionary budget may indicate that inflation is unlikely to return to the Bank of England's 2% target on a sustained basis. Consequently, interest rates are likely to fall only gradually, and the UK is expected to struggle with growth.

**LLOYD'S PATRIOTIC FUND****REPORT OF THE INVESTMENT MANAGER TO THE TRUSTEES OF LLOYD'S PATRIOTIC FUND  
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

Economic fundamentals suggest that 2025 should be another positive year for equities. The challenge is that downside risks are greater than before; the prospect of an all-out trade war looms large, the outlook for interest rates is more uncertain, and government debt continues to rise.

Subsequent to the balance sheet date, there has been significant uncertainty and volatility in investment markets, but overall the impact is not considered material to the investment performance or annual income.

**Cazenove Capital Management, 31 December 2024**

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF LLOYD'S PATRIOTIC FUND  
FOR THE YEAR ENDED 31 DECEMBER 2024****Opinion**

We have audited the financial statements of Lloyd's Patriotic Fund (the 'charity') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 the charity's affairs as at 31 December 2024, and of its incoming resources and application of resources, for the period 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least 12 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 trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF LLOYD'S PATRIOTIC FUND  
FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)****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 trustees' report.

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory framework applicable to the entity and the sector in which it operates, through discussions with management and those charged with governance. We identified the financial reporting framework including but not limited to United Kingdom Generally Accepted Accounting Practice and the Charities Act 2011, Data Protection Act 2018 and Bribery Act 2010 legislation as being of significance in the context of the charity and its ongoing activities.
- We made enquiries with management and those charged with governance to confirm our understanding that the charity continued to comply with the applicable legal and regulatory frameworks, and also to confirm our understanding of the specific policies and procedures enlisted by the charity to ensure ongoing compliance.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF LLOYD'S PATRIOTIC FUND FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**

- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud may occur, and gained an understanding of the charity's policies and procedures on fraud risks through discussion with the charity's management.
- We considered the risk of material misstatement due to fraud as a result of possible management override of controls and improper revenue recognition. In addressing this risk of fraud we have tested the appropriateness of journal entries and other adjustments including a sample of manual journals along with testing revenue recognition and confirming that cut-off is appropriate.
- We communicated those laws and regulations considered relevant to the charity, and potential fraud risks to all engagement team members, and consider that the engagement team had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations, and remained alert to any indications of fraud throughout the audit.

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

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 members, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to him 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.

Patrick du Cassé (Senior Statutory Auditor)  
For and on behalf of TC Group  
Statutory Auditors  
Suffolk House  
George Street  
Croydon  
CR0 0YN

Date..... 26 June 2025 .....

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

**LLOYD'S PATRIOTIC FUND**
**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2024**

		Unrestricted Funds	Restricted Funds	Endowment Funds			Year ended 31 December 2024 Total £'000	Year ended 31 December 2023 Total (as restated) £'000
	Note	General Fund £'000	Mackintosh income £'000	Mackintosh Fund £'000	McCorquodale Fund £'000	Skey Fund £'000		
<b>INCOME:</b>								
Donations and legacies	2	285	-	-	-	-	285	370
Investment income	3	111	6	-	2	35	154	145
Total income		<b>396</b>	<b>6</b>	<b>-</b>	<b>2</b>	<b>35</b>	<b>439</b>	<b>515</b>
<b>EXPENDITURE:</b>								
Investment management fees		(16)	(1)	-	-	-	(17)	(16)
Charitable activities:								
Donations and grants payable	6	(225)	-	-	-	-	(225)	(195)
Other expenses		(14)	-	-	-	-	(14)	(3)
Total expenditure		<b>(255)</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(256)</b>	<b>(214)</b>
Net income / (expenditure) and net movement in funds		<b>141</b>	<b>5</b>	<b>-</b>	<b>2</b>	<b>35</b>	<b>183</b>	<b>301</b>
Realised gain / (loss) on investments	7	(2)	-	-	-	-	(2)	16
Unrealised gain / (loss) on investments	7	212	-	12	4	131	359	181
Net gain / (loss) on investments	7	<b>210</b>	<b>-</b>	<b>12</b>	<b>4</b>	<b>131</b>	<b>357</b>	<b>197</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>351</b>	<b>5</b>	<b>12</b>	<b>6</b>	<b>166</b>	<b>540</b>	<b>498</b>
Total funds brought forward		<b>3,076</b>	<b>26</b>	<b>141</b>	<b>53</b>	<b>1,387</b>	<b>4,683</b>	<b>4,185</b>
<b>Total funds carried forward</b>		<b>3,427</b>	<b>31</b>	<b>153</b>	<b>59</b>	<b>1,553</b>	<b>5,223</b>	<b>4,683</b>

The notes on pages 17 to 23 form part of these financial statements.

**LLOYD'S PATRIOTIC FUND**
**BALANCE SHEET FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	Unrestricted Funds General Fund £'000	Restricted Funds Mackintosh income £'000	Mackintosh Fund £'000	Endowment funds McCorquodale Fund £'000	Skey Fund £'000	Year ended 31 December 2024 Total £'000	Year ended 31 December 2023 Total (as restated) £'000
<b>INVESTMENTS</b>								
At market value	7	3,000	-	153	52	1,338	4,543	4,182
<b>CURRENT ASSETS</b>								
Debtors	8	34	-	-	-	-	34	51
Cash at bank		399	31	-	7	215	652	456
Total		<u>433</u>	<u>31</u>	<u>-</u>	<u>7</u>	<u>215</u>	<u>686</u>	<u>507</u>
<b>CURRENT LIABILITIES</b>								
Creditors	9	(6)	-	-	-	-	(6)	(6)
Total		<u>(6)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6)</u>	<u>(6)</u>
<b>NET CURRENT ASSETS</b>		<b>427</b>	<b>31</b>	<b>-</b>	<b>7</b>	<b>215</b>	<b>680</b>	<b>501</b>
<b>NET ASSETS</b>		<b>3,427</b>	<b>31</b>	<b>153</b>	<b>59</b>	<b>1,553</b>	<b>5,223</b>	<b>4,683</b>
<b>FUNDS</b>		<b>3,427</b>	<b>31</b>	<b>153</b>	<b>59</b>	<b>1,553</b>	<b>5,223</b>	<b>4,683</b>

26 June 2025

Approved and authorised for issue by the Board of Trustees on ..... and signed on its behalf by

 Ed Butler  
Chair

 James de Labilliere  
Deputy Chair

The notes on pages 17 to 23 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024****1. ACCOUNTING POLICIES****Basis of accounting**

The charity constitutes a public benefit entity as defined by FRS 102. In preparing the financial statements the fund follows best practice as laid down in the Statement of Recommended Practice "Accounting and Reporting by Charities" (Charities SORP) in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011. They are drawn up on the historical accounting basis except that investments held as fixed assets are carried at market value.

**Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

**Donations, legacies and fundraising**

Donations and legacies are included in the statement of financial activities when receivable. Fundraising income is included in the statement of financial activities when received.

**Investment income**

Dividends from equity investments are taken into account on the due date of payment; all other income is included by reference to the amount due in respect of the accounting period.

**Gains and losses on investments**

Gains or losses on disposals in the year are calculated by reference to the carrying value of the holding as at the date of sale.

**Grants**

Grants are accounted for by reference to the amount due in respect of the accounting period.

**Administration expenses**

The costs of the administration of the Fund are borne in full by the Corporation of Lloyd's with the exception of investment management fees, audit fees and bank charges. No remuneration was paid to the Trustees from Lloyd's Patriotic Fund, nor were any Trustees expenses reimbursed to them from the Fund. Reasonable travel expenses for trustees were reimbursed from the Corporation of Lloyd's.

**Taxation**

The Foundation is established as an exempt approved charity for taxation purposes.

**Investments**

Investments are stated at their market value at the date of the balance sheet. Gains and losses on investments are taken directly to the statement of financial activities.

**Debtors**

Debtors are recognised at the settlement amount due.

**Short term deposits**

Short term deposits include short term highly liquid investments with a maturity of three months or less from the date of acquisition.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**
**1. ACCOUNTING POLICIES (CONTINUED)**
**Creditors**

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

**Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at amortised cost or as specified in the preceding accounting policies. As there are currently no long term financial instruments, the transaction value and settlement value will be the same.

**Allocation between funds**

The funds of the Charles Skey Fund are managed separately as their own portfolio of investments, with its income and investment movements reported separately. The remaining funds of the charity are managed as a pooled portfolio, with their income and investment movements being allocated to each individual fund in proportion to their account balances at the beginning of the period.

**2. DONATIONS AND LEGACIES**

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
General donations	127	100
Donation from the Corporation of Lloyd's	100	100
Royal British Legion "Slip" Campaign	58	170
	<u>285</u>	<u>370</u>

**3. INVESTMENT INCOME**

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Equity Fund Investments	133	115
Property fund	21	30
UK fixed interest investments	-	-
	<u>154</u>	<u>145</u>

**4. AUDITOR'S REMUNERATION**

The auditor's remuneration constituted an audit fee of £2,500 (2023: £2,400) and non-audit fees of £nil (2023: £nil).

As noted in the report of the Trustees, the auditor was paid for the provision of bookkeeping services. This was for an amount of £6,000 (2023: £5,000) and was paid by the Corporation of Lloyd's.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

**5. STAFF COSTS AND NUMBERS**

The average number of employees was nil (2023: nil). No remuneration was paid in either the current or prior period.

**6. ANALYSIS OF CHARITABLE EXPENDITURE**

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
<b>Funded from unrestricted funds:</b>		
Care after Combat	15	-
Scotty's Little Soldiers	85	85
Forces Employment Charity	100	100
The Ripple Pond	10	10
High Ground Project	15	-
	225	195

**7. QUOTED INVESTMENTS**

	<b>2024</b>			
	Equity £'000	Property £'000	Cash £'000	Total £'000
Market value brought forward	3,707	425	50	4,182
Net (sales) and purchases	122	(122)	-	-
Net unrealised gain/(loss) for the year	358	1	-	359
Net realised gain/(loss) for the year	-	(2)	-	(2)
Movements on cash account	-	-	4	4
Market value carried forward	4,187	302	54	4,543

	<b>2023</b>			
	Equity £'000	Property £'000	Cash £'000	Total £'000
Market value brought forward	3,488	454	38	3,980
Net (sales) and purchases	(7)	-	-	(7)
Net unrealised gain/(loss) for the year	210	(29)	-	181
Net realised gain/(loss) for the year	16	-	-	16
Movements on cash account	-	-	12	12
Market value carried forward	3,707	425	50	4,182

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)

**8. DEBTORS**

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 (as rested) £'000
Accrued income	34	51
	<u>34</u>	<u>51</u>

**9. CREDITORS**

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Accruals	6	6
	<u>6</u>	<u>6</u>

**10. DISCLOSURE OF RELATED PARTY TRANSACTIONS & TRUSTEE REMUNERATION**

The trustees receive no remuneration and no expenses were reimbursed within the financial period (2023 – none). Reasonable travel expenses for trustees were reimbursed from the Corporation of Lloyd's.

There were no related party transactions in the year 2024.

**11. FUNDING COMMITMENTS**

LPF has made a commitment to spend the annual donation from the Council of Lloyd's on charitable partnerships that achieve the strategy of LPF as well as using investment income and reserves to make further grants. Large grant charity partners (Forces Employment Charity and Scotty's Little Soldiers) receive committed expenditure amounts of £100,000 and £85,000 per year each for three years, with £185,000 committed and yet to be donated.

LPF has also made a commitment to spend £30,000 on a grant to Care After Combat, payable over the next two years, and a commitment to spend £10,000 on a grant to The Ripple Pond, payable in 2025.

Any potential reduction in future investment income will not materially affect any current project commitments. Trustees will continue to monitor the markets closely and have the option to drawdown funds as they see fit.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**  
(continued)**12. FUNDS**

Founded in 1803 to assist the many casualties of the Napoleonic Wars, Lloyd's Patriotic Fund is the oldest military charity of its kind and has been providing support to the Armed Forces Community on behalf of the Lloyd's market for over 200 years.

**General Fund (1803)**

This Fund provides assistance to officers and men and women of the Royal Navy, the Army, Royal Marines and Royal Air Force or their families (partners, widows, orphans, dependants and relatives) who, at the trustees' discretion, are fitting recipients.

**The Hugh Stewart McCorquodale Memorial Fund (1901)**

A bequest of 1,000 guineas made by Lieutenant Hugh Stewart McCorquodale, killed during the South African War, where the use of income is at the discretion of trustees.

**Edwin Hampson Mackintosh Fund (1916)**

Lieutenant Edwin Hampson Mackintosh killed on the first day of the Battle of Loos, bequeathed £1,000 with the stipulation that the income is used for the benefit of officers of the Royal Navy or Royal Marines or their dependants.

**Charles Skey Fund (2013)**

In May 2013 Charles Skey, former trustee and Chair of Lloyd's Patriotic Fund, made a bequest of £1,000,000 to Lloyd's Patriotic Fund. Mr Skey expressed the wish that the capital is invested and untouched and that the income is used for the general charitable purposes of the Fund.

**Janson Fund (1918) – now formally part of the general fund as of 28 January 2021**

A gift of £10,000 was made by the then Chair Percy Janson. Trustees designated that the capital or income be used primarily to assist officers of the Royal Navy, the Army and Royal Marines or their dependants in the form of grants towards the education and maintenance of their children.

**13. PRIOR PERIOD RESTATEMENT**

A prior period adjustment has been made to rectify the recognition of fundraising income.

The overall impact of this adjustment is to increase fundraising income and debtors by £51,000 each. The net assets at the end of the year increased by £51,000. There was no impact on the opening balance sheet for the year ended 31 December 2023.

**LLOYD'S PATRIOTIC FUND**
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**
**14. ANALYSIS OF COMPARATIVE INFORMATION WITHIN THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted Funds	Restricted Funds	Endowment Funds			Year ended 31 December 2023 Total (as restated) £'000
	General Fund (as restated) £'000	Mackintosh income £'000	Mackintosh Fund £'000	McCorquodale Fund £'000	Skey Fund £'000	
<b>INCOME:</b>						
Donations and legacies	370	-	-	-	-	370
Investment income	103	6	-	2	34	145
<b>Total income</b>	<b>473</b>	<b>6</b>	<b>-</b>	<b>2</b>	<b>34</b>	<b>515</b>
<b>EXPENDITURE:</b>						
Investment management fees	(14)	(1)	-	(1)	-	(16)
Charitable activities:						
Donations and grants payable	(195)	-	-	-	-	(195)
Other expenses	(3)	-	-	-	-	(3)
<b>Total expenditure</b>	<b>(212)</b>	<b>(1)</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>(214)</b>
Net income / (expenditure) and net movement in funds	261	5	-	1	34	301
Realised gain / (loss) on investments	12	-	-	-	4	16
Unrealised gain / (loss) on investments	96	-	6	2	77	181
<b>Net gain / (loss) on investments</b>	<b>108</b>	<b>-</b>	<b>6</b>	<b>2</b>	<b>81</b>	<b>197</b>
<b>NET MOVEMENT IN FUNDS</b>	<b>369</b>	<b>5</b>	<b>6</b>	<b>3</b>	<b>115</b>	<b>498</b>
Total funds brought forward	2,707	21	135	50	1,272	4,185
<b>Total funds carried forward</b>	<b>3,076</b>	<b>26</b>	<b>141</b>	<b>53</b>	<b>1,387</b>	<b>4,683</b>

**LLOYD'S PATRIOTIC FUND**
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (continued)**
**15. ANALYSIS OF COMPARATIVE INFORMATION WITHIN THE BALANCE SHEET**

	Unrestricted Funds	Restricted Funds	Endowment Funds			Year ended 31 December 2023 Total (as restated) £'000
	General Fund (as restated) £'000	Mackintosh income £'000	Mackintosh Fund £'000	McCorquodale Fund £'000	Skey Fund £'000	
<b>INVESTMENTS</b>						
At market value	2,788	-	141	48	1,205	4,182
<b>CURRENT ASSETS</b>						
Debtors	51	-	-	-	-	51
Cash at bank	243	26	-	5	182	456
Total	294	26	-	5	182	507
<b>CURRENT LIABILITIES</b>						
Creditors	(6)	-	-	-	-	(6)
Total expenditure	(6)	-	-	-	-	(6)
<b>NET CURRENT ASSETS</b>	288	26	-	5	182	501
<b>NET ASSETS</b>	3,076	26	141	53	1,387	4,683
<b>FUNDS</b>	3,076	26	141	53	1,387	4,683

**LLOYD'S PATRIOTIC FUND**

England & Wales - Charity number 210173

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# Accounts

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**LLOYD'S PATRIOTIC FUND**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2023**

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

TRUSTEES AND OFFICIALS

<b>Registered number</b>	210173
<b>Address</b>	Lloyd's of London One Lime Street London EC3M 7HA 020 7327 1000
<b>Trustees</b>	Mr Ed Butler (Chair) Mrs Michelle Alston Mr Bruce Carnegie-Brown (ex-officio) Mr James De Labilliere (appointed July 2023) Dr Paul Hughes (appointed February 2023) Mr Neil Maidment Mr Simon Maxwell (appointed February 2023) Mr William Roscoe (Deputy Chair) Air Commodore Wendy Rothery Mrs Caroline Sandeman-Allen Mr Duncan Welham Mr Richard Williams MC (retired October 2023)
<b>Secretary</b>	Mrs Forida Islam
<b>Investment Advisors</b>	Cazenove Capital Management 12 Moorgate London EC2R 6DA
<b>Auditors</b>	Simpson Wreford & Partners Suffolk House George Street Croydon CR0 0YN
<b>Bankers</b>	National Westminster Bank PLC PO Box 12258 1 Princes Street London EC2R 8PA

**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)**

The trustees of Lloyd's Patriotic Fund (The Fund) have pleasure in presenting their report together with the audited financial statements of the Fund for the year ended 31 December 2023.

**STRUCTURE, GOVERNANCE AND MANAGEMENT****Frequency of meetings and quorate meetings**

Lloyd's Patriotic Fund (LPF) was established in 1803 constituted by a Trust Deed dated 28 May 1875 and is a registered charity subject to the provisions of the Charities Act 2011. The financial statements have been prepared in accordance with the accounting policies set out on pages 18 and 19 and comply with the Fund's Trust Deed and applicable law.

LPF is also guided by a separate terms of reference which covers matters such as number of trustees, frequency of meetings and quorate meetings.

Responsibility for carrying out the objectives of LPF rests with the trustees. The Fund is supported by a Secretariat working under the direction of the trustees, employed by the Corporation of Lloyd's and supported by the wider Global Community Engagement team. Delegated authority is given to the Global Community Engagement team at Lloyd's, an outsourced finance team (Simpson Wreford & Partners) and Lloyd's Treasury and Investment Management to advise and assist as per LPF's Delegated Authority documentation. With the exception of audit fees, bank charges, insurance and investment management fees which are borne directly by the Fund, all administration costs of the Fund are borne in full by the Corporation of Lloyd's.

The disbursement of the Fund is at the sole discretion of the trustees unless funds have been given for a specific purpose.

**Trustees**

There were eleven trustees as at 31 December 2023.

According to the governing document, upon the death, retirement or resignation of a trustee or when the number of trustees falls to seven, the trustees are required to appoint new trustees up to a maximum of fourteen. In accordance with the governing document the Board of Trustees did not fall below seven or exceed fourteen trustees at any one time.

The maximum term of office is nine years and trustees are asked to serve a minimum of three years.

All trustees give their time freely and no trustee remuneration was paid in the year from the funds of LPF. Any reasonable travel expenses were covered for trustees as a cost borne to the Corporation of Lloyd's.

**Governance**

New trustees are appointed by the Board of Trustees following approval from the Council of Lloyd's.

As a charity established to provide charitable grants on behalf of the Lloyd's market, trustees are drawn from across the Lloyd's market with the aim of representing different market constituencies – underwriters, brokers and members of Lloyd's governing body. Trustees external to the Lloyd's market are also on the board and the majority of trustees have military experience directly or indirectly.

LPF also aims to be a diverse board of trustees representing different voices as outlined in its Recruitment Policy which is reviewed every three years. With a formal external recruitment process implemented in June 2019 potential trustees can apply. LPF has a Trustee Recruitment subcommittee who formally interview potential candidates and decide who to put forward to the board. The board collectively agree what skills and knowledge gaps exist on the board and recruit candidates based on their experience and expertise, knowledge and interest in the charitable sector.

**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)**

Consideration is given to relevant experience such as military service as well as knowledge of Lloyd's and the London insurance market, their interest or experience in the military charitable sector and experience of charity governance.

Potential trustees are invited to meet with the Trustee Recruitment subcommittee (including the Chair and the Global Community Engagement team). Before agreeing to become a trustee they will take part in a trustee induction session with the Global Community Engagement team to be informed of LPF's structure, objectives and activities and their responsibilities as a trustee. This induction ensures that all new trustees follow good practice and guidance from the Charity Commission. All new trustees are required to sign LPF's Code of Conduct as part of their onboarding process.

Once appointed, trustees will be supported by the Secretary and the Board of Trustees in any area of induction or training needed. Regular updates are provided at the meetings with regards to governance issues and changes to charity regulations.

All trustees complete a Register of Interests and a skills audit on an annual basis as well as alerting the Chair and Global Community Engagement team when there is a new potential conflict of interest.

Trustees meet three times a year as this is sufficient for the size and nature of the organisation. Four trustees present at a meeting shall be quorum. As stated in the original Trust Deed all matters and questions shall be determined by a majority vote of the trustees present at any meeting but in the event of a tie, the Chair shall have a second or casting vote.

At the trustee meetings the trustees agree the broad strategy and areas of activity for the Fund including consideration of governance, grant giving, charity partnerships, investment, reserve and risk management policies and performance. The day-to-day administration of grants and the processing and handling of applications prior to consideration by the relevant subcommittee is delegated to the Global Community Engagement team at the Corporation of Lloyd's. The Charity Partners selection committee of trustees meet annually to review all applications for grants and shortlist applications and recommendations to take forward to trustee meetings.

LPF has a number of subcommittees of which trustees and the Global Community Engagement team are a part and they are each chaired by a trustee. These include:

- Trustee Recruitment
- Charity Partner Selection
- Charities Investment Advisory Committee
- Fundraising & Marketing

Lead trustees are allocated to lead on: the Risk Register, LPF's investments and attend the Charities Investment Advisory Committee and act as lead trustees for charity partners.

Minutes are taken at each meeting and are circulated to trustees along with action points and responsibilities and are kept as a record.

**Charity Governance Code**

The Board of Trustees oversees the charity's governance policies and procedures. All work undertaken is in line with the Charity Governance Code which although not a legal or regulatory requirement, it sets the principles and recommended practice for good governance. The charity recognises that good governance is fundamental to its success and strives to develop high standards of governance.

