

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

England & Wales · Charity number 210829

Details

Other names NUFFIELD TRUST

Status Registered

Legal form Trust

Registered 1962-10-26

Register [View on the Charity Commission register](#)

Contact

Address Magdala
Mill Lane
Titchfield
Fareham
PO15 5RD

Phone 07428856006

Email general.secretary@nuffieldtrust.org

Website www.nuffieldtrust.org

Activities

Objects: FOR THE PURPOSE OF PROMOTING THE WELFARE AND EFFICIENCY OF THE FORCES OF THE CROWN EITHER BY THE PROVISION OF FACILITIES FOR RECREATION OR BY ANY OTHER MEANS.

Activities: The Trust provides recreational facilities for the Regular and Reserve Armed Forces. It does not fundraise or undertake individual benevolence.

Classification

- **How:** Makes Grants To Organisations
- **What:** Armed Forces/emergency Service Efficiency
- **Who:** Other Charities Or Voluntary Bodies, Other Defined Groups

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-12-31	£1,373,307	£4,620,316	£45,957,174	1
2024-12-31	£1,076,208	£2,077,147	£45,118,673	1
2023-12-31	£121,177	£2,014,152	£46,468,982	1
2022-12-31	£621,538	£2,171,420	£44,492,262	1
2021-12-31	£5,877,246	£3,399,140	£49,398,615	1

Trustees

Name	Role	Appointed
Lord Arbuthnot	Chair	2017-03-21
Air Marshal Sir Baz North KCB OBE		2017-11-21
John Chatfeild-Roberts		2021-11-23
Lord Christopher Geidt GCBGCVOOBE		2019-03-18
Sir Tyrone Richard Urch KBE		2023-05-01
Vice Admiral Sir Martin Connell KCB CBE		2026-03-17

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

England & Wales - Charity number 210829

Accounts

Registered Number: 210829

**NUFFIELD TRUST FOR
THE FORCES OF THE CROWN**

FINANCIAL STATEMENTS

31 DECEMBER 2025

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

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NUFFIELD TRUST FOR THE FORCES OF THE CROWN

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2025

REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees

The Rt Hon Lord Arbuthnot of Edrom
Vice Admiral Sir David Steel KBE DL (resigned 17th March 2026)
Air Marshal Sir Baz North KCB OBE
The Rt Hon Lord Geidt of Crobeg GCB GCVO OBE QSO
John Chatfeild-Roberts
Lieutenant General Sir Tyrone Urch KBE
Vice Admiral Sir Martin Connell KCB CBE (appointed 17th March 2026)

General Secretary/Office of the Charity

Commander S E J David MBE RN (Rtd)
Magdala
Mill Lane
Titchfield
Hampshire
PO15 5RD

Bankers

Barclays Bank, Cheltenham Branch, Cheltenham and North Cotswold Group, 128 High Street, Cheltenham, Gloucestershire GL50 1EL.

Auditors

Messrs Pitt Godden & Taylor LLP, Unit 3 Ambrose House, Meteor Court, Barnett Way, Barnwood, Gloucester, GL4 3GG

Solicitors

Messrs Herbert Mallam Gowers, Solicitors of Oxford, 126 High Street, OX1 4DG.

Investment Managers

BlackRock Investment Management (UK) Ltd, 12 Throgmorton Avenue, London EC2N 2DL

Jupiter Unit Trust Managers Ltd, PO Box 10666, Chelmsford, CM99 2BG

Evenlode Investment Management Ltd, (Investment Fund Services Ltd), Marlborough House, 59 Chorley New Road, Bolton BL1 4QF.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

REPORT OF THE TRUSTEES (Continued) FOR THE YEAR ENDED 31 DECEMBER 2025

TRUSTEE REPORT AND FINANCIAL STATEMENTS

The Trustee Report and Financial Statements for the year 1st January 2025 to 31st December 2025 have been prepared in accordance with the guidelines published by the Charity Commission. These guidelines are contained in the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The objective of the Trust is to promote the welfare and efficiency of the Forces of the Crown either by the provision of facilities for recreation or by any other means. The Trustees confirm that they comply with the duty in the Charities Act 2011 to have regard to the Charity Commission's general guidance on public benefit when carrying out the Trust's objective and aims and in grant making policy and awards.

