

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

Registered number	210173
Address	Lloyd's of London One Lime Street London EC3M 7HA 020 7327 1000
Trustees	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)
Secretary	Mrs Forida Islam
Investment Advisors	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

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.

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.

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
-

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.

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 %
Equities	2,592,923	62.0%
UK	751,203	18.0%
Vanguard FTSE UK All Share Index	227,042	5.4%
ASI UK All Share Tracker Fund	524,160	12.5%
Global	1,841,719	44.0%
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%
Multi-asset	1,038,922	24.8%
Charity Multi-Asset Fund	97,657	2.3%
Charity Sustainable Multi-Asset Fund	941,264	22.5%
Property	425,430	10.2%
Charities Property Fund	425,430	10.2%
Cash	125,285	3.0%
JPMorgan Liquidity Fund	75,000	1.8%
Sterling cash	50,284	1.2%
Total	4,182,561	100%

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. 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

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

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

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

	2023			
	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>

	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>

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

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