## LLOYD'S PATRIOTIC FUND

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

#### Risk Management

The trustees have considered the major risks to which the charity is exposed and reviewed those risks and established systems and procedures to manage those risks.

The Risk Register outlines the major risks to which the charity is exposed. The Risk Register is reviewed annually and trustees are also alerted to any new risks.

As Lloyd's employees, all individuals administering LPF are able to raise issues relating to fraud and financial crime in accordance with Lloyd's Whistleblowing procedures. LPF has a Conflicts of Interests policy and procedure which all trustees are familiar with and follow. This is reviewed every three years.

#### OBJECTIVES AND ACTIVITIES

Founded in 1803, Lloyd's Patriotic Fund is the oldest military charity of its kind, supporting the armed forces community on behalf of the Lloyd's market. We focus on improving the transition to civilian life for veterans and their families who need the most help.

Today, Lloyd's Patriotic Fund unites support from the market to aid the successful transition to civilian life for veterans and their families to ensure successful futures.

Lloyd's Patriotic Fund partners with military charities who are best placed to meet the mental health and employment needs of the military community. In addition, Lloyd's Patriotic Fund has an annual grant giving programme to award small grants to support charities that enable veterans and their families to build successful civilian lives and careers.

Each year, 16,000 personnel leave the UK Armed Forces and return to civilian life and their families. For the majority the transition is successful, however a high proportion of veterans find this more difficult, putting them in a vulnerable position.

The trustees confirm that they have referred to the advice contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities.

The Fund is divided into a number of individual funds established for public benefit to achieve the Fund's strategic priorities.

#### General Fund (1803)

This Fund provides assistance to officers and men and women of the Royal Navy, the Army, Royal Marines and Royal Air Force or their families (partners, widows, orphans, dependants and relatives) who, at the trustees' discretion, are fitting recipients.

#### The Hugh Stewart McCorquodale Memorial Fund (1901)

A bequest of 1,000 guineas made by Lieutenant Hugh Stewart McCorquodale, killed during the South African War, whereby the use of income is at the discretion of trustees.

#### Edwin Hampson Mackintosh Fund (1916)

Lieutenant Edwin Hampson Mackintosh killed on the first day of the Battle of Loos, bequeathed £1k with the stipulation that the income is used for the benefit of officers of the Royal Navy or Royal Marines or their dependants.

#### Janson Fund (1918) – now formally part of the general fund as of 28 January 2021

A gift of £10k was made by the then Chair Percy Janson. Trustees designated that the capital or income be used primarily to assist officers of the Royal Navy, the Army and Royal Marines or their dependants in the form of grants towards the education and maintenance of their children.

## LLOYD'S PATRIOTIC FUND

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

#### Charles Skey Fund (2013)

In May 2013 Charles Skey, former trustee and Chair of Lloyd's Patriotic Fund, made a bequest of £1m to Lloyd's Patriotic Fund. Mr Skey expressed the wish that the capital is invested and untouched and that the income is used for the general charitable purposes of the Fund.

#### ACHIEVEMENTS

##### Fundraising

The Fundraising subcommittee continues to focus on its fundraising "slip" campaign. The aim of this is to increase financial support from the Lloyd's market for LPF in collaboration with the Royal British Legion Lloyd's and City branch. This campaign focuses on donations from companies in the Lloyd's market. This approach has been in place since February 2019 following a review which set up the fund with a new approach to fundraising, grant giving and the way it works with its charity partners.

##### Partnerships and Grant Giving

LPF continues to work closely with charities which support veterans and their families transitioning to civilian life through employability and mental health programmes.

Donations are provided for strategic charity partnerships to undertake an agreed project, subject to rigorous due diligence checks and a detailed Grant Agreement. The effectiveness of the grants and partnerships are monitored through 6-monthly reporting produced by charity partners and presented to trustees, and consistent relationships with the Global Community Engagement team at the Corporation of Lloyd's. Individual trustees are responsible for leading the engagement with charity partners including project updates and visits where possible, regular meetings and approving the mid-project and end of project update reports to all trustees.

In 2022 a number of small grants were approved to five charities, The Contact Group (hosted by Help for Heroes), Care After Combat, Give Us Time, Fighting with Pride and The Ripple Pond which was paid in 2023.

##### Long-term partnerships

In 2023 the LPF entered into three-year partnerships with Forces Employment Charity and Scotty's Little Soldiers who will receive £100,000 and £85,000 per annum respectively.

##### Forces Employment Charity

The Charity provides life-long, life-changing support, job opportunities and training to Service leavers, veterans, reservists and their families, regardless of circumstances, rank, length of service, or reason for leaving. The highly skilled Families Employment Advisors' support has resulted in 96% of beneficiaries increasing their job search skills. Significantly, in a year of extremely high inflation rates, 79% of beneficiaries increased their social mobility with 140 entering new employment. Highlights for the Families Programme include hosting the inaugural Celebrating Forces Families Awards, and Forces Employment's Tech Vets opening to families' registrations.

During 2023 the charity:

- Supported a total of 629 beneficiaries
- Received 606 new referrals

Programme outcomes include:

- 187 beneficiaries achieved employment outcomes
- 85% of beneficiaries increased their job-search skills
- 96% made a substantive change to their employability
- 67% made a substantive change to their social mobility
-

## LLOYD'S PATRIOTIC FUND

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

#### Scotty's Little Soldiers

Scotty's Little Soldiers is a charity dedicated to supporting children and young people (0 to 25 years) who have experienced the death of a parent who served in the British Armed Forces. The charity is the only UK organisation that provides long-term holistic support to hundreds of bereaved Forces children and young people and services offered include guidance to parents and carers, access to professional child bereavement support, personal education and learning assistance (including grants) and fun activities such as holiday respite breaks and group events. These are all designed to remind the children and young people supported by Scotty's that they are not alone, their sacrifice hasn't been forgotten and they are part of a supportive community. The LPF funding supports the STRIDES programme which helps promote a positive attitude to learning and provides opportunities to develop life skills.

In 2023 SLS have been able to award 207 grants thanks to LPF funding:

- Scotty Driving Grants – 12 (total value £1,150)
- Scotty's New School Grants – 1 (total value £50)
- Scotty's Super Grants – 2 (total value £2,000)
- Scotty Allowance – 180 (total value £21,579)
- Springboard Higher Education – 12 (total value £10,221)

All of the above grants have benefitted recipients in a number of ways including: increasing confidence and self-esteem, promoting independence, improving physical health which in turn supports more positive mental health and has provided access to some outstanding development opportunities that may otherwise not have been possible without LPF's support.

#### Small Annual Grant Giving

In 2022, five charities, The Contact Group (hosted by Help for Heroes), Care After Combat, Give Us Time, Fighting with Pride and The Ripple Pond were approved through the annual small grant giving programme with grants totalling £76,905 per annum.

LPF supported these charities to deliver programmes that support veterans and their families with employment and mental health.

## FINANCIAL REVIEW

### Funding Sources and Reserves Policy

The revenue of the Fund is generated from investment income and legacies and donations from individuals and companies.

The General Fund of LPF received a donation of £100k (2022: £150k) from the Council of Lloyd's to support the grant giving programme. The Lloyd's Patriotic Fund also fundraises by an annual 'slip' which asks for support from companies in the market.

The charity aims to maintain the real capital value of its investments in its reserves whilst fully expending its donation and investment derived income in pursuit of its aims and objectives. Trustees have a reserves policy of holding circa £125k in reserve at all times (plus or minus 10%). A resolution will need to be passed to approve taking the cash reserves lower than £100k. This allows cover for any unbudgeted expenditure during the year. Trustees wish to keep at least 70% of the assets in investments that can be realised within three months and a minimum of 2% of total assets should be kept in cash or near cash investments at all times.

**LLOYD'S PATRIOTIC FUND****REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****Risk analysis**

The Fund's principal risk is the reduction in funding and inability to fundraise. This could manifest through the Council of Lloyd's ceasing funding to the Fund, the Fund losing their ability to fundraise or if the Fund's investment portfolio weakens, meaning that dividends significantly reduce.

LPF have significant mitigation processes in place which means that these scenarios are very unlikely. The Lloyd's charities risk register and regular risk reviews mean that controls are in place for each risk. This is supported in kind by the Lloyd's Corporation Risk & Regulatory team. LPF also have a cash reserve meaning in any circumstance which this may occur, they are able to honour their grant giving requirements within their current partnership contracts. Grant agreements also feature termination clauses which protect LPF from these risks and protect any reputational issues.

**Investment policy and management**

The invested funds of Lloyd's Patriotic Fund are held in funds managed by Cazenove Capital Management whereby the costs of the investment management are borne directly by the Fund and amount to £16k for the year ended 31 December 2023 (period ended 31 December 2022: £19k).

The cash element and any surplus funds from the General Fund and sub-funds are placed with Morgan Stanley Funds PLC (Gartmore). The Gartmore account was closed in June 2023 and the monies transferred to the current account.

Fees are deducted based on the whole portfolio on a daily average market value at a rate of 0.325% subject to VAT. There is also underlying fund management charges which are deducted from investment income or capital.

Investments are reviewed on a regular basis during the year by the relevant lead trustee and monitored by the Board of Trustees to ensure that they are meeting the trustees' long term objectives of maximising income available for charitable purposes whilst protecting the capital value of the fund.

Bi-annual review meetings are held with the Fund's advisory investment manager, Cazenove Capital Management as part of the Charities Investment Advisory Committee as well as additional meetings with the lead trustees for LPF's investments.

A report on the investments by Cazenove Capital Management is included on pages 11-12.

The overall gross annual investment income amounted to £145k for the year ended 31 December 2023 (period ended 31 December 2022: £178k).

The excess of income over expenditure for the year amounted to £250k for the year ended 31 December 2023 (period ended 31 December 2022: £179k) and during the year the market value of the Foundation's investment portfolio increased to a total of £4,182k (2022: £3,980k).

**Ethical Policies**

The trustees regularly review their level of exposure to ethically sensitive investments and agreed that the total sector exposure to ethically sensitive stocks should remain under 10%. The exposure level to ethically sensitive investments continues to be low and investment managers continue to engage with companies to encourage them to manage their ESG impact. The exposure rating was reviewed in 2020 by the lead trustees for LPF's investments who also sit on the Charities Investment Advisory Committee. The trustees do not wish to adopt an exclusionary policy but individual investments may be excluded if perceived to conflict with the Fund's purpose. It is ensured that all investments are held with acceptable evidence of ESG integration and the board's ethical investments approach is monitored by the board of trustees regularly.

**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****Commitments and Liabilities**

LPF has made a commitment to spend the annual donation from the Council of Lloyd's on charitable partnerships that achieve the strategy of LPF as well as using their reserves to make further grants. The selected charity partners (Forces Employment Charity and Scotty's Little Soldiers) receive committed expenditure amounts of £100k and £85k per year each for three years, with £370k committed and yet to be donated.

Any potential reduction in future investment income will not materially affect any current project commitments. Trustees will continue to monitor the markets closely and have the option to drawdown funds as they see fit.

**PLANS FOR FUTURE PERIODS**

The plans for the financial year 2024 include:

- Continue partnerships with Forces Employment Charity and Scotty's Little Soldiers
- LPF will support smaller military charities through its annual small grant programme
- LPF will continue to support the selected large grants – Scotty's Little Soldiers and Forces Employment Charity for the second year of their partnership
- LPF will continue to support the Contact Group and The Ripple Pond for the second year of their partnership
- LPF trustees will review its current strategy to ensure surplus funds are distributed in line with the aim of maintaining the capital value
- Creatively raise additional funds for the LPF through the companies in the Lloyd's market through fundraising events and opportunities.
- Create engagement opportunities for the Lloyd's market and veterans in the market to engage with the charities supported by the LPF such as training, raising awareness and fundraising

**Public Benefit**

The Trustees take full account of the published Charity Commission general guidance on public benefit and are satisfied that the aims of the charity are carried out wholly in pursuit of its charitable aims for the public benefit. Lloyd's Patriotic Fund's grant-making is of measurable benefit to individuals. Applications can be made by all military and ex-military charities that support serving and ex-service armed forces personnel and their dependants who are in need.

**Acknowledgement**

The Trustees wish to record their sincere thanks to members of the Corporation of Lloyd's staff who assist with the administration of the financial statements of the Fund and to the Corporation of Lloyd's which bears the majority of administration costs.

The Trustees are grateful to the Corporation of Lloyd's for their agreement to provide LPF with an annual donation from the Council of Lloyd's on behalf of the Lloyd's market.

The Trustees are grateful to the individuals and companies who supported the Fund with donations which amounted to £219k for the year ended 31 December 2023 (period ended 31 December 2022: £251k) during the year.

**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)**

The Trustees also wish to thank our charity partners for all their tireless support and help to the military community, veterans and their families.

Approved by the Board of Trustees on ..... and signed on its behalf by: -



Ed Butler  
Chair



Will Roscoe  
Deputy Chair

**STATEMENT OF THE TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER  
2023**

**Trustees' responsibilities statement**

The trustees are responsible for preparing the Trustees' Annual Report 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 & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements 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 a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

**REPORT OF THE INVESTMENT MANAGER TO THE TRUSTEES OF LLOYD'S PATRIOTIC FUND  
FOR THE YEAR ENDED 31 DECEMBER 2023**
**Overview**
**Investment Objective**

The portfolio is designed to maximise income whilst protecting the real value of capital over the medium to long term. The portfolio is managed on an advisory basis with Cazenove Capital Ltd providing investment advice on an ad hoc basis, custody, reporting and administration services. The portfolio uses a broad range of investments and may allocate a high proportion of its assets to equity or equity-like investments in pursuing its aims. Whilst the majority of the portfolio is invested in readily tradable assets, illiquid assets are considered part of the investable universe and the portfolio may have some exposure. Cash, fixed income and other defensive assets will normally account for only a small part of the portfolio.

**Portfolio Summary**

Description	Market Value £	Portfolio Weight %
<b>Equities</b>	<b>2,592,923</b>	<b>62.0%</b>
<b>UK</b>	<b>751,203</b>	<b>18.0%</b>
Vanguard FTSE UK All Share Index	227,042	5.4%
ASI UK All Share Tracker Fund	524,160	12.5%
<b>Global</b>	<b>1,841,719</b>	<b>44.0%</b>
Vanguard FTSE All-World ETF	795,047	19.0%
Fidelity Global Dividend	793,093	19.0%
HSBC FTSE All-World Index Fund	253,578	6.1%
<b>Multi-asset</b>	<b>1,038,922</b>	<b>24.8%</b>
Charity Multi-Asset Fund	97,657	2.3%
Charity Sustainable Multi-Asset Fund	941,264	22.5%
<b>Property</b>	<b>425,430</b>	<b>10.2%</b>
Charities Property Fund	425,430	10.2%
<b>Cash</b>	<b>125,285</b>	<b>3.0%</b>
JPMorgan Liquidity Fund	75,000	1.8%
Sterling cash	50,284	1.2%
<b>Total</b>	<b>4,182,561</b>	<b>100%</b>

Source: Cazenove Capital as of 31.12.2023.

**Economic and Market outlook**

Global equities (MSCI Index) have risen by 16% since late October 2023. This was driven by a significant change in market expectations around interest rates, as recent data found that inflation is falling faster than expected. The Federal Reserve (Fed) boosted markets further by signalling large rate cuts in its mid-December policy projections for 2024, with other central banks expected to follow suit. If the cuts come about because growth is falling faster than inflation, then that is problematic. That would create headwinds for equities and risky assets. However, for the time being there are good reasons to celebrate as the cost of capital has fallen, not least because of the impact on the cost-of-living crisis.

In the first week of January, carbon prices reached the lowest point in 14 months. This decline was driven by market disappointment with the outcome of the COP28 summit, where governments made climate commitments. The downward trend began weeks earlier when a draft agreement was released, omitting references to the phasing out of fossil fuels. However, there were positives. Nearly every country worldwide agreed to move away from fossil fuels during this decisive decade. The agreement also acknowledged that limiting global warming to 1.5°C would require a nearly 50% reduction in emissions by 2030.

**REPORT OF THE INVESTMENT MANAGER TO THE TRUSTEES OF LLOYD'S PATRIOTIC FUND  
FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)**

One big theme of 2024 will be elections, with the US, UK and India set to go to the polls this year. In the UK we have seen more political stability, with only one Prime Minister over the last 12 months, despite wide-ranging economic and political challenges. The UK election probably won't alter the trajectory of global financial markets, but it could have an impact on sterling. Meanwhile, investors will be very focused on what the outcome of the US election will mean for America's debt trajectory. The result will also have a significant impact on geopolitics, from America's relations with China to war in Ukraine and Israel.

**Cazenove Capital Management, 31 December 2023**

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF LLOYD'S PATRIOTIC FUND  
FOR THE YEAR ENDED 31 DECEMBER 2023****Opinion**

We have audited the financial statements of Lloyd's Patriotic Fund (the 'charity') for the period ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 the charity's affairs as at 31 December 2023, and of its incoming resources and application of resources, for the period 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least 12 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 annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF LLOYD'S PATRIOTIC FUND  
FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)****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 trustees' report.

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory framework applicable to the entity and the sector in which it operates, through discussions with management and those charged with governance. We identified the financial reporting framework including but not limited to United Kingdom Generally Accepted Accounting Practice and the Charities Act 2011, Data Protection Act 2018 and Bribery Act 2010 legislation as being of significance in the context of the charity and its ongoing activities.
- We made enquiries with management and those charged with governance to confirm our understanding that the charity continued to comply with the applicable legal and regulatory frameworks, and also to confirm our understanding of the specific policies and procedures enlisted by the charity to ensure ongoing compliance.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF LLOYD'S PATRIOTIC FUND FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)**

- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud may occur, and gained an understanding of the charity's policies and procedures on fraud risks through discussion with the charity's management.
- We considered the risk of material misstatement due to fraud as a result of possible management override of controls and improper revenue recognition. In addressing this risk of fraud we have tested the appropriateness of journal entries and other adjustments including a sample of manual journals along with testing revenue recognition and confirming that cut-off is appropriate.
- We communicated those laws and regulations considered relevant to the charity, and potential fraud risks to all engagement team members, and consider that the engagement team had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations, and remained alert to any indications of fraud throughout the audit.

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

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 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.

Simpson Wreford & Partners  
Statutory Auditor  
Suffolk House  
George Street  
Croydon  
CR0 0YN

Date.....

Simpson Wreford & Partners is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**LLOYD'S PATRIOTIC FUND**
**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds			Year ended 31 December 2023 Total £'000	Period ended 31 December 2022 Total £'000
		General Fund £'000	Mackintosh income £'000	Mackintosh Fund £'000	McCorquodale Fund £'000	Skey Fund £'000		
<b>INCOME:</b>								
Donations and legacies	2	319	-	-	-	-	319	401
Investment income	3	103	6	-	2	34	145	178
<b>Total income</b>		<b>422</b>	<b>6</b>	<b>-</b>	<b>2</b>	<b>34</b>	<b>464</b>	<b>579</b>
<b>EXPENDITURE:</b>								
Investment management fees		(14)	(1)	-	(1)	-	(16)	(19)
Charitable activities:								
Donations and grants payable	6	(195)	-	-	-	-	(195)	(378)
Other expenses		(3)	-	-	-	-	(3)	(3)
<b>Total expenditure</b>		<b>(212)</b>	<b>(1)</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>(214)</b>	<b>(400)</b>
Net income / (expenditure) and net movement in funds		210	5	-	1	34	250	179
Realised gain / (loss) on investments	7	12	-	-	-	4	16	-
Unrealised gain / (loss) on investments	7	96	-	6	2	77	181	(115)
<b>Net gain / (loss) on investments</b>	7	<b>108</b>	<b>-</b>	<b>6</b>	<b>2</b>	<b>81</b>	<b>197</b>	<b>(115)</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>318</b>	<b>5</b>	<b>6</b>	<b>3</b>	<b>115</b>	<b>447</b>	<b>64</b>
Total funds brought forward		2,707	21	135	50	1,272	4,185	4,121
<b>Total funds carried forward</b>		<b>3,025</b>	<b>26</b>	<b>141</b>	<b>53</b>	<b>1,387</b>	<b>4,632</b>	<b>4,185</b>

The notes on pages 18 to 24 form part of these financial statements.

**LLOYD'S PATRIOTIC FUND**
**BALANCE SHEET FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	Unrestricted Funds General Fund £'000	Restricted Funds Mackintosh income £'000	Mackintosh Fund £'000	Endowment funds McCorquodale Fund £'000	Skey Fund £'000	Year ended 31 December 2023 Total £'000	Period ended 31 December 2022 Total £'000
<b>INVESTMENTS</b>								
At market value	7	2,788	-	141	48	1,205	4,182	3,980
<b>CURRENT ASSETS</b>								
Short term deposits		-	-	-	-	-	-	23
Cash at bank		243	26	-	5	182	456	188
Total		243	26	-	5	182	456	211
<b>CURRENT LIABILITIES</b>								
Creditors	8	(6)	-	-	-	-	(6)	(6)
Total		(6)	-	-	-	-	(6)	(6)
<b>NET CURRENT ASSETS</b>								
		237	26	-	5	182	450	205
<b>NET ASSETS</b>								
		3,025	26	141	53	1,387	4,632	4,185
<b>FUNDS</b>								
		3,025	26	141	53	1,387	4,632	4,185

Approved and authorised for issue by the Board of Trustees on ..... and signed on its behalf by

Ed Butler  
Chair

Will Roscoe  
Deputy Chair

The notes on pages 18 to 24 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023****1. ACCOUNTING POLICIES****Basis of accounting**

The charity constitutes a public benefit entity as defined by FRS 102. In preparing the financial statements the fund follows best practice as laid down in the Statement of Recommended Practice "Accounting and Reporting by Charities" (Charities SORP FRS 102) in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011. They are drawn up on the historical accounting basis except that investments held as fixed assets are carried at market value.

**Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

**Donations, legacies and fundraising**

Donations and legacies are included in the statement of financial activities when receivable. Fundraising income is included in the statement of financial activities when received.

**Investment income**

Dividends from equity investments are taken into account on the due date of payment; all other income is included by reference to the amount due in respect of the accounting period.

**Gains and losses on investments**

Gains or losses on disposals in the year are calculated by reference to the carrying value of the holding as at the date of sale.

**Grants**

Grants are accounted for by reference to the amount due in respect of the accounting period.

**Administration expenses**

The costs of the administration of the Fund are borne in full by the Corporation of Lloyd's with the exception of investment management fees, audit fees and bank charges. No remuneration was paid to the Trustees from Lloyd's Patriotic Fund, nor were any Trustees expenses reimbursed to them from the Fund. Reasonable travel expenses for trustees were reimbursed from the Corporation of Lloyd's.

**Taxation**

The Foundation is established as an exempt approved charity for taxation purposes.