The Trust's primary aim is to provide recreational and welfare amenities and facilities that are likely to be of lasting benefit to the Armed Forces but which are not provided by public funds and which are beyond the resources of other non-public funds. The Trust further aims to support units on operations and to benefit the maximum number of Service personnel whilst being mindful of the needs of smaller, less well-found sports associations and isolated units.

The Trust does not fundraise and, therefore, the Trustees aim for prudent stewardship of the Trust's assets to achieve Lord Nuffield's express wish that the Trust be maintained for such time as there is need. The Trustees judge that continuing restrictions on and shortfalls in the public funding of recreational facilities for the Armed Services mean that there will be a continuing, long-term need to meet.

GRANT MAKING POLICY

Under a Memorandum of Understanding between the Trust and the three Armed Services, grant applications for non-public (charitable) funding are scrutinised by the Armed Services, who make the decision on which might be suitable for funding from the Services' own charitable funds or by the Trust for the public benefit of promoting the welfare and efficiency of the Forces of the Crown.

At their November meeting the Trustees make a funding allocation to the Armed Services for the forthcoming year. That allocation is then sub-divided and paid to the Royal Navy, Army and Royal Air Force on a proportional basis relative to the Regular and Operational Reserve personnel numbers in each Service.

Each of the Services then applies for **Major Grants** (£15,001 to £50,000) from within their allocation. These applications are considered at the March Trustee meeting where the Trustees are joined by the serving Principal Personnel Officers of the Royal Navy, Army and Royal Air Force who are best qualified to advise on the relative priority of the various applications received. Approved Major Grants are paid by the individual Services from within their allocation. The balance of each Service's allocation is available for **Minor Grants** (up to £15,000 or £30,000 for mini-buses) which can be approved and paid by the individual Services from their allocations subject to the grant criteria agreed between the Trust and the Armed Services.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

REPORT OF THE TRUSTEES (Continued) FOR THE YEAR ENDED 31 DECEMBER 2025

GRANT MAKING POLICY (Continued)

Over and above the annual allocations to the Armed Services, the Trustees are also willing to consider Capital Grants (over £50,000) for projects from any Service, subject only to the project's suitability and the availability of funds. The Trust also makes special grants as circumstances require and gives Operational Welfare Grants with the object of providing a quick and flexible response to meet the particular needs of those serving in the Regular or Reserve forces deployed in an emergency to areas of conflict or disaster.

Additionally, the Trust makes an allocation to The Ulysses Trust which then considers and approves grants for Reservists or Reserve formations undertaking adventurous activity.

Grants made and the annual allocations are one-off donations to the applicants, all of which are charities in their own right.

ACHIEVEMENTS AND PERFORMANCE

The Charity's Trustees have had due regard to the Charity Commission's guidance on public benefit.

In 2024 the Trustees allocated £1,890,407 for grants to be paid out in 2025 (2024: £1,679,976) and £72,220 for administration (2024: £71,424).

Since 1939, grants paid out by the Trust for the direct benefit of those serving in the Armed Forces total some £76 million which would be valued at some £344 million at present day value.

Six Capital and Special Grants (to Halton Training Camp, RAF Benson, RAF Waddington, the RAF Cosford Microlight Club, the Boleh Trust, Operation Christmas Box), and 119 Major and Minor Grants were paid from the Trust's allocations to the Services, and 69 Reservist grants were made by the Ulysses Trust. For information, a full list of grants made by the Trust or from delegated allocations is appended to this report. Grants were made to HM Ships and Naval Establishments; Royal Marine Units; Army Garrisons and Units and RAF Stations and Establishments (including Reserve Units) worldwide and to individual Sports Associations, Service Sports Clubs or teams from all three Services. All grants made were institutional and made to recipient formations with charitable status. The total number of units/associations supported in 2025 (194) was a decrease from 2024 (223) but this does not reflect the continuing demand for Trust support within the Armed Forces.

The Trust has achieved its objective and measures its aims further by feedback from recipient units, their Commanding Officers and higher levels of the chain of command, including from the three Service Principal Personnel Officers.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

REPORT OF THE TRUSTEES (Continued) FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL REVIEW

The Trust receives its funding solely from its investment portfolio and bank interest. The Trust monitors monthly reports from the Investment Managers and the Trustees meet formally with the Fund Managers twice a year to review the performance of the Trust Funds and to ensure that investments held have been acquired in accordance with the powers of the Trustees and any directions they have given. Investment policy is reviewed annually by the Trustees.