**Investments**

Investments are stated at their market value at the date of the balance sheet. Gains and losses on investments are taken directly to the statement of financial activities.

**Debtors**

Debtors are recognised at the settlement amount due.

**Short term deposits**

Short term deposits include short term highly liquid investments with a maturity of three months or less from the date of acquisition.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)**
**1. ACCOUNTING POLICIES (CONTINUED)**
**Creditors**

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

**Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at amortised cost or as specified in the preceding accounting policies. As there are currently no long term financial instruments, the transaction value and settlement value will be the same.

**Allocation between funds**

The Charles Skey Fund has its own portfolio of investments which is reported separately. The remaining portfolio is allocated to the other individual funds in proportion to their share of the Fund account balance at the beginning of the period.

**2. DONATIONS AND LEGACIES**

	Year ended 31 December 2023 £'000	Period ended 31 December 2022 £'000
General donations	219	247
Donation from the Corporation of Lloyd's	100	154
	<u>319</u>	<u>401</u>

**3. INVESTMENT INCOME**

	Year ended 31 December 2023 £'000	Period ended 31 December 2022 £'000
Equity Fund Investments	115	144
Property fund	30	34
UK fixed interest investments	-	-
	<u>145</u>	<u>178</u>

**4. AUDITOR'S REMUNERATION**

The auditor's remuneration constituted an audit fee of £2k (2022: £2k) and non-audit fees of £nil (2022: £nil).

As noted in the report of the Trustees, the auditor was paid for the provision of bookkeeping services. This was for an amount of £5k (2022: £5k) and was paid by the Corporation of Lloyd's.

**5. STAFF COSTS AND NUMBERS**

The average number of employees was nil (2022: nil). No remuneration was paid in either the current or prior period.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

**6. ANALYSIS OF CHARITABLE EXPENDITURE**

	Year ended 31 December 2023 £'000	Period ended 31 December 2022 £'000
<b>Funded from unrestricted funds:</b>		
Give Us Time	-	15
Combat Stress	-	150
Care after Combat	-	27
Scotty's Little Soldiers	85	-
Forces Employment	100	-
RFEA	-	150
Fighting with pride	-	15
The Ripple Pond	10	-
Help for Heroes	-	21
	<u>195</u>	<u>378</u>

**7. QUOTED INVESTMENTS**

	<b>2023</b>			
	Equity £'000	Property £'000	Cash £'000	Total £'000
Market value brought forward	3,488	454	38	3,980
Net (sales) and purchases	(7)	-	-	(7)
Net unrealised gain/(loss) for the year	210	(29)	-	181
Net realised gain/(loss) for the year	16	-	-	16
Movements on cash account	-	-	12	12
Market value carried forward	<u>3,707</u>	<u>425</u>	<u>50</u>	<u>4,182</u>

	<b>2022</b>			
	Equity £'000	Property £'000	Cash £'000	Total £'000
Market value brought forward	2,995	464	29	3,488
Net (sales) and purchases	598	-	-	598
Net unrealised gain/(loss) for the year	(105)	(10)	-	(115)
Net realised gain/(loss) for the year	-	-	-	-
Movements on cash account	-	-	9	9
Market value carried forward	<u>3,488</u>	<u>454</u>	<u>38</u>	<u>3,980</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

**8. CREDITORS**

	Year ended 31 December 2023 £'000	Period ended 31 December 2022 £'000
Accruals	6	6
	<u>6</u>	<u>6</u>

**10. DISCLOSURE OF RELATED PARTY TRANSACTIONS & TRUSTEE REMUNERATION**

The trustees receive no remuneration and no expenses were reimbursed within the financial period (2022 – none). Reasonable travel expenses for trustees were reimbursed from the Corporation of Lloyd's.

There were no related party transactions in the year 2023.

**11. FUNDING COMMITMENTS**

LPF has made a commitment to spend the annual donation from the Council of Lloyd's on charitable partnerships that achieve the strategy of LPF as well as using their reserves to make further grants. The selected charity partners (Forces Employment Charity and Scotty's Little Soldiers) receive committed expenditure amounts of £100k and £85k per year each for three years, with £370k committed and yet to be donated.

Any potential reduction in future investment income will not materially affect any current project commitments. Trustees will continue to monitor the markets closely and have the option to drawdown funds as they see fit.

**12. FUNDS**

Founded in 1803 to assist the many casualties of the Napoleonic Wars, Lloyd's Patriotic Fund is the oldest military charity of its kind and has been providing support to the Armed Forces Community on behalf of the Lloyd's market for over 200 years.

**General Fund (1803)**

This Fund provides assistance to officers and men and women of the Royal Navy, the Army, Royal Marines and Royal Air Force or their families (partners, widows, orphans, dependants and relatives) who, at the trustees' discretion, are fitting recipients.

**The Hugh Stewart McCorquodale Memorial Fund (1901)**

A bequest of 1,000 guineas made by Lieutenant Hugh Stewart McCorquodale, killed during the South African War, whereby the use of income is at the discretion of trustees.

**Edwin Hampson Mackintosh Fund (1916)**

Lieutenant Edwin Hampson Mackintosh killed on the first day of the Battle of Loos, bequeathed £1k with the stipulation that the income is used for the benefit of officers of the Royal Navy or Royal Marines or their dependants.

**Janson Fund (1918) – now formally part of the general fund as of 28 January 2021**

A gift of £10k was made by the then Chair Percy Janson. Trustees designated that the capital or income be used primarily to assist officers of the Royal Navy, the Army and Royal Marines or their dependants in the form of grants towards the education and maintenance of their children.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)**

**12. Funds (continued)**

**Charles Skey Fund (2013)**

In May 2013 Charles Skey, former trustee and Chair of Lloyd's Patriotic Fund, made a bequest of £1m to Lloyd's Patriotic Fund. Mr Skey expressed the wish that the capital is invested and untouched and that the income is used for the general charitable purposes of the Fund.

**LLOYD'S PATRIOTIC FUND**
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)**
**14. ANALYSIS OF COMPARATIVE INFORMATION WITHIN THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted	Restricted	Endowment Funds			Period ended 31 December 2022 Total £'000
	Funds	Funds	Mackintosh Fund	McCorquodale Fund	Skey Fund	
	General Fund £'000	Mackintosh income £'000	Mackintosh Fund £'000	McCorquodale Fund £'000	Skey Fund £'000	
<b>INCOME:</b>						
Donations and legacies	401	-	-	-	-	401
Investment income	123	6	-	2	47	178
<b>Total income</b>	<b>524</b>	<b>6</b>	<b>-</b>	<b>2</b>	<b>47</b>	<b>579</b>
<b>EXPENDITURE:</b>						
Investment management fees	(12)	(1)	-	-	(6)	(19)
Charitable activities:						
Donations and grants payable	(378)	-	-	-	-	(378)
Other expenses	(3)	-	-	-	-	(3)
<b>Total expenditure</b>	<b>(393)</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>(6)</b>	<b>(400)</b>
Net income / (expenditure) and net movement in funds	131	5	-	2	41	179
Realised gain / (loss) on investments	-	-	-	-	-	-
Unrealised gain / (loss) on investments	(117)	-	15	2	(15)	(115)
<b>Net gain / (loss) on investments</b>	<b>(117)</b>	<b>-</b>	<b>15</b>	<b>2</b>	<b>(15)</b>	<b>(115)</b>
<b>NET MOVEMENT IN FUNDS</b>	<b>14</b>	<b>5</b>	<b>15</b>	<b>4</b>	<b>26</b>	<b>64</b>
Total funds brought forward	2,693	16	120	46	1,246	4,121
<b>Total funds carried forward</b>	<b>2,707</b>	<b>21</b>	<b>135</b>	<b>50</b>	<b>1,272</b>	<b>4,185</b>

**LLOYD'S PATRIOTIC FUND**
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)**
**15. ANALYSIS OF COMPARATIVE INFORMATION WITHIN THE BALANCE SHEET**

	Unrestricted	Restricted	Endowment Funds			Period ended 31 December 2022 Total £'000	
	Funds	Funds	General Fund £'000	Mackintosh income Fund £'000	Mackintosh Fund £'000		McCorquodale Fund £'000
<b>INVESTMENTS</b>							
At market value	2,676	-	135		46	1,123	3,980
<b>CURRENT ASSETS</b>							
Short term deposits	23	-	-		-	-	23
Cash at bank	14	21	-		4	149	188
<b>Total</b>	<b>37</b>	<b>21</b>	<b>-</b>		<b>4</b>	<b>149</b>	<b>211</b>
<b>CURRENT LIABILITIES</b>							
Creditors	(6)	-	-		-	-	(6)
<b>Total expenditure</b>	<b>(6)</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>(6)</b>
<b>NET CURRENT ASSETS</b>	<b>31</b>	<b>21</b>	<b>-</b>		<b>4</b>	<b>149</b>	<b>205</b>
<b>NET ASSETS</b>	<b>2,707</b>	<b>21</b>	<b>135</b>		<b>50</b>	<b>1,272</b>	<b>4,185</b>
<b>FUNDS</b>	<b>2,707</b>	<b>21</b>	<b>135</b>		<b>50</b>	<b>1,272</b>	<b>4,185</b>

**LLOYD'S PATRIOTIC FUND**

England & Wales - Charity number 210173

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# Accounts

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**LLOYD'S PATRIOTIC FUND**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED**  
**31 DECEMBER 2022**

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2022**

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**REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2022**

The trustees of Lloyd's Patriotic Fund (The Fund) have pleasure in presenting their report together with the audited financial statements of the Fund for the period ended 31 December 2022.

**TRUSTEES AND OFFICIALS**

<b>Registered number</b>	210173
<b>Address</b>	Lloyd's of London One Lime Street London EC3M 7HA 020 7327 1000
<b>Trustees</b>	Mr Ed Butler (Chair) Mr Bruce Carnegie-Brown (ex-officio) Mr Alexander Findlay (retired October 2022) Mr William Roscoe Air Commodore Wendy Rothery (Deputy Chair) Mr Duncan Welham Mr Richard Williams MC Mrs Caroline Sandeman-Allen Mrs Michelle Alston Mr Neil Maidment Dr Paul Hughes (appointed February 2023) Mr Simon Maxwell (appointed February 2023)
<b>Secretary</b>	Ms Michaelae Hawkins (retired June 2021) Ms Sarah Chamberlain (appointed July 2021, resigned September 2021) Miss Jessica Tamman (appointed October 2022)
<b>Investment Advisors</b>	Cazenove Capital Management 12 Moorgate London EC2R 6DA
<b>Auditors</b>	Simpson Wreford & Partners Suffolk House George Street Croydon CR0 0YN
<b>Bankers</b>	National Westminster Bank PLC PO Box 12258 1 Princes Street London EC2R 8PA

**LLOYD'S PATRIOTIC FUND****REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)****STRUCTURE, GOVERNANCE AND MANAGEMENT****Frequency of meetings and quorate meetings**

Lloyd's Patriotic Fund (LPF) was established in 1803 constituted by a Trust Deed dated 28 May 1875 and is a registered charity subject to the provisions of the Charities Act 2011. The financial statements have been prepared in accordance with the accounting policies set out on pages 18 and 19 and comply with the Fund's Trust Deed and applicable law.

LPF is also guided by a separate term of reference which cover matters such as number of trustees, frequency of meetings and quorate meetings.

Responsibility for carrying out the objectives of LPF rests with the trustees. The Fund is supported by a Secretariat working under the direction of the trustees, employed by the Corporation of Lloyd's and supported by the wider Global Community Engagement team. Delegated authority is given to the Global Community Engagement team at Lloyd's, an outsourced finance team (Simpson Wreford & Partners) and Lloyd's Treasury and Investment Management to advise and assist as per LPF's Delegated Authority documentation. With the exception of audit fees, bank charges, insurance and investment management fees which are borne directly by the Fund, all administration costs of the Fund are borne in full by the Corporation of Lloyd's.

The disbursement of the Fund is at the sole discretion of the trustees unless funds have been given for a specific purpose.

**Trustees**

There were nine trustees as at 31 December 2022. Two trustees were appointed after the year end in readiness for the 2023 trustee meetings.

According to the governing document, upon the death, retirement or resignation of a trustee or when the number of trustees falls to seven, the trustees are required to appoint new trustees up to a maximum of fourteen. In accordance with the governing document the Board of Trustees did not fall below seven or exceed fourteen trustees at any one time.

The maximum term of office is nine years and trustees are asked to serve a minimum of three years.

All trustees give their time freely and no trustee remuneration was paid in the year from the funds of LPF. Any reasonable travel expenses were covered for trustees as a cost borne to the Corporation of Lloyd's.

**Governance**

New trustees are appointed by the Board of Trustees following approval from the Council of Lloyd's.

As a charity established to provide charitable grants on behalf of the Lloyd's market, trustees are drawn from across the Lloyd's market with the aim of representing different market constituencies – underwriters, brokers and members of Lloyd's governing body. Trustees external to the Lloyd's market are also on the board and the majority of trustees have military experience directly or indirectly.

LPF also aims to be a diverse board of trustees representing different voices as outlined in its Recruitment Policy which is reviewed every three years. With a formal external recruitment process implemented in June 2019 potential trustees can apply. LPF has a Trustee Recruitment subcommittee who formally interview potential candidates and decide who to put forward to the board. The board collectively agree what skills and knowledge gaps exist on the board and recruit candidates based on their experience and expertise, knowledge and interest in the charitable sector.

Consideration is given to relevant experience such as military service as well as knowledge of Lloyd's

**LLOYD'S PATRIOTIC FUND****REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)**

and the London insurance market, their interest or experience in the military charitable sector and experience of charity governance.

Potential trustees are invited to meet with the Trustee Recruitment subcommittee (including the Chair and the Global Community Engagement team). Before agreeing to become a trustee they will take part in a trustee induction session with the Global Community Engagement team to be informed of LPF's structure, objectives and activities and their responsibilities as a trustee. This induction ensures that all new trustees follow good practice and guidance from the Charity Commission. All new trustees are required to sign LPF's Code of Conduct as part of their onboarding process.

Once appointed, trustees will be supported by the Secretary and the Board of Trustees in any area of induction or training needed. Regular updates are provided at the meetings with regards to governance issues and changes to charity regulations.

All trustees complete a Register of Interests and a skills audit on an annual basis as well as alerting the Chair and Global Community Engagement team when there is a new potential conflict of interest.

Trustees meet three times a year as this is sufficient for the size and nature of the organisation. Four trustees present at a meeting shall be quorum. As stated in the original Trust Deed all matters and questions shall be determined by a majority vote of the trustees present at any meeting but in the event of a tie, the Chair shall have a second or casting vote.

At the trustee meetings the trustees agree the broad strategy and areas of activity for the Fund including consideration of governance, grant giving, charity partnerships, investment, reserve and risk management policies and performance. The day-to-day administration of grants and the processing and handling of applications prior to consideration by the relevant subcommittee is delegated to the Global Community Engagement team at the Corporation of Lloyd's. The Charity Partners selection committee of trustees meet annually to review all applications for grants and shortlist applications and recommendations to take forward to trustee meetings.

LPF has a number of subcommittees of which trustees and the Global Community Engagement team are a part and they are each chaired by a trustee. These include:

- Trustee Recruitment
- Charity Partner Selection
- Fundraising & Marketing

Lead trustees are allocated to lead on: the Risk Register, LPF's investments and attend the Charities Investment Advisory Committee and act as lead trustees for charity partners.

Minutes are taken at each meeting and are circulated to trustees along with action points and responsibilities and are kept as a record.

**Risk Management**

The trustees have considered the major risks to which the charity is exposed and reviewed those risks and established systems and procedures to manage those risks.

The Risk Register outlines the major risks to which the charity is exposed. The Risk Register is reviewed annually and trustees are also alerted to any new risks.

As Lloyd's employees, all individuals administering LPF are able to raise issues relating to fraud and financial crime in accordance with Lloyd's Whistleblowing procedures.

LPF has a Conflicts of Interests policy and procedure which all trustees are familiar with and follow. This is reviewed every three years.

## **LLOYD'S PATRIOTIC FUND**

### **REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)**

#### **OBJECTIVES AND ACTIVITIES**

Founded in 1803, Lloyd's Patriotic Fund is the oldest military charity of its kind, supporting the armed forces community on behalf of the Lloyd's market. We focus on improving the transition to civilian life for veterans and their families who need the most help.

Today, Lloyd's Patriotic Fund unites support from the market to aid the successful transition to civilian life for veterans and their families to ensure successful futures.

Lloyd's Patriotic Fund partners with military charities who are best placed to meet the mental health and employment needs of the military community. In addition, Lloyd's Patriotic Fund has an annual grant giving programme to award small grants to support charities that enable veterans and their families to build successful civilian lives and careers.

Each year, 17,000 personnel leave the UK Armed Forces and return to civilian life and their families. For the majority the transition is successful, however a high proportion of veterans find this more difficult, putting them in a vulnerable position.

The trustees confirm that they have referred to the advice contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities.

The Fund is divided into a number of individual funds established for public benefit to achieve the Fund's strategic priorities.

#### **General Fund (1803)**

This Fund provides assistance to officers and men and women of the Royal Navy, the Army, Royal Marines and Royal Air Force or their families (partners, widows, orphans, dependants and relatives) who, at the trustees' discretion, are fitting recipients.

#### **The Hugh Stewart McCorquodale Memorial Fund (1901)**

A bequest of 1,000 guineas made by Lieutenant Hugh Stewart McCorquodale, killed during the South African War, whereby the use of income is at the discretion of trustees.

#### **Edwin Hampson Mackintosh Fund (1916)**

Lieutenant Edwin Hampson Mackintosh killed on the first day of the Battle of Loos, bequeathed £1k with the stipulation that the income is used for the benefit of officers of the Royal Navy or Royal Marines or their dependants.

#### **Janson Fund (1918) – now formally part of the general fund as of 28 January 2021**

A gift of £10k was made by the then Chair Percy Janson. Trustees designated that the capital or income be used primarily to assist officers of the Royal Navy, the Army and Royal Marines or their dependants in the form of grants towards the education and maintenance of their children.

#### **Charles Skey Fund (2013)**

In May 2013 Charles Skey, former trustee and Chair of Lloyd's Patriotic Fund, made a bequest of £1m to Lloyd's Patriotic Fund. Mr Skey expressed the wish that the capital is invested and untouched and that the income is used for the general charitable purposes of the Fund. All income arising from the fund is expended during the year.

**REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)****ACHIEVEMENTS****Fundraising**

The Fundraising subcommittee continue to focus on its fundraising “slip” campaign. The aim of this is to increase financial support from the Lloyd’s market for LPF in collaboration with the Royal British Legion Lloyd’s and City branch. This campaign focuses on donations from companies in the Lloyd’s market. This approach has been in place since February 2019 following a review which set up the fund with a new approach to fundraising, grant giving and the way it works with its charity partners.

**Partnerships and Grant Giving**

LPF continues to work closely with charities which support veterans and their families transitioning to civilian life through employability and mental health programmes.

Donations are provided for strategic charity partnerships to undertake an agreed project, subject to rigorous due diligence checks and a detailed Grant Agreement. The effectiveness of the grants and partnerships are monitored through 6-monthly reporting produced by charity partners and presented to trustees, and consistent relationships with the Global Community Engagement team at the Corporation of Lloyd’s. Individual trustees are responsible for leading the engagement with charity partners including project updates and visits where possible, regular meetings and approving the mid-project and end of project update reports to all trustees.

In addition LPF gave out small grants of £10k each to charities and projects that help improve the transition for “at risk” groups (such as bereaved families, or early service leavers families) which focuses on mental health and building resilience, employment support and financial independence to enable veterans and their families to build successful civilian lives and careers. A thorough grant application process took place and the Charity Selection subcommittee made the decision to award five small grants with the support of the trustee board, at the July 2022 meeting.

**Long-term partnerships**

LPF donated £100,000 each to Forces Employment Charity and Combat Stress for the final year of the 3-year partnerships (£200,000 in total p.a.). This equated to £150,000 each in the 18 month period ended 31 December 2022. This was funded by a £150,000 donation from the Society of Lloyd’s and investment income.

**Forces Employment Charity**

Forces Employment Charity exists to provide life-long, life-changing support, job opportunities and training to the UK Armed Forces Community. Funding from LPF has enabled the Families Programme to support 524 non-serving spouses and partners into employment throughout the 18 month period ended 31 December 2022. The highly skilled Families Employment Advisors’ support has resulted in 96% of beneficiaries increasing their job search skills. Significantly, in a year of extremely high inflation rates, 79% of beneficiaries increased their social mobility with 140 entering new employment. Highlights for the Families Programme include hosting the inaugural Celebrating Forces Families Awards, and Forces Employment’s TechVets opening to families’ registrations.

**Combat Stress**

LPF have supported Combat Stress to conduct pioneering research to create an evidence base of occupational therapy input that will enhance the civilian lives and careers of veterans with trauma-related mental health conditions. The partnership will conclude in May 2023. The research paper produced by the Occupational Health

## **LLOYD'S PATRIOTIC FUND**

### **REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)**

Therapist at Combat Stress is currently under peer review for journal submission, with support from York St John University.

In addition, the Royal College of Occupational Therapists signed the Armed Forces Covenant due to the recognition of the work with military veterans and have requested several submissions to summarise the interventions and findings of the Occupational Therapists work within this demographic.

Approximately 500 veterans were directly supported through the programme in the 18 month period ended 31 December 2022.

#### **Small Annual Grant Giving**

During the period four charities - The Contact Group (hosted by Help for Heroes), Care After Combat, Give Us Time and Fighting with Pride - were supported through the annual small grant giving programme with grants totalling £78k.

LPF is supporting these charities to deliver programmes that support veterans and their families with employment and mental health. These grants were donated between November and December 2022.

## **FINANCIAL REVIEW**

### **Funding Sources and Reserves Policy**

The revenue of the Fund is generated from investment income and legacies and donations from individuals and companies.

The General Fund of LPF received a donation of £150k from the Council of Lloyd's to support the grant giving programme.

The charity aims to maintain the real capital value of its investments in its reserves whilst fully expending its donation and investment derived income in pursuit of its aims and objectives. Trustees have a reserves policy of holding circa £125k in reserve at all times (plus or minus 10%). A resolution will need to be passed to approve taking the cash reserves lower than £100k. This allows cover for any unbudgeted expenditure during the year. Trustees wish to keep at least 70% of the assets in investments that can be realised within three months and a minimum of 2% of total assets should be kept in cash or near cash investments at all times.

### **Risk analysis**

The Fund's principal risk is the reduction in funding and inability to fundraise. This could manifest through the Council of Lloyd's ceasing funding to the Fund, the Fund losing their ability to fundraise or if the Fund's investment portfolio weakens, meaning that dividends significantly reduce.

LPF have significant mitigation processes in place which means that these scenarios are very unlikely. The Lloyd's charities risk register and regular risk reviews mean that controls are in place for each risk. This is supported in kind by the Lloyd's Corporation Risk & Regulatory team. LPF also have a cash reserve meaning in any circumstance which this may occur, they are able to honour their grant giving requirements within their current partnership contracts. Grant agreements also feature termination clauses which protect LPF from these risks and protect any reputational issues.

### **Investment policy and management**

The invested funds of Lloyd's Patriotic Fund are held in funds managed by Cazenove Capital Management whereby the costs of the investment management are borne directly by the Fund and amount to £19k for the 18 month period ended 31 December 2022 (year ended 30 June 2021: £12k).

**LLOYD'S PATRIOTIC FUND****REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)**

The cash element and any surplus funds from the General Fund and sub-funds are placed with Morgan Stanley Funds PLC (Gartmore).

Fees are deducted based on the whole portfolio on a daily average market value at a rate of 0.35% subject to VAT. There is also underlying fund management charges which are deducted from investment income or capital.

Investments are reviewed on a regular basis during the year by the relevant lead trustee and monitored by the Board of Trustees to ensure that they are meeting the trustees' long term objectives of maximising income available for charitable purposes whilst protecting the capital value of the fund.

Bi-annual review meetings are held with the Fund's advisory investment manager, Cazenove Capital Management as part of the Charities Investment Advisory Committee as well as additional meetings with the lead trustees for LPF's investments.

A report on the investments by Cazenove Capital Management is included on pages 10-11.

The overall gross annual investment income amounted to £178k for the 18 month period ended 31 December 2022 (year ended 30 June 2021: £87k).

The excess of income over expenditure for the year amounted to £179k for the 18 month period ended 31 December 2022 (year ended 30 June 2021: £285k) and during the period the market value of the Foundation's investment portfolio increased to a total of £3,980k (2021: £3,488k).

**Ethical Policies**

The trustees regularly review their level of exposure to ethically sensitive investments and agreed that the total sector exposure to ethically sensitive stocks should remain under 10%. The exposure level to ethically sensitive investments continues to be low and investment managers continue to engage with companies to encourage them to manage their ESG impact. The exposure rating was reviewed in 2020 by the lead trustees for LPF's investments who also sit on the Charities Investment Advisory Committee. The trustees do not wish to adopt an exclusionary policy but individual investments may be excluded if perceived to conflict with the Fund's purpose. It is ensured that all investments are held with acceptable evidence of ESG integration and the board's ethical investments approach is monitored by the board of trustees regularly.

**Commitments and Liabilities**

LPF has made a commitment to spend the annual donation from the Council of Lloyd's on charitable partnerships that achieve the strategy of LPF. The selected charity partners receive committed expenditure amounts as detailed below. Additional annual grant giving will be given each year for smaller donations between £10k and £20k (subject to charity application).

From 2023 onwards, LPF will be supporting the following charity partners through grant funding over 3 years - Forces Employment Charity (previously RFEA), for £100k per year, Scotty's Little Soldiers for £85k per year and The Ripple Pond, for £10k per year. This was agreed by Trustees in the October 2022 meeting. Partnerships with Forces Employment Charity and Scotty's Little Soldiers began in January 2023 and The Ripple Pond in April 2023.

Any potential reduction in future investment income as a result of financial market pressures will not materially affect any current project commitments. Trustees will continue to monitor the markets closely and have the option to drawdown funds as they see fit.

**LLOYD'S PATRIOTIC FUND****REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)****PLANS FOR FUTURE PERIODS**

The plans for the financial year 2023 include:

- In November 2022 LPF selected two new charity partners for 2023 – 2025 – Forces Employment Charity and Scotty's Little Soldiers – as part of the large grants programme
- LPF will also be supporting The Ripple Pond from 2023 – 2025
- LPF will support smaller military charities through its annual small grant programme
- LPF trustees will review its current strategy to ensure surplus funds are distributed in line with the aim of maintaining the capital value
- Creatively raise additional funds for LPF through the companies in the Lloyd's market through fundraising events and opportunities
- Create engagement opportunities for the Lloyd's market and veterans in the market to engage with the charities supported by LPF such as training, raising awareness and fundraising

**Public Benefit**

The Trustees take full account of the published Charity Commission general guidance on public benefit and are satisfied that the aims of the charity are carried out wholly in pursuit of its charitable aims for the public benefit. Lloyd's Patriotic Fund's grant-making is of measurable benefit to individuals. Applications can be made by all military and ex-military charities that support serving and ex-service armed forces personnel and their dependants who are in need.

**Acknowledgement**

The Trustees wish to record their sincere thanks to members of the Corporation of Lloyd's staff who assist with the administration of the financial statements of the Fund and to the Corporation of Lloyd's which bears the majority of administration costs.

The Trustees are grateful to the Corporation of Lloyd's for their agreement to provide LPF with an annual donation from the Council of Lloyd's on behalf of the Lloyd's market.

The Trustees are grateful to the individuals and companies who supported the Fund with donations which amounted to £251k for the 18 month period ended 31 December 2022 (year ended 30 June 2021: £213k) during the year.

The Trustees also wish to thank our charity partners for all their tireless support and help to the military community, veterans and their families.

Approved by the Board of Trustees on 13 July 2023 and signed on its behalf by: -



Ed Butler  
Chair



Wendy Rothery  
Deputy Chair

**STATEMENT OF THE TRUSTEES' RESPONSIBILITIES FOR THE PERIOD ENDED 31  
DECEMBER 2022**

**Trustees' responsibilities statement**

The trustees are responsible for preparing the Trustees' Annual Report 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 & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements 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 a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

**REPORT OF THE INVESTMENT MANAGER TO THE TRUSTEES OF LLOYD'S PATRIOTIC FUND FOR THE PERIOD ENDED 31 DECEMBER 2022**
**Overview**
**Investment Objective**

The portfolio is designed to maximise income whilst protecting the real value of capital over the medium to long term. The portfolio is managed on an advisory basis with Cazenove Capital Ltd providing investment advice on an ad hoc basis, custody, reporting and administration services. The portfolio uses a broad range of investments and may allocate a high proportion of its assets to equity or equity-like investments in pursuing its aims. Whilst the majority of the portfolio is invested in readily tradable assets, illiquid assets are considered part of the investable universe and the portfolio may have some exposure. Cash, fixed income and other defensive assets will normally account for only a small part of the portfolio.

**Portfolio Summary**

Description	Market Value £	Portfolio Weight %
<b>Equities</b>	<b>2,398,826</b>	<b>60.3%</b>
<b>UK</b>	<b>954,281</b>	<b>24.0%</b>
ASI UK All Share Tracker Fund	505,305	12.7%
Trojan Income Fund	448,976	11.3%
<b>Global</b>	<b>1,444,544</b>	<b>36.3%</b>
Fidelity Global Dividend	744,174	18.7%
Vanguard FTSE All-World ETF	700,370	17.6%
<b>Multi-asset</b>	<b>1,012,780</b>	<b>25.4%</b>
Multi-Asset Fund	96,290	2.4%
Responsible Multi-Asset Fund	916,490	23.0%
<b>Property</b>	<b>453,752</b>	<b>11.4%</b>
Charities Property Fund	453,752	11.4%
<b>Cash</b>	<b>112,948</b>	<b>2.8%</b>
Sterling cash	37,948	0.9%
JPMorgan Liquidity Fund	75,000	1.9%
<b>Total</b>	<b>3,979,958</b>	<b>100%</b>

Source: Cazenove Capital as of 31.12.2022.

**Economic and Market outlook**

Central bankers may well start to sound less anxious about inflation in 2023. However, investors must still contend with the slowdown that will result from the steep rises in interest rates we have seen over the past year. If inflation cools quickly, this slowdown could be relatively shallow and short-lived, as central banks signal a willingness to cut interest rates to support growth. Schrodgers' economists anticipate that the Federal Reserve may be in a position to cut rates in the second half of 2023, with the Bank of England and European Central Bank to follow. However, the path of inflation remains far from certain. Markets could become more volatile if it becomes apparent that interest rates will need to rise higher - or stay high for longer – than is currently anticipated.

Beijing has surprised investors by quickly dismantling the coronavirus restrictions that have been weighing on Chinese activity for over two years. At some point, this is likely to result in a strong rebound in economic activity, potentially boosting global demand and complicating efforts to bring inflation under control. However, the timing of this recovery remains unclear and China could face a prolonged period of weakness as it experiences a Covid "exit wave." This uncertain outlook is reflected in the performance of commodities, which are still highly dependent on Chinese demand. Prices jumped late last year as it emerged that Covid restrictions would be eased: they have since retreated as it has become more likely that the boost to activity may be delayed.

Russia's bombardment of Ukrainian cities over the holiday season is a sad reminder that there is little prospect of a de-escalation of the conflict any time soon. By contrast, it looks increasingly likely that

**LLOYD'S PATRIOTIC FUND****REPORT OF THE INVESTMENT MANAGER TO THE TRUSTEES OF LLOYD'S PATRIOTIC FUND FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)**

both sides are preparing for renewed offensives in the spring. Besides the humanitarian cost, this will have global economic implications as the world grapples with continued uncertainty over energy and agricultural supplies. There are other international flashpoints to worry about. Taiwan is likely to remain a source of tension between China and the US and could lead to further disruption in global trade and supply chains. Iran's nuclear programme, alongside the challenge from domestic unrest, could also be a source of instability in the Middle East.

**Cazenove Capital Management, 31 December 2022**

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF LLOYD'S PATRIOTIC FUND FOR THE PERIOD ENDED 31 DECEMBER 2022****Opinion**

We have audited the financial statements of Lloyd's Patriotic Fund (the 'charity') for the period ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 the charity's affairs as at 31 December 2022, and of its incoming resources and application of resources, for the period 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least 12 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 annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**LLOYD'S PATRIOTIC FUND****REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF LLOYD'S PATRIOTIC FUND FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)****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 trustees' report.

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory framework applicable to the entity and the sector in which it operates, through discussions with management and those charged with governance. We identified the financial reporting framework including but not limited to United Kingdom Generally Accepted Accounting Practice and the Charities Act 2011, Data Protection Act 2018 and Bribery Act 2010 legislation as being of significance in the context of the charity and its ongoing activities.
- We made enquiries with management and those charged with governance to confirm our understanding that the charity continued to comply with the applicable legal and regulatory frameworks, and also to confirm our understanding of the specific policies and procedures enlisted by the charity to ensure ongoing compliance.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF LLOYD'S PATRIOTIC FUND FOR THE PERIOD ENDED 31 DECEMBER 2022 (continued)**

- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud may occur, and gained an understanding of the charity's policies and procedures on fraud risks through discussion with the charity's management.
- We considered the risk of material misstatement due to fraud as a result of possible management override of controls and improper revenue recognition. In addressing this risk of fraud we have tested the appropriateness of journal entries and other adjustments including a sample of manual journals along with testing revenue recognition and confirming that cut-off is appropriate.
- We communicated those laws and regulations considered relevant to the charity, and potential fraud risks to all engagement team members, and consider that the engagement team had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations, and remained alert to any indications of fraud throughout the audit.

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

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 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.

*Simpson Wreford + Partners*

Simpson Wreford & Partners  
Statutory Auditor  
Suffolk House  
George Street  
Croydon  
CR0 0YN

Date... 4 August 2023 .....

Simpson Wreford & Partners is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**LLOYD'S PATRIOTIC FUND**
**STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 DECEMBER 2022**

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds			Period ended 31 December 2022 Total £'000	Year ended 30 June 2021 Total £'000
		General Fund £'000	Mackintosh income £'000	Mackintosh Fund £'000	McCorquodale Fund £'000	Skey Fund £'000		
<b>INCOME:</b>								
Donations and legacies	2	401	-	-	-	-	401	383
Investment income	3	123	6	-	2	47	178	87
<b>Total income</b>		<b>524</b>	<b>6</b>	<b>-</b>	<b>2</b>	<b>47</b>	<b>579</b>	<b>470</b>
<b>EXPENDITURE:</b>								
Investment management fees		(12)	(1)	-	-	(6)	(19)	(12)
Charitable activities:								
Donations and grants payable	6	(378)	-	-	-	-	(378)	(170)
Other expenses		(3)	-	-	-	-	(3)	(3)
<b>Total expenditure</b>		<b>(393)</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>(6)</b>	<b>(400)</b>	<b>(185)</b>
Net income / (expenditure) and net movement in funds		131	5	-	2	41	179	285
Realised gain / (loss) on investments	7	-	-	-	-	-	-	39
Unrealised gain / (loss) on investments	7	(117)	-	15	2	(15)	(115)	361
<b>Net gain / (loss) on investments</b>	<b>7</b>	<b>(117)</b>	<b>-</b>	<b>15</b>	<b>2</b>	<b>(15)</b>	<b>(115)</b>	<b>400</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>14</b>	<b>5</b>	<b>15</b>	<b>4</b>	<b>26</b>	<b>64</b>	<b>685</b>
Total funds brought forward		2,693	16	120	46	1,246	4,121	3,436
<b>Total funds carried forward</b>		<b>2,707</b>	<b>21</b>	<b>135</b>	<b>50</b>	<b>1,272</b>	<b>4,185</b>	<b>4,121</b>

The notes on pages 18 to 24 form part of these financial statements.

**LLOYD'S PATRIOTIC FUND**
**BALANCE SHEET FOR THE PERIOD ENDED 31 DECEMBER 2022**

	Note	Unrestricted Funds General Fund £'000	Restricted Funds Mackintosh income £'000	Mackintosh Fund £'000	Endowment funds McCorquodale Fund £'000	Skey Fund £'000	Period ended 31 December 2022 Total £'000	Year ended 30 June 2021 Total £'000
<b>INVESTMENTS</b>								
At market value	7	2,676	-	135	46	1,123	3,980	3,488
<b>CURRENT ASSETS</b>								
Short term deposits		23	-	-	-	-	23	23
Cash at bank		14	21	-	4	149	188	652
Total		<u>37</u>	<u>21</u>	<u>-</u>	<u>4</u>	<u>149</u>	<u>211</u>	<u>675</u>
<b>CURRENT LIABILITIES</b>								
Creditors	8	(6)	-	-	-	-	(6)	(42)
Total expenditure		<u>(6)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6)</u>	<u>(42)</u>
<b>NET CURRENT ASSETS</b>		<b>31</b>	<b>21</b>	<b>-</b>	<b>4</b>	<b>149</b>	<b>205</b>	<b>633</b>
<b>NET ASSETS</b>		<u><b>2,707</b></u>	<u><b>21</b></u>	<u><b>135</b></u>	<u><b>50</b></u>	<u><b>1,272</b></u>	<u><b>4,185</b></u>	<u><b>4,121</b></u>
<b>FUNDS</b>		<u><b>2,707</b></u>	<u><b>21</b></u>	<u><b>135</b></u>	<u><b>50</b></u>	<u><b>1,272</b></u>	<u><b>4,185</b></u>	<u><b>4,121</b></u>

Approved and authorised for issue by the Board of Trustees on 13 July 2023 and signed on its behalf by




Ed Butler  
Chair

Wendy Rothery  
Deputy Chair

The notes on pages 18 to 24 form part of these financial statement

## CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2022

	Note	Period ended 31 December 2022 £'000	Year ended 30 June 2021 £'000
<b>Net cash used in operating activities</b>	9	<b>(35)</b>	128
<b>Cash flows from investing activities:</b>			
Interest and dividends		178	87
Purchase of investments		(598)	(1,739)
Proceeds from sale of investments		-	1,699
<b>Net cash provided by investing activities</b>		<b>(420)</b>	47
<b>Change in cash and cash equivalents in year</b>		<b>(455)</b>	175
Cash and cash equivalents brought forward		704	529
<b>Cash and cash equivalents carried forward</b>		<b>249</b>	704
<b>Cash and cash equivalents consist of:</b>			
Cash within investments		38	29
Short term deposits		23	23
Cash at bank		188	652
<b>Total</b>		<b>249</b>	<b>704</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022****1. ACCOUNTING POLICIES****Basis of accounting**

The charity constitutes a public benefit entity as defined by FRS 102. In preparing the financial statements the fund follows best practice as laid down in the Statement of Recommended Practice "Accounting and Reporting by Charities" (Charities SORP FRS 102) in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011. They are drawn up on the historical accounting basis except that investments held as fixed assets are carried at market value.

**Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

**Donations and legacies**

Donations and legacies are included in the statement of financial activities when receivable.

**Investment income**

Dividends from equity investments are taken into account on the due date of payment; all other income is included by reference to the amount due in respect of the accounting period.

**Gains and losses on investments**

Gains or losses on disposals in the year are calculated by reference to the carrying value of the holding as at the date of sale.

**Grants**

Grants are accounted for by reference to the amount due in respect of the accounting period.

**Administration expenses**

The costs of the administration of the Fund are borne in full by the Corporation of Lloyd's with the exception of investment management fees, audit fees and bank charges. No remuneration was paid to the Trustees from Lloyd's Patriotic Fund, nor were any Trustees expenses reimbursed to them from the Fund. Reasonable travel expenses for trustees were reimbursed from the Corporation of Lloyd's.

**Taxation**

The Foundation is established as an exempt approved charity for taxation purposes.

**Investments**

Investments are stated at their market value at the date of the balance sheet. Gains and losses on investments are taken directly to the statement of financial activities.

**Debtors**

Debtors are recognised at the settlement amount due.

**Short term deposits**

Short term deposits include short term highly liquid investments with a short maturity of three months or less from the date of acquisition.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

**1. ACCOUNTING POLICIES (CONTINUED)****Creditors**

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

**Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at amortised cost or as specified in the preceding accounting policies. As there are currently no long term financial instruments, the transaction value and settlement value will be the same.

**Allocation between funds**

The Charles Skey Fund has its own portfolio of investments which is reported separately. The remaining portfolio is allocated to the other individual funds in proportion to their share of the Fund account balance at the beginning of the period.

**2. DONATIONS AND LEGACIES**

	<b>Period ended 31 December 2022 £'000</b>	<b>Year ended 30 June 2021 £'000</b>
General donations	247	213
Donation from the Corporation of Lloyd's	154	170
	<u>401</u>	<u>383</u>

**3. INVESTMENT INCOME**

	<b>Period ended 31 December 2022 £'000</b>	<b>Year ended 30 June 2021 £'000</b>
Equity Fund Investments	144	66
Property fund	34	21
UK fixed interest investments	-	-
	<u>178</u>	<u>87</u>

**4. AUDITOR'S REMUNERATION**

The auditor's remuneration constituted an audit fee of £2k (2021: £2k) and non-audit fees of £nil (2021:£nil).

As noted in the report of the Trustees, the auditor was paid for the provision of bookkeeping services. This was for an amount of £5k (2021: £nil) and was paid by the Corporation of Lloyd's.

**5. STAFF COSTS AND NUMBERS**

The average number of employees was nil (2021: nil). No remuneration was paid in either the current or prior period.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

## 6. ANALYSIS OF CHARITABLE EXPENDITURE

	Period ended 31 December 2022 £'000	Year ended 30 June 2021 £'000
<b>Funded from unrestricted funds:</b>		
Give Us Time	15	-
Combat Stress	150	50
Care after Combat	27	-
Army Families Fed	-	10
Supporting Wounded	-	10
Higher Ground Project	-	10
RFEA	150	50
Fighting with pride	15	-
The Ripple Bond	-	10
Help for Heroes	21	-
Building Heroes ED	-	19
Felix Fund	-	11
	<u>378</u>	<u>170</u>

## 7. QUOTED INVESTMENTS

	2022			
	Equity £'000	Property £'000	Cash £'000	Total £'000
Market value brought forward	2,995	464	29	3,488
Net (sales) and purchases	598	-	-	598
Net unrealised gain/(loss) for the year	(105)	(10)	-	(115)
Net realised gain/(loss) for the year	-	-	-	-
Movements on cash account	-	-	9	9
Market value carried forward	<u>3,488</u>	<u>454</u>	<u>38</u>	<u>3,980</u>

	2021			
	Equity £'000	Property £'000	Cash £'000	Total £'000
Market value brought forward	2,575	441	9	3,025
Net (sales) and purchases	40	-	-	40
Net unrealised gain/(loss) for the year	364	-	-	364
Net realised gain/(loss) for the year	39	-	-	39
Movements on cash account	-	-	20	20
Market value carried forward	<u>3,018</u>	<u>441</u>	<u>29</u>	<u>3,488</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022  
(continued)**
**8. CREDITORS**

	Period ended 31 December 2022 £'000	Year ended 30 June 2021 £'000
Accruals	6	12
Deferred income	-	30
	<u>6</u>	<u>42</u>

**9. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	Period ended 31 December 2022 £'000	Year ended 30 June 2021 £'000
Net movement in funds	64	685
Less interest and dividend income shown within investing activities	(178)	(87)
(Gain) / loss on investments	115	(403)
Decrease / (increase) in debtors	-	-
(Decrease) / increase in creditors	<u>(36)</u>	<u>(67)</u>
Net cash (outflow) / inflow from operating activities	<u>(35)</u>	<u>(128)</u>

**10. DISCLOSURE OF RELATED PARTY TRANSACTIONS & TRUSTEE REMUNERATION**

The trustees receive no remuneration and no expenses were reimbursed within the financial period (2021 – none). Reasonable travel expenses for trustees were reimbursed from the Corporation of Lloyd's.

There were no related party transactions in the year 2022.

**11. FUNDING COMMITMENTS**

LPF has made a commitment to spend the annual donation from the Council of Lloyd's on charitable partnerships that achieve the strategy of LPF. The selected charity partners receive committed expenditure amounts as detailed below. Additional annual grant giving will be given each year for smaller donations between £10k and £20k (subject to charity application).

From 2023 onwards, LPF will be supporting the following charity partners through grant funding over 3 years - Forces Employment Charity (previously RFEA), for £100k per year, Scotty's Little Soldiers for £85k per year and The Ripple Pond, for £10k per year. This was agreed by Trustees in the October 2022 meeting. Partnerships with Forces Employment Charity and Scotty's Little Soldiers began in January 2023 and The Ripple Pond in April 2023.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)****12. FUNDS**

Founded in 1803 to assist the many casualties of the Napoleonic Wars, Lloyd's Patriotic Fund is the oldest military charity of its kind and has been providing support to the Armed Forces Community on behalf of the Lloyd's market for over 200 years.

**General Fund (1803)**

This Fund provides assistance to officers and men and women of the Royal Navy, the Army, Royal Marines and Royal Air Force or their families (partners, widows, orphans, dependants and relatives) who, at the trustees' discretion, are fitting recipients.

**The Hugh Stewart McCorquodale Memorial Fund (1901)**

A bequest of 1,000 guineas made by Lieutenant Hugh Stewart McCorquodale, killed during the South African War, whereby the use of income is at the discretion of trustees.

**Edwin Hampson Mackintosh Fund (1916)**

Lieutenant Edwin Hampson Mackintosh killed on the first day of the Battle of Loos, bequeathed £1k with the stipulation that the income is used for the benefit of officers of the Royal Navy or Royal Marines or their dependants.

**Janson Fund (1918) – now formally part of the general fund as of 28 January 2021**

A gift of £10k was made by the then Chair Percy Janson. Trustees designated that the capital or income be used primarily to assist officers of the Royal Navy, the Army and Royal Marines or their dependants in the form of grants towards the education and maintenance of their children.

**Charles Skey Fund (2013)**

In May 2013 Charles Skey, former trustee and Chair of Lloyd's Patriotic Fund, made a bequest of £1m to Lloyd's Patriotic Fund. Mr Skey expressed the wish that the capital is invested and untouched and that the income is used for the general charitable purposes of the Fund. All income arising from the fund is expended during the period.

**13. CHANGE IN ACCOUNTING PERIOD**

The Fund extended its current reporting period to 31 December, in order to align its reporting date with other Lloyd's charities.

The comparative figures have been presented for the year ended 30 June 2021 and are therefore not directly comparable with the figures for the 18 month period ended 31 December 2022.

The change in accounting reference date was undertaken with the authority of the Trustees.

**LLOYD'S PATRIOTIC FUND**
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)**
**14. ANALYSIS OF COMPARATIVE INFORMATION WITHIN THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted	Designated	Restricted	Endowment Funds			Year ended 30 June 2021 Total £'000
	Funds	Funds	Funds				
	General Fund £'000	Janson Fund £'000	Mackintosh income £'000	Mackintosh Fund £'000	McCorquodale Fund £'000	Skey Fund £'000	
INCOME:							
Donations and legacies	383	-	-	-	-	-	383
Investment income	55	1	3	-	1	27	87
Total income	438	1	3	-	1	27	470
EXPENDITURE:							
Investment management fees	(8)	-	-	-	-	(4)	(12)
Charitable activities:							
Donations and grants payable	(170)	-	-	-	-	-	(170)
Other expenses	(3)	-	-	-	-	-	(3)
Total expenditure	(181)	-	-	-	-	(4)	(185)
Net income / (expenditure) and net movement in funds	257	1	3	-	1	23	285
Realised gain / (loss) on investments	(3)	-	-	-	-	42	39
Unrealised gain / (loss) on investments	245	-	-	13	5	98	361
Net gain / (loss) on investments	242	-	-	13	5	140	400
NET MOVEMENT IN FUNDS	499	87	3	13	6	163	685
Total funds brought forward	2,106	87	13	107	40	1,083	3,436
Transfer between funds	88	(88)	-	-	-	-	-
<b>Total funds carried forward</b>	<b>2,693</b>	<b>-</b>	<b>16</b>	<b>120</b>	<b>46</b>	<b>1,246</b>	<b>4,121</b>

**LLOYD'S PATRIOTIC FUND**
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)**
**15. ANALYSIS OF COMPARATIVE INFORMATION IN THE BALANCE SHEET**

	Unrestricted	Designated	Restricted	Endowment Funds			Year ended 30 June 2021 Total £'000
	Funds	Funds	Funds				
	General Fund £'000	Janson Fund £'000	Mackintosh income £'000	Mackintosh Fund £'000	McCorquodale Fund £'000	Skey Fund £'000	
INVESTMENTS							
At market value	2,097	84	-	120	44	1,143	3,488
CURRENT ASSETS							
Short term deposits	23	-	-	-	-	-	23
Cash at bank	522	4	16	-	2	108	652
Total	545	4	16	-	2	108	675
CURRENT LIABILITIES							
Creditors	(37)	-	-	-	-	(5)	(42)
Total expenditure	(37)	-	-	-	-	(5)	(42)
NET CURRENT ASSETS	508	4	16	-	2	103	633
Transfer between funds	88	(88)	-	-	-	-	-
NET ASSETS	2,693	-	16	120	46	1,246	4,121
FUNDS	2,693	-	16	120	46	1,246	4,121

**LLOYD'S PATRIOTIC FUND**

England & Wales - Charity number 210173

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# Accounts

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**LLOYD'S PATRIOTIC FUND**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2021**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

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# **LLOYD'S PATRIOTIC FUND**

(Registered Number **210173**)

## **TRUSTEES**

Mr Ed Butler CBE DSO (Chair)

Mr Bruce Carnegie-Brown (ex-officio)

Mr Alexander Findlay  
Mr William Roscoe (Deputy Chair)  
Air Commodore Wendy Rothery  
Mr Duncan Welham MBE  
Mr Richard Williams MC  
Mrs Caroline Sandeman-Allen  
Mrs Michelle Alston  
Mr Neil Maidment

## **Secretary**

Ms Michaela Hawkins (retired 30.06.2021)  
Ms Sarah Chamberlain (appointed 01.07.2021)

## **Investment Managers**

Cazenove Capital Management  
12 Moorgate, London EC2R 6DA

## **Auditors**

Simpson Wreford & Partners  
Suffolk House, George Street, Croydon CR0 0YN

## **Bankers**

National Westminster Bank PLC  
PO Box 12258, 1 Princes Street, London EC2R 8PA

**LLOYD'S, LIME STREET, LONDON EC3M 7HA**  
020 7327-1000

# LLOYD'S PATRIOTIC FUND

## REPORT OF THE TRUSTEES

The trustees of Lloyd's Patriotic Fund (The Fund) have pleasure in presenting their report together with the audited financial statements of the Fund for the year ended 30 June 2021.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Frequency of meetings and quorate meetings

Lloyd's Patriotic Fund (LPF) was established in 1803 constituted by a Trust Deed dated 28 May 1875 and is a registered charity subject to the provisions of the Charities Act 2011. The financial statements have been prepared in accordance with the accounting policies set out on pages 19 and 20 and comply with the Fund's Trust Deed and applicable law.

LPF is also guided by a separate term of reference which cover matters such as number of trustees, frequency of meetings and quorate meetings.

Responsibility for carrying out the objectives of LPF rests with the trustees. The Fund is supported by a Secretariat working under the direction of the trustees, employed by the Corporation of Lloyd's and supported by the wider Global Community Engagement team. Delegated authority is given to the Global Community Engagement team at Lloyd's, Group Finance and Group Treasury to advise and assist as per the LPF Delegated Authority documentation. With the exception of audit fees, bank charges, insurance and investment management fees which are borne directly by the Fund, all administration costs of the Fund are borne in full by the Corporation of Lloyd's.

The disbursement of the Fund is at the sole discretion of the trustees unless funds have been given for a specific purpose.

#### Trustees

There were ten trustees as at 30 June 2021.

According to the governing document, upon the death, retirement or resignation of a trustee or when the number of trustees falls to seven, the trustees are required to appoint new trustees up to a maximum of fourteen. In accordance with the governing document the Board of Trustees did not fall below seven or exceed fourteen trustees at any one time.

The maximum term of office is nine years and trustees are asked to serve a minimum of three years.

All trustees give their time freely and no trustee remuneration was paid in the year from the funds of LPF. Any reasonable travel expenses were covered for trustees as a cost borne to the Corporation of Lloyd's.

#### Governance

New trustees are appointed by the Board of Trustees following approval from the Council of Lloyd's.

As a charity established to provide charitable grants on behalf of the Lloyd's market, trustees are drawn from across the Lloyd's market with the aim of representing different market constituencies – underwriters, brokers and members of Lloyd's governing body. Trustees external to the Lloyd's market are also on the board and the majority of trustees have military experience directly or indirectly.

The Fund also aims to be a diverse board of trustees representing different voices as outlined in its Recruitment Policy which is reviewed every three years. With a formal external recruitment process implemented in June 2019 potential trustees can apply. The Fund has a Trustee Recruitment subcommittee who formally interview potential candidates and decide who to put forward to the board. The board collectively agree what skills and knowledge gaps exist on the board and recruit candidates based on their experience and expertise, knowledge and interest in the charitable sector.

Consideration is given to relevant experience such as military service as well as knowledge of Lloyd's and the London insurance market and their interest or experience in the military charitable sector.

Potential trustees are invited to meet with the Trustee Recruitment subcommittee (including the Chair and the Global Community Engagement team). Before agreeing to become a trustee they will be informed of the Fund's structure, objectives and activities and their responsibilities as a trustee. A full induction is

## **LLOYD'S PATRIOTIC FUND**

### **REPORT OF THE TRUSTEES (continued)** **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)** **Governance (continued)**

undertaken for all new trustees that follows good practice and guidance from the Charity Commission. All new trustees are required to sign the LPF's Code of Conduct as part of their onboarding process.

Once appointed, trustees will be supported by the Secretary and the Board of Trustees in any area of induction or training needed. Regular updates are provided at the meetings with regards to governance issues and changes to charity regulations.

All trustees complete a Register of Interests and a skills audit on an annual basis as well as alerting the Chair and Global Community Engagement team when there is a new potential conflict of interest.

Trustees meet three times a year as this is sufficient for the size and nature of the organisation. Four trustees present at a meeting shall be quorum. As stated in the original Trust Deed all matters and questions shall be determined by a majority vote of the trustees present at any meeting but in the event of a tie, the Chair shall have a second or casting vote.

At the trustee meetings the trustees agree the broad strategy and areas of activity for the Fund including consideration of governance, grant giving, charity partnerships, investment, reserve and risk management policies and performance. The day-to-day administration of grants and the processing and handling of applications prior to consideration by the relevant subcommittee is delegated to the Global Community Engagement team at the Corporation of Lloyd's. The Charity Partners selection committee of trustees meet annually to review all applications for grants and shortlist applications and recommendations to take forward to trustee meetings.

LPF has a number of subcommittees of which trustees and the Global Community Engagement team are a part of and they are each chaired by a trustee. These include:

- Trustee Recruitment
- Charity Partner Selection
- Fundraising & Marketing

Lead trustees are allocated to lead on: the Risk Register, LPF's investments and attend the Charities Investment Advisory Committee and act as lead trustees for charity partners.

Minutes are taken at each meeting and are circulated to trustees along with action points and responsibilities and kept as a record.

#### **Risk Management**

The trustees have considered the major risks to which the charity is exposed and reviewed those risks and established systems and procedures to manage those risks. LPF's risk management approach is outlined in their Risk Management policy and is reviewed every three years.

The Risk Register outlines the major risks to which the charity is exposed. The Risk Register is reviewed annually and trustees are also alerted to any new risks. A new Risk Framework has been implemented for LPF in line with Lloyd's Risk Management approach in 2020/2021.

As Lloyd's employees, all individuals administering LPF are able to raise issues relating to fraud and financial crime in accordance with Lloyd's Speaking-Up procedures.

# **LLOYD'S PATRIOTIC FUND**

## **REPORT OF THE TRUSTEES (continued)** **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)** **Risk Management (continued)**

LPF has a Conflicts of Interests policy and procedure which all trustees and new trustees are familiar with and follow. This is reviewed every three years.

LPF also has a Complaints policy which outlines how complaints should be made and escalated within the Fund and delegated authority to the Corporation of Lloyd's. This is reviewed every three years.

### **OBJECTIVES AND ACTIVITIES**

Founded in 1803 to assist the many casualties of the Napoleonic Wars, LPF is the oldest military charity of its kind and has been providing support to the Armed Forces Community on behalf of the Lloyd's market for over 200 years. Today, LPF focus on improving the transition to civilian life for veterans and their families who need the most help, to ensure successful futures. It uses the investment income from its capital fund and donations from individuals and companies in the Lloyd's insurance market as well as the annual donation from the Council of Lloyd's.

#### **Mission Statement**

Lloyd's Patriotic Fund - Uniting the Lloyd's insurance market for the last 200 years to support veterans and their families today.

#### **Focus**

Each year 17,000 personnel leave the UK Armed Forces and return to civilian life and many of them have families. For the majority the transition to civilian life is successful but a quarter find it more difficult, leaving them vulnerable.

The Transition Mapping Study (FiMT and The Futures Company 2013) calculated the cost to the UK of unsuccessful transition to be almost £114m. We also know that the time between individuals leaving the Armed Forces and reaching out for help is far longer than it should be. Leaving the services can take a toll on the employment prospects and wellbeing of personnel's partners and we know that one in four armed forces families have sought mental health support and face barriers to access employment.

This is where we come in: supporting the transition to civilian life for veterans and their families who need it the most. As the needs of individuals and their families are increasingly complex LPF will work with partners that take a holistic approach to improving this transition for the hardest to reach families.

We aim to help improve the transition for "at risk" groups (such as bereaved families or early service leavers families) which focuses on mental health, building resilience, employment support and financial independence to enable veterans and their families to build successful civilian lives and careers.

The trustees confirm that they have referred to the advice contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities.

The Fund is divided into a number of individual funds established for public benefit to achieve the Fund's strategic priorities.

# LLOYD'S PATRIOTIC FUND

## REPORT OF THE TRUSTEES (continued) OBJECTIVES AND ACTIVITIES (continued)

### General Fund (1803)

This Fund provides assistance to officers and men and women of the Royal Navy, the Army, Royal Marines and Royal Air Force or their families (partners, widows, orphans, dependants and relatives) who, at the trustees' discretion, are fitting recipients.

### The Hugh Stewart McCorquodale Memorial Fund (1901)

A bequest of 1,000 guineas made by Lieutenant Hugh Stewart McCorquodale, killed during the South African War, whereby the use of income is at the discretion of trustees.

### Edwin Hampson Mackintosh Fund (1916)

Lieutenant Edwin Hampson Mackintosh killed on the first day of the Battle of Loos, bequeathed £1k with the stipulation that the income is used for the benefit of officers of the Royal Navy or Royal Marines or their dependants.

### Janson Fund (1918) – now formally part of the general fund as of 28 January 2021

A gift of £10k was made by the then Chair Percy Janson. Trustees designated that the capital or income be used primarily to assist officers of the Royal Navy, the Army and Royal Marines or their dependants in the form of grants towards the education and maintenance of their children.

### Charles Skey Fund (2013)

In May 2013 Charles Skey, former trustee and Chair of Lloyd's Patriotic Fund, made a bequest of £1m to Lloyd's Patriotic Fund. Mr Skey expressed the wish that the capital is invested and untouched and that the income is used for the general charitable purposes of the Fund. All income arising from the fund is expended during the year.

## ACHIEVEMENTS

### Governance and Fundraising

The Fundraising and Marketing subcommittee continue to focus on its fundraising "slip" campaign for the 2021/2022 financial year. The aim of this is to increase financial support from the Lloyd's market for the LPF in collaboration with the Royal British Legion Lloyd's and City branch. This campaign is into its second year of a three-year commitment from donor companies in the Lloyd's market. This approach has been in place since February 2019 following a review which set up the fund with a new approach to fundraising, grant giving and the way it works with its charity partners.

Trustees have also undertaken refresher governance training in 2021 which was delivered virtually. Content was provided on how to measure impact and how to be an effective board member.

In 2021 the Edwin Hampson Mackintosh Fund (1916) and Janson Fund (1918) were reviewed by trustees, Lloyd's Legal team and external legal advice to ensure they were fit for purpose today. Following this process trustees gave notice to the general public to which no objections were raised. The trustees passed resolutions to widen the restrictions that were in place on the Edwin Hampson Mackintosh Fund (1916) and Janson Fund (1918). The formal resolutions were passed, signed by all trustees and dated 28 January 2021. The Charity Commission were notified of the Mackintosh Fund resolution which they have approved. They did not require sight of the Janson Fund resolution.

### Partnerships and Grant Giving

The LPF continues to work closely with the charities which the Fund supports focusing on utilising the skills and expertise in the Lloyd's market through volunteering, fundraising and pro-bono support.

Donations are provided for strategic charity partnerships to undertake an agreed project, subject to rigorous due diligence checks and a detailed Funding Agreement. The effectiveness of the grants and partnerships are monitored through good relationships with the Global Community Engagement team (previously known as the Responsible Business team) at the Corporation of Lloyd's. Individual trustees are responsible for leading the engagement with charity partners including project updates and visits where possible, regular meetings and approving the mid-project and end of project update reports to all trustees,

# LLOYD'S PATRIOTIC FUND

## REPORT OF THE TRUSTEES (continued) ACHIEVEMENTS (continued) Partnerships and Grant Giving (continued)

In addition LPF gave out small grants of £10k each to charities and projects that help improve the transition for "at risk" groups (such as bereaved families, or early service leavers families) which focuses on mental health and building resilience, employment support and financial independence to enable veterans and their families to build successful civilian lives and careers. A thorough grant application process took place and the Charity Selection subcommittee made the decision to award five small grants at their February 2021 meeting.

To support our charity partners through COVID-19 challenges, a series of five wellbeing workshops around managing stress, effective communication and mental health in the workplace were delivered to staff from our charity partners to support their learning and development goals, with well received feedback.

### **Charity Partnerships**

Funded by a £200k donation from the Council of Lloyd's, LPF donated £100k each to Combat Stress and RFEA The Forces Employment Charity (RFEA) for 2020/2021. This is the second year of a three-year partnership commitment of £100k grant per year. The achievements in the 12 months of the partnerships are outlined below. Combat Stress and RFEA provided in person and virtual updates to trustees throughout the 12 months.

### **RFEA the Forces Employment Charity**

LPF are currently supporting RFEA over a three-year period and with a grant of £100k per year.

The Family Employment Advisors have been supporting the spouses and partners of serving military personnel and veterans into employment, an area of unmet need. As two income families become the norm the armed forces community will be increasingly disadvantaged if it does not support spouses and partners into employment. If a household has a second income the family can be more resilient through transition and beyond.

The Families programme has received 272 new referrals from June 2020 to June 2021 supporting 113 into employment and 27 into preferred vocational outcomes including training, education and volunteering. 294 beneficiaries in total were supported. Tidworth and Catterick have supported 190 of those, 89 into employment (Tidworth 57 into employment Catterick 32) and 21 into PVOs including training, education and volunteering.

Following the COVID-19 pandemic, the LPF funded advisors have returned to in person meetings with clients and events with partners and employment fairs. Internal training has also been resumed and advisors have received the following: Salesforce CRM training, annual GDPR, Health & Safety, Modern Slavery, Outcomes Star training with Mental Health First Aid scheduled and TRIM training.

### **Catterick and Tidworth**

Catterick based Family Employment Advisor: 74 referrals

- 52 beneficiaries are unemployed, 22 employed or underemployed
- 20 Full Time Employment placements made, 12 gained Part Time Employment or Self Employed

Tidworth based Family Employment Advisor: 116 referrals

- 67 beneficiaries unemployed, 49 employed/ underemployed but looking
- 32 gained Full Time Employment, 25 Part Time Employment or Self Employment secured

# LLOYD'S PATRIOTIC FUND

## REPORT OF THE TRUSTEES (continued)

### Charity Partnerships (continued)

### RFEA the Forces Employment Charity (Continued)

#### Plymouth

- 6 into Education, Training or Volunteering opportunities
- 11 on hold due to family caring commitments

Plymouth based Family Employment Advisor: 82 referrals

- 50 beneficiaries are unemployed, 32 employed or underemployed
- 11 gained Full Time Employment, 13 Part Time Employment or Self Employment secured
- 21 into Education, Training or Volunteering opportunities
- 22 on hold due to family caring commitments

#### Combat Stress

LPF are currently supporting Combat Stress over a three-year period with a grant of £100k per year. The current project focuses on conducting pioneering research to create an evidence base of occupational therapy input that will enhance the civilian lives and careers of veterans with trauma related mental health conditions and their families. Evidence will be developed for:

- The use of sensory modulation by occupational therapists specifically for veterans experiencing trauma;
- Using occupational therapy to build resilience in veterans with mental health conditions.
- Developing a research proposal for the Resilience Workshop Research Project to evaluate the relationship between occupational performance and resilience in British military veterans with trauma related mental health difficulties.

The findings of this research will demonstrate how sensory modulation techniques can improve veterans' lives so that it is used more widely by other agencies such as the NHS and veteran charities. The research will include sensory modulation treatment for 100 individual veterans over 18 months through 20 hours of sensory modulation work per veteran. 100 veterans will also complete a series of resilience building workshops over 21 months. These will all be adapted to be delivered remotely where needed during COVID-19.

Following the appointment of a Lead Research Occupational Therapist, research has been focused on the use of Sensory Modulation by Occupational Therapists specifically for veterans experiencing trauma-based mental health problems and Using Occupational Therapy to build resilience in veterans with mental health conditions.

Starting in February 2021 treatment protocol for sensory modulation groups had been developed and manualised with each group participating in six one-hour sessions. Data is collected over 12-18 months. Individual sensory modulation input is currently being offered to veterans by all occupational therapists trained in Sensory Modulation as part of their individual treatment.

Nine out of ten occupational therapy posts are now filled with new staff either trained or booked into Sensory Intelligence training with the Lead Research Occupational Therapist.

Beyond the project, Combat Stress are working with the Lloyd's market around supporting veterans with mental health needs in the workplace, managing mental health and wellbeing during the impacts of COVID-19 as well as a range of fundraising initiatives.

#### Grants

Income from LPF investments supports the Fund's small grant giving programme. At the October 2020 trustee meeting it was agreed that the following projects would be supported with small grants to deliver their projects from January 2021 to January 2022.

## **LLOYD'S PATRIOTIC FUND**

### **REPORT OF THE TRUSTEES (continued) 2020/2021 Grants**

#### **Building Heroes Education Foundation**

£19k was awarded towards the expansion of their 'pathways into construction' programme into Wales. The programme provides reskilling and qualification routes for 50 beneficiaries in six months. It is focused in South Wales, an area of high deprivation and unemployment. The project develops links with employers, delivers qualifications and sources funding for individual learners.

#### **Felix Fund**

£11k was awarded to help Felix Fund deliver their Dashboard course virtually to beneficiaries. This includes preventative stress training based on mindfulness, resilience and 1:1 counselling with individuals on a weekly basis and in group sessions. The programme will also be delivered to partners, spouses and children over 18.

#### **Higher Ground**

£10k was awarded to fund the Horticultural Therapy service delivered to injured serving personnel whilst they are patients at Stanford Hall as part of their rehabilitation. This funding went towards the salaries, expenses and CPD training of the therapist and garden's manager.

#### **The Ripple Pond**

£10k was awarded to directly support unpaid carers from the serving military and veteran communities. These include spouses, partners, parents and adult children both in the UK and abroad. The project includes more outreach and referrals, onboarding beneficiaries, conducting a needs assessment then providing a range of 1:1 support, peer support groups, events, support networks and more service signposting.

#### **Supporting Wounded Veterans**

£10k was awarded to the individual and business mentoring programme and employment programme for veterans, 55% of which are suffering with PTSD. The aim is for 90% of veterans to take part in the programme.

## **FINANCIAL REVIEW**

### **Funding Sources and Reserves Policy**

The revenue of the Fund is generated from investment income and legacies and donations from individuals and companies.

The General Fund of LPF receives an annual donation of £200k from the Council of Lloyd's to support the grant giving programme. In December 2018 the Council of Lloyd's committed £200k to the Fund for a further three years (2019 to 2021) to continue its charitable work. At the end of June 2021 there was £30k to be carried forward to 2021/2022 (2020: £Nil).

The charity aims to maintain the real capital value of its investments in its reserves whilst fully expending its donation and investment derived income in pursuit of its aims and objectives. Trustees have a reserves policy of holding circa £125k in reserve at all times (plus or minus 10%). A resolution will need to be passed to approve taking the cash reserves lower than £100k. This allows cover for any unbudgeted expenditure during the year. Trustees wish to keep at least 70% of the assets in investments that can be realised within three months and a minimum of 2% of total assets should be kept in cash or near cash investments at all times.

## LLOYD'S PATRIOTIC FUND

### REPORT OF THE TRUSTEES (continued) FINANCIAL REVIEW (Continued)

#### Investment policy and management

The invested funds of Lloyd's Patriotic Fund are held in funds managed by Cazenove Capital Management whereby the costs of the investment management are borne directly by the Fund and amount to £12k (2020: £13k). The cash element and any surplus funds from the General Fund and sub-funds are placed with Morgan Stanley Funds PLC (Gartmore). Fees are deducted based on the whole portfolio on a daily average market value at a rate of 0.35% subject to VAT. There is also underlying fund management charges which are deducted from investment income or capital.

Investments are reviewed on a regular basis during the year by the relevant lead trustee and monitored by the Board of Trustees to ensure that they are meeting the trustees' long term objectives of maximising income available for charitable purposes whilst protecting the capital value of the fund.

Bi-annual review meetings are held with the Fund's advisory investment manager, Cazenove Capital Management as part of the Charities Investment Advisory Committee as well as additional meetings with the lead trustees for LPF's investments.

A report on the investments by Cazenove Capital Management is included on pages 12 and 13.

The overall gross annual investment income amounted to £87k (2020: £147k).

The excess of income over expenditure for the year amounted to £285k (2020: £93k) and during the year the market value of the Foundation's investment portfolio increased to a total of £3,488k (2020: £3,025k).

#### Ethical Policies

The trustees regularly review their level of exposure to ethically sensitive investments and agrees that the total sector exposure to ethically sensitive stocks should remain under 10%. The exposure level to ethically sensitive investments continues to be low and investment managers continue to engage with companies to encourage them to manage their ESG impact. The exposure rating was reviewed in 2020 by the lead trustees for LPF's investments who also sit on the Charities Investment Advisory Committee. The trustees do not wish to adopt an exclusionary policy but individual investments may be excluded if perceived to conflict with the Fund's purpose. It is ensured that all investments are held with acceptable evidence of ESG integration and the board's ethical investments approach is monitored by the board of trustees regularly.

#### Commitments and Liabilities

LPF has made a commitment to spend the annual donation from the Council of Lloyd's on charitable partnerships that achieve the strategy of LPF. The selected charity partners (Combat Stress and RFEA The Forces Employment Charity) receive committed expenditure amounts of £100k per year each for three years, with £300k committed and yet to be donated. Additional annual grant giving will be given each year for small £10k donations.

Any potential reduction in future investment income as a result of COVID-19 will not materially affect any current project commitments. Trustees will continue to monitor the markets closely and have the option to drawdown funds as they see fit.

### PLANS FOR FUTURE PERIODS

The plans for the financial year 2021/2022 include:

- In addition to the £200k spend per year from the Council of Lloyd's the LPF will endeavour to support smaller military charities with smaller donations of around £10k per charity in the coming year;
- LPF trustees will review it's current strategy to ensure surplus funds are distributed in line with the aim of maintaining the capital value
- Creatively raise additional funds for the LPF through the companies in the Lloyd's market through fundraising events and opportunities;

# LLOYD'S PATRIOTIC FUND

## PLANS FOR FUTURE PERIODS *continued*

- Create engagement opportunities for the Lloyd's market and veterans in the market to engage with the charities supported by the LPF such as training, raising awareness and fundraising;
- Work with the charities we are engaged with to continue their growth and build back better after COVID-19.

### **Public Benefit**

The Trustees take full account of the published Charity Commission general guidance on public benefit and are satisfied that the aims of the charity are carried out wholly in pursuit of its charitable aims for the public benefit. Lloyd's Patriotic Fund's grant-making is of measurable benefit to individuals. Applications can be made by all military and ex-military charities that support serving and ex-service armed forces personnel and their dependants who are in need.

### **Acknowledgement**

The trustees wish to record their sincere thanks to members of the Corporation of Lloyd's staff who assist with the administration of the financial statements of the Fund and to the Corporation of Lloyd's which bears the majority of administration costs.

The trustees are grateful to the Corporation of Lloyd's for their agreement to provide LPF with an annual donation from the Council of Lloyd's on behalf of the Lloyd's market.

The Trustees are grateful to the individuals and companies who supported the Fund with donations which amounted to £213k (2020: £94k) during the year.

The Trustees also wish to thank our charity partners for all their tireless support and help to the military community, veterans and their families.

Approved by the Board of Trustees on 04 April 2022 and signed on its behalf by: -



*Ed Butler*      *Trustee*  
*Chair*

*Will Roscoe*      *Trustee*  
*Deputy Chair*



## **LLOYD'S PATRIOTIC FUND**

### **STATEMENT OF THE TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

#### **Trustees' responsibilities statement**

The trustees are responsible for preparing the Trustees' Annual Report 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 & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements 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 operation.

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

# LLOYD'S PATRIOTIC FUND

## REPORT OF THE INVESTMENT MANAGER TO THE TRUSTEES OF LLOYD'S PATRIOTIC FUND

YEAR ENDED 30 JUNE 2021

### Overview

#### Investment Objective

The portfolio is designed to maximise income whilst protecting the real value of capital over the medium to long term. The portfolio is managed on an advisory basis with Cazenove Capital Ltd providing investment advice on an ad hoc basis, custody, reporting and administration services. The portfolio uses a broad range of investments and may allocate a high proportion of its assets to equity or equity-like investments in pursuing its aims. Whilst the majority of the portfolio is invested in readily tradable assets, illiquid assets are considered part of the investable universe and the portfolio may have some exposure. Cash, fixed income and other defensive assets will normally account for only a small part of the portfolio.

### Portfolio Summary

Description	Market Value £	Portfolio Weight %
<b>Equities</b>	<b>2,336,033</b>	<b>67.0%</b>
<b>UK</b>	<b>982,500</b>	<b>28.2%</b>
ASI UK All Share Tracker Fund	497,197	14.3%
Trojan Income Fund	485,303	13.9%
<b>Global</b>	<b>1,353,533</b>	<b>38.8%</b>
Fidelity Global Dividend	625,681	17.9%
Vanguard FTSE All-World ETF	727,852	20.9%
<b>Multi-asset</b>	<b>584,216</b>	<b>16.8%</b>
Responsible Multi-Asset Fund	584,216	16.8%
<b>Property</b>	<b>464,184</b>	<b>13.3%</b>
Charities Property Fund	464,184	13.3%
<b>Cash</b>	<b>103,317</b>	<b>3.0%</b>
Sterling cash	28,317	0.8%
JPMorgan Liquidity Fund	75,000	2.2%
<b>Total</b>	<b>3,487,750</b>	<b>100%</b>

### Portfolio Performance

#### Fund Performance 12 months to 30 June 2021

##### Equities

		1 Year
<b>UK</b>		
Fund	ASI UK All Share Tracker Fund	20.8%
	Trojan Income Fund	8.4%
<i>Index</i>	<i>FTSE All Share Index</i>	<i>21.4%</i>

##### **Global**

Fund	Vanguard FTSE All-World ETF	24.4%
	Fidelity Global Dividend Fund	10.3%
<i>Index</i>	<i>MSCI AC World</i>	<i>24.6%</i>

##### **Multi Asset Funds**

Fund	Charity Responsible Multi-Asset Fund	20.2%
------	--------------------------------------	-------

##### **Property**

Fund	Charities Property Fund	7.1%
<i>Index</i>	<i>AREF/ MSCI UK All Balanced Property</i>	<i>8.5%</i>

Source: Cazenove Capital. Performance is quoted net of underlying fund fees.

## **LLOYD'S PATRIOTIC FUND**

### **REPORT OF THE INVESTMENT MANAGER TO THE TRUSTEES OF LLOYD'S PATRIOTIC FUND (continued)**

#### **Portfolio positioning**

We continue to expect that a robust economic recovery, and ongoing stimulus measures will support equity markets. As bond yields have fallen in recent weeks "growth" sectors such as technology have been outperforming more cyclical sectors. However, we see opportunities in more cyclical parts of the market as economies reopen. Corporate activity is also supportive particularly in the UK which has seen a flurry of private equity bids for listed companies. During the year we introduced the Responsible Multi-Asset Fund a very diversified fund by asset class and by manager. The fund has a very strong emphasis on responsible investment.

**Cazenove Capital Management, 30 June 2021**

# LLOYD'S PATRIOTIC FUND

## REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF LLOYD'S PATRIOTIC FUND

### Opinion

We have audited the financial statements of Lloyd's Patriotic Fund (the 'charity') for the year ended 30<sup>th</sup> June 2021 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 the charity's affairs as at 30<sup>th</sup> June 2021, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least 12 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 annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# LLOYD'S PATRIOTIC FUND

## 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 trustees' report.

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory framework applicable to the entity and the sector in which it operates, through discussions with management and those charged with governance. We identified the financial reporting framework including but not limited to United Kingdom Generally Accepted Accounting Practice and the Charities Act 2011, Data Protection Act 2018 and Bribery Act 2010 legislation as being of significance in the context of the charity and its ongoing activities.
- We made enquiries with management and those charged with governance to confirm our understanding that the charity continued to comply with the applicable legal and regulatory frameworks, and also to confirm our understanding of the specific policies and procedures enlisted by the charity to ensure ongoing compliance.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud may occur, and gained an understanding of the charity's policies and procedures on fraud risks through discussion with the charity's management.

## LLOYD'S PATRIOTIC FUND

- We considered the risk of material misstatement due to fraud as a result of possible management override of controls and improper revenue recognition. In addressing this risk of fraud we have tested the appropriateness of journal entries and other adjustments including a sample of manual journals along with testing revenue recognition and confirming that cut-off is appropriate.
- We communicated those laws and regulations considered relevant to the charity, and potential fraud risks to all engagement team members, and consider that the engagement team had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations, and remained alert to any indications of fraud throughout the audit.

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 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.

Simpson Wreford & Partners  
Statutory Auditor  
Suffolk House  
George Street  
Croydon  
CR0 0YN

Simpson Wreford & Partners is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Date

# LLOYD'S PATRIOTIC FUND

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 30 JUNE 2021

Note	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds			2021 Total £'000	2020 Total £'000
	General Fund £'000	Janson Fund £'000	Mackintosh Income £'000	Mackintosh Fund £'000	McCorquodale Fund £'000	Skey Fund £'000		
<b>INCOME:</b>								
Donations and legacies	2	383	-	-	-	-	383	294
Investment income	3	55	1	3	-	1	87	147
<b>Total Income</b>		<b>438</b>	<b>1</b>	<b>3</b>	<b>-</b>	<b>1</b>	<b>470</b>	<b>441</b>
<b>EXPENDITURE:</b>								
Cost of raising funds:								
Investment management fees		(8)	-	-	-	-	(4)	(13)
<b>Charitable activities:</b>								
Donations and grants payable	4	(170)	-	-	-	-	(170)	(332)
Other expenses		(3)	-	-	-	-	(3)	(3)
<b>Total resources expended</b>		<b>(181)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4)</b>	<b>(348)</b>
Net income and net movement in funds before gains and losses		257	1	3	-	1	285	93
Realised gains / (losses)		(3)	-	-	-	-	42	13
Unrealised gain		245	-	-	13	5	361	(491)
Net gains / (losses)	6	242	-	-	13	5	400	(478)
<b>NET MOVEMENT IN FUNDS</b>		<b>499</b>	<b>1</b>	<b>3</b>	<b>13</b>	<b>6</b>	<b>685</b>	<b>(385)</b>
<b>Reconciliation of Funds</b>								
Total funds brought forward		2,106	87	13	107	40	3,436	3,821
Transfer to General Fund		88	(88)					
<b>Total funds carried forward</b>		<b>2,693</b>	<b>-</b>	<b>16</b>	<b>120</b>	<b>46</b>	<b>4,121</b>	<b>3,436</b>

The notes on pages 19 to 25 form part of these financial statements.

# LLOYD'S PATRIOTIC FUND

## BALANCE SHEET AT 30 JUNE 2021

	Note	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds		2021 Total	2020 Total	
		General Fund £'000	Janson Fund £'000	Mackintosh Income £'000	Mackintosh Fund £'000	McCorquodale Fund £'000	Skey Fund £'000	£'000	£'000
<b>INVESTMENTS</b>									
At Market Valuation	6	2,097	84	-	120	44	1,143	3,488	3,025
<b>CURRENT ASSETS</b>									
Short term deposits		23	-	-	-	-	-	23	23
Cash at bank		522	4	16	-	2	108	652	497
		<b>545</b>	<b>4</b>	<b>16</b>	<b>-</b>	<b>2</b>	<b>108</b>	<b>675</b>	<b>520</b>
<b>CURRENT LIABILITIES</b>									
Creditors	7	(37)	-	-	-	-	(5)	(42)	(109)
		<b>(37)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5)</b>	<b>(42)</b>	<b>(109)</b>
<b>NET CURRENT ASSETS</b>									
Transfer from Janson to General		88	(88)						
<b>NET ASSETS</b>		<b>2,693</b>	<b>-</b>	<b>16</b>	<b>120</b>	<b>46</b>	<b>1,246</b>	<b>4,121</b>	<b>3,436</b>
<b>FUNDS</b>		<b>2,693</b>	<b>-</b>	<b>16</b>	<b>120</b>	<b>46</b>	<b>1,246</b>	<b>4,121</b>	<b>3,436</b>

Approved and authorised for issue by the Board of Trustees on 04/04/22 and signed on its behalf by

Ed Butler  
Trustee Chair



Will Roscoe  
Trustee Vice Chair



The notes on pages 19 to 25 form part of these financial statements.

# LLOYD'S PATRIOTIC FUND

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2021

### 1 ACCOUNTING POLICIES

#### A) BASIS OF ACCOUNTING

The charity constitutes a public benefit entity as defined by FRS 102. In preparing the financial statements the fund follows best practice as laid down in the Statement of Recommended Practice "Accounting and Reporting by Charities" (Charities SORP FRS 102) in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011. They are drawn up on the historical cost accounting basis except that investments held as fixed assets are carried at market value.

#### B) GOING CONCERN

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

#### C) DONATIONS AND LEGACIES

Donations and legacies are included in the Statement Of Financial Activities when receivable.

#### D) INVESTMENT INCOME

Dividends from equity investments are taken into account on the due date of payment; all other income is included by reference to the amount due in respect of the accounting period.

Investment income in relation to the permanent endowment funds of Skey and McCorquodale are not restricted in use and are therefore included within the unrestricted income. Investment income in relation to the Mackintosh endowment fund is restricted in nature.

#### E) GAINS AND LOSSES ON DISPOSAL OF INVESTMENTS

Gains or losses on disposals in the year are calculated by reference to the carrying value of the holding as at the date of sale.

#### F) GRANTS

Grants are accounted for by reference to the amount paid in respect of the accounting period. In relation to this annual report and reporting practices, grants are recognised at the point in which they are approved by trustees (e.g. at the meeting in which the decision was made, rather than the date in which grants were received by the charities).

#### G) ADMINISTRATION EXPENSES

The costs of the administration of the Fund are borne in full by the Corporation of Lloyd's with the exception of investment management fees, audit fees and bank charges. No remuneration was paid to the Trustees from Lloyd's Patriotic Fund, nor were any Trustees expenses reimbursed to them from the Fund. Reasonable travel expenses for trustees were reimbursed from the Corporation of Lloyd's.

# LLOYD'S PATRIOTIC FUND

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2021 (continued)

### ACCOUNTING POLICIES (CONTINUED)

#### H) INVESTMENTS

Investments are stated at their market value at the date of the balance sheet, this being the mid-point of the quotations on the Stock Exchange Daily Official List. Gains and losses on investments are taken directly to the Statement of Financial Activities.

#### I) ALLOCATION BETWEEN FUNDS

The Charles Skey Fund has its own portfolio of investments which is reported separately. The remaining portfolio is allocated to the other individual funds in proportion to their share of the Fund account balance at the beginning of the year.

#### J) TAXATION

The Fund is established as an exempt approved charity for taxation purposes.

#### K) DEBTORS

Debtors are recognised at the settlement amount due.

#### L) SHORT TERM DEPOSITS

Short term deposits include short term highly liquid investments with a short maturity of three months or less from the date of acquisition.

#### M) CREDITORS

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

#### N) FINANCIAL INSTRUMENTS

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at amortised cost or as specified in the preceding accounting policies. As there are currently no long-term financial instruments, the transaction value and settlement value will be the same.

## LLOYD'S PATRIOTIC FUND

### NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2021 (continued)

#### 2 DONATIONS AND LEGACIES

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Donation from the Corporation of Lloyd's	<b>170</b>	200
General donations	<b>213</b>	94
	<b>383</b>	294

#### 3 INVESTMENT INCOME

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Equity Fund Investments	<b>66</b>	120
Property fund	<b>21</b>	26
UK fixed interest investments	-	1
	<b>87</b>	147

#### 4 ANALYSIS OF CHARITABLE EXPENDITURE

All funds presented below are unrestricted funds:

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Soldiers, Sailors, Airmen and Families Association	-	<b>28</b>
Combat Stress	<b>50</b>	<b>110</b>
Sir Oswald Stoll Foundation Fundraising	-	<b>20</b>
Army Families Fed	<b>10</b>	-
Supporting Wounded	<b>10</b>	-
Higher Ground Project	<b>10</b>	-
RFEA	<b>50</b>	<b>110</b>
Not Forgotten Association	-	<b>4</b>
The Ripple Bond	<b>10</b>	<b>20</b>
Scotty's Little Soldiers	-	<b>20</b>
First Light Trust	-	<b>20</b>
Building Heroes ED	<b>19</b>	-
Felix Fund	<b>11</b>	-
	<b>170</b>	<b>332</b>

## LLOYD'S PATRIOTIC FUND

### NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2021 (continued)

#### 5 AUDITORS REMUNERATION

The auditor's remuneration constituted an audit fee of £2k (2020: £2k) and non-audit fees of £nil (2020:£nil).

#### 6 QUOTED INVESTMENTS

	2021			
	£'000	£'000	£'000	£'000
	Equity	Property	Cash	Total
Market value brought forward	2,575	441	9	3,025
Purchases in the year	1,739	-	-	1,739
Sales in the year	(1,699)	-	-	(1,699)
Realised gain	39	-	-	39
Unrealised gain	361	-	-	361
Income Accrual	3	-	-	3
Movements on cash account	-	-	20	20
Market value carried forward	3,018	441	29	3,488

#### 7 CREDITORS

	2021 £'000	2020 £'000
Investment management fee	3	3
Donations payable	-	101
Audit fee	5	5
Accrued Interest	4	-
Deferred Income	30	-
	<b>42</b>	<b>109</b>

#### 8 DISCLOSURE OF RELATED PARTY TRANSACTIONS & TRUSTEE REMUNERATION

The trustees receive no remuneration and no expenses were reimbursed within the financial year from Lloyd's Patriotic Fund (2020 – none). Reasonable travel expenses for trustees were reimbursed from the Corporation of Lloyd's.

There were no related party transactions in the year (2020 – none).

# LLOYD'S PATRIOTIC FUND

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2021 (continued)

### 9 FUNDING COMMITMENTS

Lloyd's Patriotic Fund has made a commitment to spend the annual donation from the Council of Lloyd's on charitable partnerships that achieve the strategy of LPF. The selected charity partners (Combat Stress and RFEA The Forces Employment Charity) receive committed expenditure amounts of £100k per year each for three years, with £300k committed and yet to be donated. Additional annual grant giving will be given each year for small £10k donations.

### 10 FUNDS

Founded in 1803 to assist the many casualties of the Napoleonic Wars, Lloyd's Patriotic Fund is the oldest military charity of its kind and has been providing support to the Armed Forces Community on behalf of the Lloyd's market for over 200 years.

#### General Fund (1803)

This Fund provides assistance to officers and men and women of the Royal Navy, the Army, Royal Marines and Royal Air Force or their families (partners, widows, orphans, dependants and relatives) who, at the trustees' discretion, are fitting recipients.

#### The Hugh Stewart McCorquodale Memorial Fund (1901)

A bequest of 1,000 guineas made by Lieutenant Hugh Stewart McCorquodale, killed during the South African War, whereby the use of income is at the discretion of trustees.

#### Edwin Hampson Mackintosh Fund (1916)

Lieutenant Edwin Hampson Mackintosh killed on the first day of the Battle of Loos, bequeathed £1k with the stipulation that the income is used for the benefit of officers of the Royal Navy or Royal Marines or their dependants.

#### Janson Fund (1918) – now formally part of the general fund as of 28 January 2021

A gift of £10k was made by the then Chair Percy Janson. Trustees designated that the capital or income be used primarily to assist officers of the Royal Navy, the Army and Royal Marines or their dependants in the form of grants towards the education and maintenance of their children. The £88k of funds for the Janson Fund was transferred to the General Fund in January 2021.

#### Charles Skey Fund (2013)

In May 2013 Charles Skey, former trustee and Chair of Lloyd's Patriotic Fund, made a bequest of £1m to Lloyd's Patriotic Fund. Mr Skey expressed the wish that the capital is invested and untouched and that the income is used for the general charitable purposes of the Fund. All income arising from the fund is expended during the year.

# LLOYD'S PATRIOTIC FUND

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2021 (continued)

### 11 ANALYSIS OF COMPARITIVE INFORMATION IN THE STATEMENT OF FINANCIAL ACTIVITIES

Income and Expenditure	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds		2020 Total £'000	
	General Fund £'000	Janson Fund £'000	Mackintosh Fund £'000	Mackintosh Fund £'000	McCorquodale Fund £'000		Skey Fund £'000
<b>INCOME:</b>							
Donations and legacies	294	-	-	-	-	-	294
Investment income	87	3	5	-	2	50	147
Total Income	381	3	5	-	2	50	441
<b>EXPENDITURE:</b>							
Cost of raising funds:							
Investment management fees	(8)	-	(1)	-	-	(4)	(13)
<b>CHARITABLE EXPENDITURE:</b>							
Donations and grants payable	(332)	-	-	-	-	-	(332)
Other Expenses	(3)	-	-	-	-	-	(3)
Total Resources Expended	(343)	-	(1)	-	-	(4)	(348)
Net income and net movement in funds before gains and losses	38	3	4	-	2	46	93
Realised gains	11	1	-	1	-	-	13
Unrealised losses	(259)	(11)	-	(15)	(5)	(201)	(491)
Net losses	(248)	(10)	-	(14)	(5)	(201)	(478)
<b>NET MOVEMENT IN FUNDS</b>	(210)	(7)	4	(14)	(3)	(155)	(385)
<b>Reconciliation of Funds</b>							
Total funds brought forward	2,316	94	10	120	43	1,238	3,821
Total funds carried forward	2,106	87	14	106	40	1,083	3,436

# LLOYD'S PATRIOTIC FUND

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2021 (continued)

### 12 ANALYSIS OF COMPARITIVE INFORMATION IN THE BALANCE SHEET

	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds			2020
	General Fund	Janson Fund	Mackintosh Income	Mackintosh Fund	McCorquodale Fund	Skey Fund	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>INVESTMENTS</b>							
At Market Valuation	1,801	84	-	106	39	995	3,025
<b>CURRENT ASSETS</b>							
Debtors	-	-	-	-	-	-	-
Short term deposits	23	-	-	-	-	-	23
Cash at bank	390	3	14	-	1	89	497
	<u>413</u>	<u>3</u>	<u>14</u>	<u>-</u>	<u>1</u>	<u>89</u>	<u>520</u>
<b>CURRENT LIABILITIES</b>							
Creditors falling due within one year	(108)	-	-	-	-	(1)	(109)
	<u>(108)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(109)</u>
<b>NET CURRENT ASSETS</b>	305	3	14	-	1	88	411
<b>NET ASSETS</b>	<u>2,106</u>	<u>87</u>	<u>14</u>	<u>106</u>	<u>40</u>	<u>1,083</u>	<u>3,436</u>
<b>FUNDS</b>	<u>2,106</u>	<u>87</u>	<u>14</u>	<u>106</u>	<u>40</u>	<u>1,083</u>	<u>3,436</u>

**LLOYD'S PATRIOTIC FUND**

England & Wales - Charity number 210173

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# Accounts

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**LLOYD'S PATRIOTIC FUND**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2020**

# REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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# **LLOYD'S PATRIOTIC FUND**

(Registered Number 210173)

## **TRUSTEES**

Mr Ed Butler (Chair)

Mr Bruce Carnegie-Brown (ex-officio)

Mr Simon Beale (retired 01.12.2019)

Mr Henry Dyson (retired 25.02.2020)

Mr Alexander Findlay

Mr William Roscoe

Air Commodore Wendy Rothery

Mr Duncan Welham

Mr Richard Williams MC

Mrs Caroline Sandeman-Allen (appointed 23.10.2019)

Mrs Michelle Alston (appointed 23.10.2019)

Mr Neil Maidment (appointed 25.02.2020)

## **Secretary**

Ms Michaelae Hawkins

## **Investment Managers**

Cazenove Capital Management

12 Moorgate, London EC2R 6DA

## **Auditors**

Simpson Wreford & Partners

Suffolk House, George Street, Croydon CR0 0YN

## **Bankers**

National Westminster Bank PLC

PO Box 12258, 1 Princes Street, London EC2R 8PA

**LLOYD'S, LIME STREET, LONDON, EC3M 7HA**

020 7327-1000

# LLOYD'S PATRIOTIC FUND

## REPORT OF THE TRUSTEES

The trustees of Lloyd's Patriotic Fund (the Fund) have pleasure in presenting their report together with the audited financial statements of the Fund for the year ended 30 June 2020.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Frequency of meetings and quorate meetings

Lloyd's Patriotic Fund (LPF) was established in 1803, constituted by a Trust Deed dated 28 May 1875 and is a registered charity subject to the provisions of the Charities Act 2011. The financial statements have been prepared in accordance with the accounting policies set out on pages 19-20 and comply with the Fund's Trust Deed and applicable law.

LPF is also guided by a separate term of reference which cover issues such as number of trustees, frequency of meetings and quorate meetings.

Responsibility for carrying out the objectives of LPF rests with the trustees. The Fund is supported by a Secretariat working under the direction of the trustees, employed by the Corporation of Lloyd's and supported by the wider Responsible Business team. Delegated authority is given to the Responsible Business team at Lloyd's, Group Finance and Group Treasury to advise and assist, as per the LPF Delegated Authority documentation. With the exception of audit fees, bank charges, insurance and investment management fees which are borne directly by the Fund, all administration costs of the Fund are borne in full by the Corporation of Lloyd's.

The disbursement of the Fund is at the sole discretion of the trustees unless funds have been given for a specific purpose.

#### Trustees

There were ten trustees as at 30 June 2020. There were two retirements throughout the year; Mr Simon Beale on the 1<sup>st</sup> December 2019, and Mr Henry Dyson on the 25<sup>th</sup> February 2020. There were three appointments in the year; Mrs Caroline Sandeman-Allen and Mrs Michelle Alston on the 23<sup>rd</sup> October 2019 and Mr Neil Maidment on the 25<sup>th</sup> February 2020.

The trustees would like to record their thanks to retiring trustees for their contribution to the work of Lloyd's Patriotic Fund.

According to the governing document, upon the death, retirement or resignation of a trustee or when the number of trustees falls to seven, the trustees are required to appoint new trustees up to a maximum of fourteen. In accordance to the governing document, the Board of Trustees did not fall below seven or exceed fourteen trustees at any one time.

The maximum term of office is nine years and trustees are asked to serve a minimum of three years.

All trustees give their time freely and no trustee remuneration was paid in the year from the funds of LPF. Any reasonable travel expenses were covered for trustees, as a cost borne to the Corporation of Lloyd's.

#### Governance

New trustees are appointed by the Board of Trustees, following approval from the Council of Lloyd's.

As a charity established to provide charitable grants on behalf of the Lloyd's market, trustees are drawn from across the Lloyd's market with the aim of representing different market constituencies – underwriters, brokers and members of Lloyd's governing body. Trustees external to the Lloyd's market are also on the board, and the majority of trustees have military experience directly or indirectly.

The Fund also aims to be a diverse board of trustees, representing different voices as outlined in its Recruitment Policy, reviewed every three years. With a formal external recruitment process implemented in June 2019, potential trustees can apply and then the Fund has a Trustee Recruitment subcommittee who formally interview potential candidates and decide who to put forward to the board. The board collectively agree what skills and knowledge gaps exist on the board and recruit candidates based on their experience and expertise, knowledge and interest in the charitable sector.

# LLOYD'S PATRIOTIC FUND

## REPORT OF THE TRUSTEES (continued) STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

### Governance (continued)

Consideration is given to relevant experience such as military service as well as knowledge of Lloyd's and the London insurance market and their interest or experience in the military charitable sector.

Potential trustees are invited to meet with the Trustee Recruitment subcommittee (including the Chair and the Responsible Business team). Before agreeing to become a trustee, they will be informed of the Fund's structure, objectives and activities, and their responsibilities as a trustee. A full induction is undertaken for all new trustees that follows good practice and guidance from the Charity Commission. All new trustees are required to sign the LPF's Code of Conduct as part of their onboarding process.

Once appointed, trustees will be supported by the Secretary and the Board of Trustees in any area of induction or training needed. Regular updates are provided at the meetings with regards to governance issues and changes to charity regulations.

All trustees complete a Register of Interests and a skills audit on an annual basis, as well as alerting the Chair and Responsible Business team when there is a new potential conflict of interest.

Trustees meet three times a year as this is sufficient for the size and nature of the organisation. Four trustees present at a meeting shall be quorum. As stated in the original Trust Deed, all matters and questions shall be determined by a majority vote of the trustees present at any meeting, but in the event of a tie, the Chair shall have a second or casting vote.

At the trustee meetings, the trustees agree the broad strategy and areas of activity for the Fund, including consideration of governance, grant giving, charity partnerships, investment, reserve and risk management policies and performance. The day to day administration of grants and the processing and handling of applications prior to consideration by the relevant subcommittee is delegated to the Responsible Business team at the Corporation of Lloyd's. The Charity Partners selection committee of trustees meet annually to review all applications for grants and shortlist applications and recommendations to take forward to trustee meetings.

LPF has a number of subcommittees of which trustees and the Responsible Business team are a part of, and they are each chaired by a trustee. These include:

- Trustee Recruitment
- Charity Partner Selection
- Fundraising & Marketing

Lead trustees are allocated to lead on: the Risk Register, LPF's investments and attend the Charities Investment Advisory Committee, and acting as lead trustees for charity partners.

Minutes are taken at each meeting, circulated to trustees along with action points and responsibilities, and kept as a record.

### Risk Management

The trustees have considered the major risks to which the charity is exposed and reviewed those risks and established systems and procedures to manage those risks. LPF's risk management approach is outlined in their Risk Management policy, reviewed every three years.

The Risk Register outlines the major risks to which the charity is exposed. The Risk Register is reviewed annually and trustees are also alerted to any new risks.

As Lloyd's employees, all individuals administering Lloyd's Patriotic Fund are able to raise issues relating to fraud and financial crime in accordance with Lloyd's Speaking Up procedures.

## **LLOYD'S PATRIOTIC FUND**

### **REPORT OF THE TRUSTEES (continued) STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

#### **Risk Management (continued)**

LPF has a Conflicts of Interests policy and procedure which all trustees and new trustees are familiar with and follow. This is reviewed every three years.

LPF also has a Complaints policy which outlines how complaints should be made and escalated within the Fund and delegated authority to the Corporation of Lloyd's. This is reviewed every three years.

#### **OBJECTIVES AND ACTIVITIES**

Founded in 1803 to assist the many casualties of the Napoleonic Wars, Lloyd's Patriotic Fund is the oldest military charity of its kind and has been providing support to the Armed Forces Community on behalf of the Lloyd's market for over two hundred years. It continues to fulfil this purpose, using the investment income from its capital fund and donations from individuals and companies in the Lloyd's insurance market as well as an annual donation from the Council of Lloyd's.

Following a strategic review from January – June 2019 which included consultation with trustees and charity partners, as well as external research and sources, (including the Government's Veterans strategy) the following strategy was agreed:

##### **Mission Statement**

Lloyd's Patriotic Fund - Uniting the Lloyd's insurance market for the last two hundred years to support veterans and their families today.

##### **Story**

Founded in 1803, Lloyd's Patriotic Fund is the oldest military charity of its kind. We are proud of our history and contributions to support the armed forces community on behalf of the Lloyd's market. Today, we focus on improving the transition to civilian life for veterans and their families who need the most help. Lloyd's Patriotic Fund unites support from the market to aid the successful transition to civilian life for veterans and their families to ensure successful futures.

##### **Focus**

Each year, 17,000 personnel leave the UK Armed Forces and return to civilian life, and many of them have families. For the majority, the transition to civilian life is successful, but a quarter find it more difficult, leaving them in a position of vulnerability.

The Transition Mapping Study (FiMT and The Futures Company 2013) calculated the cost to the UK of unsuccessful transition to be almost £114m. We also know that the time between individuals leaving the Armed Forces and reaching out for help is far longer than it should be. Leaving the services can take a toll on the employment prospects and wellbeing of personnel's partners and we know that one in four armed forces families have sought mental health support and face barriers to access employment.

This is where we come in: supporting the transition to civilian life for veterans and their families who need it the most. As the needs of individuals and their families are increasingly complex, LPF will work with partners that take a holistic approach to improving this transition for the hardest to reach families.

We aim to help improve the transition for "at risk" groups (such as bereaved families, or early service leavers families) which focuses on mental health and building resilience, and employment support and financial independence to enable veterans and their families to build successful civilian lives and careers.

The trustees confirm that they have referred to the advice contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities.

The Fund is divided into a number of individual funds established for public benefit to achieve the Fund's strategic priorities:

## **LLOYD'S PATRIOTIC FUND**

### **REPORT OF THE TRUSTEES (continued) OBJECTIVES AND ACTIVITIES (continued)**

#### **General Fund (1803)**

This Fund provides assistance to officers and men and women of the Royal Navy, the Army, Royal Marines and Royal Air Force or their families (partners, widows, orphans, dependants and relatives) who, at the trustees' discretion, are fitting recipients.

#### **The Hugh Stewart McCorquodale Memorial Fund (1901)**

A bequest of 1,000 guineas made by Lieutenant Hugh Stewart McCorquodale, killed during the South African War, whereby the use of income is at the discretion of trustees.

#### **Edwin Hampson Mackintosh Fund (1916)**

Lieutenant Edwin Hampson Mackintosh, killed on the first day of the Battle of Loos, bequeathed £1k with the stipulation that the income is used for the benefit of officers of the Royal Navy or Royal Marines or their dependants.

#### **Janson Fund (1918)**

A gift of £10k was made by the then Chair, Percy Janson. Trustees designated that the capital or income be used primarily to assist officers of the Royal Navy, the Army and Royal Marines or their dependants in the form of grants towards the education and maintenance of their children.

#### **Charles Skey Fund (2013)**

In May 2013, Charles Skey, former trustee and Chair of Lloyd's Patriotic Fund, made a bequest of £1m to Lloyd's Patriotic Fund. Mr Skey expressed the wish that the capital is invested and untouched, and that the income is used for the general charitable purposes of the Fund. All income arising from the fund is expended during the year.

### **ACHIEVEMENTS**

From February 2019 onwards, LPF undertook a strategic review which set up the fund with a new strategy, approach to fundraising and grant giving and the way it works with its charity partners for the new financial year.

#### **Governance and Fundraising**

The Trustee Recruitment subcommittee and Responsible Business team ran a robust and open recruitment campaign to bring on new trustees who met the knowledge and skills gaps that the board identified through their annual skills audit. LPF trustees attended a two-day in-depth trustee and governance training in January 2020. A review was undertaken of the LPF individual funds to improve their governance and streamline the sub-funds. The Fundraising and Marketing subcommittee focused on its fundraising "slip" campaign this financial year to increase financial support from the Lloyd's market for the LPF, in collaboration with the Royal British Legion Lloyd's and City branch.

#### **Partnerships and Grant Giving**

In the second half of 2019, the Fund implemented a new partnership approach to achieve its objectives for the relevant individual funds to support the Armed Forces community. The Fund invited applications from the military and ex-military charity sector for a three-year partnership to focus on employment support and mental health. Charities were invited to apply with a clear application, criteria for the partnership and process. The Charity Partner Selection subcommittee plus the Responsible Business team reviewed and shortlisted the organisations that were then invited to present at the October 2019 board meeting. The trustees agreed who to partner with at this meeting.

Priority was given to funding:

- Projects which encourage collaboration within the sector.
- Projects which support COBSEO and the Government's Veteran's Strategy.
- Projects in which service users input into identifying the need for the project.
- Projects which support the most "at risk" groups that are hardest to reach.
- Projects which are evidenced by research to support the proposal.
- Projects which demonstrate long term sustainability once the project donation has ended.
- Projects which clearly demonstrate how they meet an unmet need and key issues in the sector.

## LLOYD'S PATRIOTIC FUND

### REPORT OF THE TRUSTEES (continued)

#### ACHIEVEMENTS (continued)

##### Partnerships and Grant Giving (continued)

- Organisations that offer engagement opportunities to the market in terms of business collaboration, fundraising, volunteering, and awareness raising.

As part of the change in strategy to a more focused approach, the Fund has been working with our partners beyond the grant funding, to utilise the skills and expertise in the Lloyd's market through volunteering, fundraising and pro-bono support.

Donations are provided for strategic charity partnerships to undertake an agreed project, subject to rigorous due diligence checks and a detailed Funding Agreement. The effectiveness of the grants and partnerships are monitored through good relationships with the Responsible Business team at the Corporation of Lloyd's, at least one trustee leading on the engagement with the large partners, project/site visits where possible, regular meetings and check ins and a satisfactory mid project update and an end of project or annual update report to trustees.

In addition, Lloyd's Patriotic Fund gave out small grants of £10k each to charities and projects that help improve the transition for "at risk" groups (such as bereaved families, or early service leavers families) which focuses on mental health and building resilience, and employment support and financial independence to enable veterans and their families to build successful civilian lives and careers. A thorough grant application process was put in place and the Charity Selection subcommittee agreed the funding priorities and made the decision on who to award grants to at their October 2019 meeting based on a number of criteria to mark the applications objectively.

In line with the new strategy of the Fund, funding was not renewed for 2019/2020 with Royal Navy and Royal Marines Children's Fund, The Royal Navy Officers Charity, The Gurkha's Welfare Trust and SSAFA.

#### **Charity Partnerships**

Funded by a £200k donation from the Council of Lloyd's, Lloyd's Patriotic Fund donated £100k each to Combat Stress and RFEA The Forces Employment Charity (RFEA) for 2019/2020, the first of a three-year partnership commitment, of £100k grant per year. An additional £10k was given as an unrestricted grant during 2020 to each partner in response to COVID-19 related funding gaps. The achievements in the twelve months of the partnerships are outlined below.

#### **RFEA the Forces Employment Charity**

In 2018, a donation of £48k was made to RFEA, to pilot a new Families Employment Project to support 50 spouses and family members of serving Armed Forces and ex-service personnel into employment. Building on the success of this project and the subsequent growth in demand, £100k per year from 2019 has been made to fund two Families Employment Advisor roles for three years.

The Families Employment Programme supports spouses and partners of serving personnel and veterans into employment. The pilot Families Advisor role previously funded by the Fund based in Plymouth had secured future funding to continue the work at a capacity of a caseload of 80 beneficiaries. Therefore, the two new advisor roles are based in Salisbury and Catterick, where there is high need and demand for support in both regions.

After an initial recruitment period for the two roles, the posts commenced between January and March 2020. The achievements of the team were; establishing local referral routes, developing and delivering media campaigns to advertise the service and work closely with other military charities and partners to gain referrals. The team then began registering beneficiaries and engaged with employers from March 2020, as the impact of COVID-19 hit the UK. Spouses and partners were registered and needs assessments were undertaken to understand their readiness for work, barriers to employment and aspirations. Each Families Employment Advisor aims to support 60 beneficiaries per year. The project aims to develop confidence towards employment, build social stability and address complex needs (mental health needs, debt and housing problems) and aims for 50% of beneficiaries to enter into a preferred vocational outcome.

## **LLOYD'S PATRIOTIC FUND**

### **REPORT OF THE TRUSTEES (continued) ACHIEVEMENTS (continued) RFEA (continued)**

Due to COVID-19, the employment market slowed, but the team still delivered advice and guidance and increased welfare support, despite the difficulties of childcare and home-schooling for many of their clients. Since March 2020, the advisors reported the following referrals and outcomes:

Catterick: 16 referrals

3 full time employment placements made, 3 cases are employed or underemployed and looking.

Tidworth: 12 referrals

2 part time employment placements made, 5 cases are employed/underemployed and looking.

Beyond the project, RFEA have been working with the Fund to deliver a range of volunteering initiatives to the Lloyd's market and working closely with the Lloyd's Military Network to expand their work placement programme and collaborate on joint initiatives.

#### **Combat Stress**

In 2018, LPF provided funding to Combat Stress to introduce and offer sensory modulation to their veterans and their families needing coping strategies for their complex mental health needs. The programme was delivered by occupational therapists to 1,324 veterans, as well as providing a sensory treatment room, training to all occupational therapists and mobile sensory suitcases containing tools for delivering treatment in the community. Each veteran was viewed through a 'sensory lens', receiving a 1:1 sensory profile assessment with specific recommendations regarding sensory modulation strategies. This helps adopt targeted coping strategies to use in daily life, including self-regulation, enhanced ability to participate in trauma therapy, increased skills to manage difficult situations, improved participation in meaningful activities (hobbies, work, home, relationships) and increased satisfaction at work.

Building on this work, over the three year period and with a grant of £100k per year, the project will focus on conducting pioneering research to create an evidence base of occupational therapy input that will enhance the civilian lives and careers of veterans with trauma related mental health conditions and their families. Evidence will be developed for:

- The use of sensory modulation by occupational therapists specifically for veterans experiencing trauma;
- Using occupational therapy to build resilience in veterans with mental health conditions.

The findings of this research will demonstrate how sensory modulation techniques can improve veterans' lives so that it is used more widely by other agencies such as the NHS and veteran charities. The research will include sensory modulation treatment for 100 individual veterans over 18 months through 20 hours of sensory modulation work per veteran. 100 veterans will also complete a series of resilience building workshops over 21 months. These will all be adapted to be delivered remotely where needed during COVID-19. Since January 2020, a Lead Research Occupational Therapist has been recruited, trained and placed in post for the role, during which she has focused on the literature review for the research and the development of the workshop content, codesigning with involvement from veterans and adaptations for COVID-19 delivery of workshops and therapy.

Beyond the project, Combat Stress are working with the Lloyd's market around supporting veterans with mental health needs in the workplace and managing mental health and wellbeing during the impacts of COVID-19, as well as a range of fundraising initiatives.

#### **2019/2020 Grants**

Income from LPF investments supports the Fund's small grant giving programme. At the October 2019 trustee meeting, it was agreed that the following projects would be supported with small grants of £10k to deliver their projects from January 2020 – January 2021.

## LLOYD'S PATRIOTIC FUND

### REPORT OF THE TRUSTEES (continued) ACHIEVEMENTS (continued) 2019/2020 Grants (continued)

#### FirstLight Trust

£10k was granted towards the 'Sustaining Borders Family Life' project. This focuses on collaborating with a range of partners in a more coordinated manner to improve outcomes and provide integrated support to veterans, their families and carers. Focusing on "at risk" families in isolated communities with mental health and complex needs, the project brings together organisations in the Scottish borders and Northumberland. The impact of COVID-19 has delayed this project as it has made it difficult to reach more remote organisations and the furloughing of staff has put this project on hold, although referrals have been made and this project delivery model is currently being revised.

#### Scotty's Little Soldiers

£10k was awarded towards its "Scotty's Therapeutic Retreat", providing 20 bereaved and vulnerable British service children aged 8-11 years old with a safe retreat experience. The retreat aims to provide a safe space for grieving, sharing stories, re-connecting with the military and learning coping strategies to improve mental wellbeing. 21 children have been selected for the trip and the retreat has been designed and organised. The date for the event has been postponed and is waiting for a suitable date when it is safe to deliver the trip.

#### Stoll

£10k was awarded towards their "Health and Wellbeing" programme to improve physical health, emotional and mental wellbeing and increase independence for veterans who are homeless or at risk of homelessness. The project consists of a range of classes for both veterans and their families. Due to COVID-19, activities have been adapted and digital access has been provided with 59 activity packs distributed.

#### The Ripple Pond

£10k was awarded towards their "Spreading the Ripple" project to expand their services outside of southern England from April 2020. The Ripple Pond aim to relieve the stress, distress and suffering of the loved ones of the Armed Forces Community; supporting those who are impacted by bereavement, injury, impairment, trauma, illness or Service life. Additional funding provided the resource to grow the reach beyond southern England, combined with the shift in digital services and support due to COVID-19.

### COVID-19 Response

In March in response to COVID-19, trustees agreed to make a range of additional donations to support existing and previous charity partners of the Fund. These were made in recognition of the financial constraints that charity partners faced at a time when demand for their services were increasing and the need to adapt quickly was imperative. Unrestricted donations of £10,000 were awarded to: RFEA, Combat Stress, FirstLight Trust, Scotty's Little Soldier's, Stoll and The Ripple Pond.

An additional donation of £25k was awarded to SSAFA, the Armed Forces charity, who the Fund had supported from 1999-2019, towards their COVID-19 Emergency Relief Fund. The Emergency Relief Fund has helped a wide range of beneficiaries in crisis during COVID-19 including working age and elderly veterans, those suffering financial hardship and/or mental health issues, those who are disabled, those with housing issues, and their families. The grant has helped keep vital front-line services in operation at a critical time, including the case working service, which has continued, largely remotely, to help those who are in need with a range of issues as a result of the pandemic. The confidential helpline, Forces line, is now seeing more calls than this time last year, and additional urgent financial assistance has been provided to those in crisis such as food vouchers, essential items debt issues. The Fund has also enabled the Mentoring service to grow due to increase demand to support Army service leavers.

Trustees recognise the impact of COVID-19 on the projects that they are funding and are mindful of the constraints that the partner charities and their staff are working under. Trustees understand the need to be flexible and supportive of partners operating an approach guided by the needs of their partner charities and the best use of funding to support their beneficiaries.

# LLOYD'S PATRIOTIC FUND

## REPORT OF THE TRUSTEES (continued) FINANCIAL REVIEW

Additional financial support to Combat Stress and RFEA has been provided by the Corporation of Lloyd's of £100,000 each in recognition of the partnerships with LPF in response to the impact of COVID-19 on the charity sector.

### **Funding Sources and Reserves Policy**

The revenue of the Fund is generated from investment income and legacies and donations from individuals and companies.

The General Fund of Lloyd's Patriotic Fund receives an annual donation of £200k from the Council of Lloyd's to support the grant giving programme. In December 2018, the Council of Lloyd's committed £200k to the Fund for a further three years (2019-2021) to continue its charitable work. At the end of June 2020, there was no amount to be carried forward to 2020/2021.

The charity aims to maintain the real capital value of its investments in its reserves, whilst fully expending its donation and investment derived income in pursuit of its aims and objectives. As part of the new strategy, trustees reviewed their level of reserves and reserves policy. Trustees have agreed a reserves policy of holding circa £125k in reserve at all times (plus or minus 10%). A resolution will need to be passed to approve taking the cash reserves lower than £100k. This permits cover for any unbudgeted expenditure during the year. Trustees wish to keep at least 70% of the assets in investments that can be realised within three months and a minimum of 2% of total assets should be kept in cash or near cash investments at all times.

### **Investment policy and management**

The invested funds of Lloyd's Patriotic Fund are held in funds managed by Cazenove Capital Management, whereby the costs of the investment management are borne directly by the Fund and amount to £13k (2019: £13k). The cash element and any surplus funds from the General Fund and sub funds are placed with Morgan Stanley Funds PLC (Gartmore). Fees are deducted based on the whole portfolio on a daily average market value at a rate of 0.35% subject to VAT. There are also underlying fund management charges which are deducted from investment income or capital.

Investments are reviewed on a regular basis during the year by the relevant lead trustee and monitored by the Board of Trustees to ensure that they are meeting the trustees' long term objectives of maximising income available for charitable purposes whilst protecting the capital value of the fund.

Bi-annual review meetings are held with the Fund's advisory investment manager, Cazenove Capital Management as part of the Charities Investment Advisory Committee, as well as additional meetings with the lead trustees for LPF's investments.

A report on the investments by Cazenove Capital Management is included on pages 13 to 14.

### **Summary of investment changes and capital movement**

The asset mix as at 30 June 2020 for the consolidated Lloyd's Patriotic Fund is 39.54% UK Equities, 10.21% Global Equities, 14.59% UK Property Funds, 2.48% JP Morgan and 0.29% Cash. Part of the portfolio is the Charles Skey Fund which makes up 32.89% of the portfolio.

The overall gross annual investment income amounted to £147k (2019: £142k).

The excess of income over expenditure for the year amounted to £93k (2019: £277K) and during the year the market value of the Foundation's investment portfolio decreased to a total of £3,025k (2019: £3,494k). More detail of this can be found in the Investment Managers report, Page 13.

# LLOYD'S PATRIOTIC FUND

## REPORT OF THE TRUSTEES (continued) FINANCIAL REVIEW (continued)

### Ethical Policies

The trustees reviewed their level of exposure to ethically sensitive investments in 2017 and agreed that the total sector exposure to ethically sensitive stocks should remain under 10%. The exposure level to ethically sensitive investments continues to be low and investment managers continue to engage with companies to encourage them to manage their ESG impact. This exposure rating was reviewed in 2019 and will be reviewed again in 2020 by the lead trustees for LPF's investments, who also sit on the Charities Investment Advisory Committee. The trustees do not wish to adopt an exclusionary policy, but individual investments may be excluded if perceived to conflict with the Fund's purpose. It is ensured that all investments are held with acceptable evidence of ESG integration and the board's ethical investments approach is monitored by the board of trustees regularly.

### Commitments and Liabilities

Lloyd's Patriotic Fund has made a commitment to spend the annual donation from the Council of Lloyd's on charitable partnerships that achieve the strategy of LPF. The selected charity partners (Combat Stress and RFEA The Forces Employment Charity) were announced in November 2019 after a fair and open application process in line with the new strategy of LPF for 2019/2020.

The committed expenditure amounts to £200k per year for three years. Additional annual grant giving will be given each year for small £10k donations.

Any potential reduction in future investment income as a result of COVID-19 will not materially affect any current project commitments. Trustees will continue to monitor the markets closely and have the option to drawdown funds as they see fit.

### PLANS FOR FUTURE PERIODS

The plans for the financial year 2020-2021 include:

- Growing LPF's cash reserves to provide additional security to the Board.
- Making additional donations of circa £10k to small military charities in the coming year, in addition to the £200k spend per year for three years from the Council of Lloyd's.
- Delivering robust trustee training to address knowledge and skills gaps.
- Continuing support from the Lloyd's market through company donations and improving the marketing of the Fund.
  
- Working with Combat Stress and RFEA The Forces Employment Charity around engagement opportunities for the Lloyd's market to support the partnerships beyond the grant; e.g. fundraising, volunteering, awareness raising.
- Continuing to support charity partners as much as possible as needed through COVID-19 response and recovery.

### Public Benefit

The Trustees take full account of the published Charity Commission general guidance on public benefit and are satisfied that the aims of the charity are carried out wholly in pursuit of its charitable aims for the public benefit. Lloyd's Patriotic Fund's grant-making is of measurable benefit to individuals. Applications can be made by all military and ex-military charities that support serving and ex-service armed forces personnel and their dependants who are in need.

### Acknowledgement

The trustees wish to record their sincere thanks to members of the Corporation of Lloyd's staff who assist with the administration of the financial statements of the Fund, and to the Corporation of Lloyd's which bears the majority of administration costs.

The trustees are grateful to the Corporation of Lloyd's for their agreement to provide Lloyd's Patriotic Fund with an annual donation from the Council of Lloyd's, on behalf of the Lloyd's market.

The Trustees are grateful to the individuals and companies who supported the Fund with donations which amounted to £94k during the year.

**LLOYD'S PATRIOTIC FUND**

**REPORT OF THE TRUSTEES (continued)  
PLANS FOR FUTURE PERIODS (continued)**

The Trustees also wish to thank our charity partners for all their tireless support and help to the military community, veterans and their families.

Approved by the Board of Trustees on 16 February 2021 and signed on its behalf by: -



*Ed Butler  
Chair*

*Trustee*



*Will Roscoe  
Deputy Chair*

*Trustee*

## LLOYD'S PATRIOTIC FUND

### STATEMENT OF THE TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

#### Trustees' responsibilities statement

The trustees are responsible for preparing the Trustees' Annual Report 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 & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements 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 operation.

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

# LLOYD'S PATRIOTIC FUND

## REPORT OF THE INVESTMENT MANAGER TO THE TRUSTEES OF LLOYD'S PATRIOTIC FUND

YEAR ENDED 30 JUNE 2020

### Overview

#### Investment Objective

The portfolio is designed to maximise income whilst protecting the real value of capital over the medium to long term. The portfolio is managed on an advisory basis with Cazenove Capital. Ltd providing investment advice on an ad hoc basis, custody, reporting and administration services. The portfolio uses a broad range of investments and may allocate a high proportion of its assets to equity, or equity-like, investments in pursuing its aims. Whilst the majority of the portfolio is invested in readily tradable assets, illiquid assets are considered part of the investable universe and the portfolio may have some exposure. Cash, fixed income and other defensive assets will normally account for only a small part of the portfolio.

### Portfolio Summary

Description	Market Value £'000	Portfolio Weight %
<b>Equities</b>	<b>2,500</b>	<b>82.6%</b>
<b>UK</b>	<b>2,191</b>	<b>72.4%</b>
ASI UK All Share Tracker Fund	1,094	36.2%
Schroder Income Fund	486	16.1%
Trojan Income Fund	611	20.2%
<b>Global</b>	<b>309</b>	<b>10.2%</b>
Vanguard FTSE All-World ETF	309	10.2%
<b>Property</b>	<b>441</b>	<b>14.6%</b>
Charities Property Fund	441	14.6%
<b>Cash</b>	<b>84</b>	<b>2.8%</b>
Income Capital	8	0.3%
JPMorgan Liquidity Fund	1	0.0%
<b>Total</b>	<b>3,025</b>	<b>100%</b>

Source: Cazenove Capital, as at 30.06.2020

### Portfolio Performance

#### Fund Performance 12 months to 30 June 2020

##### Equities

##### UK

Fund	ASI UK All Share Tracker Fund	1 Year
	Trojan Income Fund	-12.7%
	Schroder Income Fund	-5.3%
Index	FTSE All Share Index	-22.6%
		-13.0%

##### Global

Fund	Vanguard FTSE All-World ETF	5.2%
Index	MSCI AC World	5.2%

##### Alternatives

##### Property

Fund	Charities Property Fund	-1.2%
Index	IPD UK All Balanced Property	-2.6%

Source: Cazenove Capital. Performance is quoted net of underlying fund fees.

## **LLOYD'S PATRIOTIC FUND**

### **REPORT OF THE INVESTMENT MANAGER TO THE TRUSTEES OF LLOYD'S PATRIOTIC FUND (continued)**

#### **Pandemic forces further stimulus**

The continued threat of COVID-19 means that governments are in no position to start scaling back fiscal support. In the US, Congress finally agreed on a new stimulus package. In the UK, the Chancellor of the Exchequer announced a new £4.6 billion business support scheme, just months after talking about the need for "hard choices" on spending and taxes. More recently, the OECD has suggested that governments should not rush to tighten fiscal policy, following similar advice from the IMF late last year.

#### **Markets keep their cool**

Stock markets can be remarkably cold-blooded. Despite the renewed turmoil caused by a winter resurgence of COVID-19, global equities remain close to their recent highs. The market calm may be surprising – but it is not irrational; vaccines should put an end to the current acute phase of the pandemic in the first half of this year, while central banks and governments continue to provide significant support. For most of the big firms that dominate equity markets, another few months of disruption will be manageable – especially after significant capital raising in 2020. Sadly, this may not be the case for many smaller organisations.

#### **US politics remains a risk**

Economic activities continue to be dampened by the management of the pandemic. This, coupled with the fallout from the elections and the final makeup of the senate, is another source of uncertainty

#### **European policy makers focused on recovery**

European central banks remain keen to support the recovery. The Bank of England continues to discuss negative interest rates, without giving a clear indication of its intentions. This ambiguity may be deliberate; the possibility of negative rates helps keep borrowing costs very low, while the BoE avoids the operational and political challenges of actually implementing the policy.

#### **Portfolio positioning**

Gradual economic recovery, combined with support from central banks, should continue to support global equity markets. However, we are mindful of the risk of renewed volatility given the various risks facing markets.

**Cazenove Capital Management, 30 June 2020**

# LLOYD'S PATRIOTIC FUND

## REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF LLOYD'S PATRIOTIC FUND

### Opinion

We have audited the financial statements of Lloyd's Patriotic Fund (the 'charity') for the year ended 30<sup>th</sup> June 2020 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 the charity's affairs as at 30<sup>th</sup> June 2020, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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 financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 financial statements are authorised for issue.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

## LLOYD'S PATRIOTIC FUND

### REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF LLOYD'S PATRIOTIC FUND (continued)

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

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 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.

#### Simpson Wreford & Partners

Statutory Auditor  
Suffolk House  
George Street  
Croydon  
CR0 0YN

Simpson Wreford & Partners is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Date

## LLOYD'S PATRIOTIC FUND

### STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 30 JUNE 2020

Income and Expenditure	Note	Unrestricted	Designated	Restricted	Endowment		2020	2019	
		Funds	Funds	Funds	Funds	Funds			
		General	Janson	Mackintosh	Mackintosh	McCorquodale	Skey	Total	Total
		Fund	Fund	Fund	Fund	Fund	Fund	£'000	£'000
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>INCOME:</b>									
Donations and legacies	2	294	-	-	-	-	-	294	240
Investment income	3	87	3	5	-	2	50	147	142
<b>Total Income</b>		<b>381</b>	<b>3</b>	<b>5</b>	<b>-</b>	<b>2</b>	<b>50</b>	<b>441</b>	<b>382</b>
<b>EXPENDITURE:</b>									
Cost of raising funds:									
Investment management fees		(8)	-	(1)	-	-	(4)	(13)	(13)
<b>CHARITABLE EXPENDITURE:</b>									
Donations and grants payable	4	(332)	-	-	-	-	-	(332)	(88)
Other Expenses		(3)	-	-	-	-	-	(3)	(4)
<b>Total Resources Expended</b>		<b>(343)</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>(4)</b>	<b>(348)</b>	<b>(105)</b>
Net income and net movement in funds before gains and losses		38	3	4	-	2	46	93	277
Realised gains		11	1	-	1	-	-	13	-
Unrealised losses		(259)	(11)	-	(15)	(5)	(201)	(491)	(87)
Net losses	5	(248)	(10)	-	(14)	(5)	(201)	(478)	(87)
<b>NET MOVEMENT IN FUNDS</b>		<b>(210)</b>	<b>(7)</b>	<b>4</b>	<b>(14)</b>	<b>(3)</b>	<b>(155)</b>	<b>(385)</b>	<b>190</b>
<b>Reconciliation of Funds</b>									
Total funds brought forward		2,316	94	10	120	43	1,238	3,821	3,631
<b>Total funds carried forward</b>		<b>2,106</b>	<b>87</b>	<b>14</b>	<b>106</b>	<b>40</b>	<b>1,083</b>	<b>3,436</b>	<b>3,821</b>

The notes on pages 19 to 22 form part of these financial statements.

# LLOYD'S PATRIOTIC FUND

## BALANCE SHEET AT 30 JUNE 2020

	Note	Unrestricted	Designated	Restricted	Endowment		2020 Total £'000	2019 Total £'000	
		Funds	Funds	Funds	Funds				
		General Fund £'000	Janson Fund £'000	Mackintosh Income £'000	Mackintosh Fund £'000	McCorquodale Fund £'000			Skey Fund £'000
<b>INVESTMENTS</b>									
At Market Valuation	4	1,801	84	-	106	39	995	3,025	3,494
<b>CURRENT ASSETS</b>									
Debtors		-	-	-	-	-	-	-	12
Short term deposits		23	-	-	-	-	-	23	23
Cash at bank		390	3	14	-	1	89	497	298
		<b>413</b>	<b>3</b>	<b>14</b>	<b>-</b>	<b>1</b>	<b>89</b>	<b>520</b>	<b>333</b>
<b>CURRENT LIABILITIES</b>									
Creditors falling due within one year	6	(108)	-	-	-	-	(1)	(109)	(6)
		<b>(108)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>(109)</b>	<b>(6)</b>
<b>NET CURRENT ASSETS</b>		<b>305</b>	<b>3</b>	<b>14</b>	<b>-</b>	<b>1</b>	<b>88</b>	<b>411</b>	<b>327</b>
<b>NET ASSETS</b>		<b>2,106</b>	<b>87</b>	<b>14</b>	<b>106</b>	<b>40</b>	<b>1,083</b>	<b>3,436</b>	<b>3,821</b>
<b>FUNDS</b>		<b>2,106</b>	<b>87</b>	<b>14</b>	<b>106</b>	<b>40</b>	<b>1,083</b>	<b>3,436</b>	<b>3,821</b>

**LLOYD'S PATRIOTIC FUND**

Approved and authorised for issue by the Board of Trustees on 16 February 2021 and signed on its behalf by



*Ed Butler  
Chair*

*Trustee*



*Will Roscoe  
Vice Chair*

*Trustee*

The notes on pages 19 to 22 form part of these financial statements.

# LLOYD'S PATRIOTIC FUND

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2020

### 1 ACCOUNTING POLICIES

#### A) BASIS OF ACCOUNTING

The charity constitutes a public benefit entity as defined by FRS 102. In preparing the financial statements the fund follows best practice as laid down in the Statement of Recommended Practice "Accounting and Reporting by Charities" (Charities SORP FRS 102) in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011. They are drawn up on the historical accounting basis except that investments held as fixed assets are carried at market value.

#### B) DONATIONS AND LEGACIES

Donations and legacies are included in the statement of financial activities when receivable.

#### C) INVESTMENT INCOME

Dividends from equity investments are taken into account on the due date of payment; all other income is included by reference to the amount due in respect of the accounting period.

Investment income in relation to the permanent endowment funds of Skey and McCorquodale are not restricted in use and are therefore included within the unrestricted income. Investment income in relation to the Mackintosh endowment fund is restricted in nature.

#### D) GAINS AND LOSSES ON DISPOSAL OF INVESTMENTS

Gains or losses on disposals in the year are calculated by reference to the carrying value of the holding as at the date of sale.

#### E) GRANTS

Grants are accounted for by reference to the amount paid in respect of the accounting period. In relation to this annual report and reporting practices, grants are recognised at the point in which they are approved by trustees (e.g. at the meeting in which the decision was made, rather than the date in which grants were received by the charities).

#### F) ADMINISTRATION EXPENSES

The costs of the administration of the Fund are borne in full by the Corporation of Lloyd's with the exception of investment management fees, audit fees and bank charges. No remuneration was paid to the Trustees from Lloyd's Patriotic Fund, nor were any Trustees expenses reimbursed to them from the Fund. Reasonable travel expenses for trustees were reimbursed from the Corporation of Lloyd's.

#### G) INVESTMENTS

Investments are stated at their market value at the date of the balance sheet, this being the mid-point of the quotations on the Stock Exchange Daily Official List. Gains and losses on investments are taken directly to the Statement of Financial Activities.

# LLOYD'S PATRIOTIC FUND

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2020 (continued)

### ACCOUNTING POLICIES (CONTINUED)

#### H) ALLOCATION BETWEEN FUNDS

The Charles Skey Fund has its own portfolio of investments which is reported separately. The remaining portfolio is allocated to the other individual funds in proportion to their share of the Fund account balance at the beginning of the year.

#### I) TAXATION

The Fund is established as an exempt approved charity for taxation purposes.

#### J) DEBTORS

Debtors are recognised at the settlement amount due.

#### K) SHORT TERM DEPOSITS

Short term deposits include short term highly liquid investments with a short maturity of three months or less from the date of acquisition.

#### L) CREDITORS

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

#### M) FINANCIAL INSTRUMENTS

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at amortised cost or as specified in the preceding accounting policies. As there are currently no long-term financial instruments, the transaction value and settlement value will be the same.

## 2 DONATIONS AND LEGACIES

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Donation from the Corporation of Lloyd's	<b>200</b>	200
General donations	<b>94</b>	40
	<b>294</b>	240

## LLOYD'S PATRIOTIC FUND

### NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2020 (continued)

#### 3 INVESTMENT INCOME

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Equity Fund Investments	<b>120</b>	115
Property fund	<b>26</b>	26
UK fixed interest investments	<b>1</b>	1
	<b>147</b>	142

In 2020 of the investment income, £5k (2019: £5k) was attributable to restricted income funds, with the balance of £142k (2019: £137k) adding to unrestricted funds.

#### 4 ANALYSIS OF CHARITABLE EXPENDITURE

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Soldiers, Sailors, Airmen and Families Association	<b>28</b>	<b>73</b>
Combat Stress	<b>110</b>	-
Sir Oswald Stoll Foundation Fundraising	<b>20</b>	-
Royal Navy & Royal Marines Children's	-	<b>5</b>
RNOC	-	<b>2</b>
Gurkha Welfare Trust	-	<b>8</b>
RFEA	<b>110</b>	-
Not Forgotten Association	<b>4</b>	-
The Ripple Bond	<b>20</b>	-
Scotty's Little Soldiers	<b>20</b>	-
First Light Trust	<b>20</b>	-
	<b>332</b>	<b>88</b>

# LLOYD'S PATRIOTIC FUND

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2020 (continued)

### 5 QUOTED INVESTMENTS

	2020			
	£'000	£'000	£'000	£'000
Market value brought forward	Equity 3,014	Property 480	Cash -	Total 3,494
Realised investment gain (loss)	13	-	-	13
Net unrealised gain (loss) for the year	(452)	(39)	-	(491)
Movements on cash account	-	-	9	9
Market value carried forward	2,575	441	9	3,025

### 6 CREDITORS

	2020 £'000	2019 £'000
Investment management fee	3	4
Donations payable	100	-
Insurance	1	-
Audit fee	5	2
	<b>109</b>	<b>6</b>

### 7 DISCLOSURE OF RELATED PARTY TRANSACTIONS & TRUSTEE REMUNERATION

The trustees receive no remuneration and no expenses were reimbursed within the financial year from Lloyd's Patriotic Fund (2019 – none). Reasonable travel expenses for trustees were reimbursed from the Corporation of Lloyd's.

There were no related party transactions in the year (2019 – none).

### 8 FUNDING COMMITMENTS

Lloyd's Patriotic Fund receives £200k from the Council of Lloyd's for a three-year commitment (2019, 2020, 2021). Lloyd's Patriotic Fund has made a commitment to spend this donation to fund its two partners, Combat Stress and RFEA The Forces Employment Charity. The donation from the Council of Lloyd's is approved annually subject to satisfactory performance reports from our partners to meet the commitment outlined in funding agreements with each partner. The payments are made in two instalments per 12-month period, subject to trustee satisfaction.