In mid 2023 the Trustees appointed two new Fund Managers, splitting the portfolio evenly between the two. The new Fund Managers are Evenlode Investment Management Ltd and Jupiter Asset Management Ltd. BlackRock, the previous Fund Managers, retained a small investment portfolio for the Trust in their Property Management Fund (circa £2.1M) which could not be closed immediately due to financial regulatory reasons. This fund was finally closed in October 2025.

The Trustees authorised the Fund Managers to hold any investment defined under the Financial Services Act 1986, subject only to the proviso that such investment and its degree was permitted by regulations or operational guidance given by the Charity Commission, within a prudent, widely diversified portfolio. The Trust does not set environmental, social or governance (ESG) policies for its portfolio, but adopts the overarching ESG policies set by its Investment Fund Managers.

The performance of the Trust's portfolio is evaluated against a bespoke composite index. In a period of major global stock market volatility across 2025 due to the economic impact of US trade tariffs and other US policy decisions, and continuing conflicts in eastern Europe and the Middle East, the portfolio saw a total outturn of 3.1% (gross) in 2025. Individually, Jupiter saw a return of 32.4% against the benchmark of 22.3%. Evenlode saw a return of -0.05% against the benchmark of 12.89%. The Trustees also benchmark the Trust's 3-year rolling average capital value against its 1998 capital value adjusted for CPI (RPI before 2018) and capital grant expenditure. On that basis, the Trust's average capital value was £2.02 million above the benchmark (2024: £1.86 million).

At 31 December 2025 the Trust's investments were valued at £47,744,088 (Jupiter £26,658,340; Evenlode £21,085,748) (2024: £46,029,015). On a dividends receivable basis, as required by the SOFA, the Trust's income for the year was £1,373,307 (2024: £1,076,208). This income comprised dividend income from Jupiter and Evenlode. The BlackRock Property Fund was closed in October 2025. The Fund realised £2,186,965 in share redemption and income over the 10 months to its closure. This money was retained in the Trust's bank accounts to cover grant payments for 2026.

The total investment management fees for 2025 were £273,340 (2024: £265,485).

RESERVES

In May 1997 the Charity Commission confirmed that both the capital and income of the fund could be expended on furthering the objects of the Charity. Given the structured nature of the Trust's grant-making procedures and the ability of the Trust to apply both capital and income to meet need, the Trustees do not designate specific reserve funds. The total amount of reserves held at 31 December 2025 was £45,957,174 (2024: £45,118,673) as there is no restriction in place. The amount of free cash reserves were £2,518,833 (2024: £985,894).

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

REPORT OF THE TRUSTEES (Continued) FOR THE YEAR ENDED 31 DECEMBER 2025

RISK MANAGEMENT

The Trustees at their meeting on 18th November 2025 reviewed the major risks to which the charity was exposed and were satisfied that procedures had been established to manage these risks.

The major risk arising from the performance of the investment portfolio and manager has been mitigated by using hedging policies and diversification of asset classes. The Trust receives monthly reports from the investment manager and a regular review of investment policies and performance is undertaken. This is underwritten by a written management agreement.

The Trust retains expert investment managers and the Trust's money is held separately from the Fund Manager's own.

PLANS FOR FUTURE PERIODS

As previously stated, the Trustees see a long-term need to continue grant-making activity in support of the morale of the Armed Services in furtherance of the late Lord Nuffield's endowment and express wishes. The Trustees seek the advice of the Principal Personnel Officers and the Central Funds of the Armed Services on the nature and extent of future grant requirements.

For 2026 the Trustees approved grants of £4,299,851, which included the annual allocations to the Services and Reserves of £1,109,190 as well as £3,190,661 for Capital and special projects. £79,612 was allocated for administrative costs (less than 4% of total expenditure).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trust is an unincorporated trust founded by the late Lord Nuffield in 1939 and originally operated under the terms of a Trust Deed made on the 14th October 1939. This was superseded by a Charity Commissioners' Scheme that was sealed on 13th February 1997.

The Trust Deed provides for 6 Trustees, 3 of whom should be officers or former officers of the Regular Armed Forces and 3 of whom should be persons who have a special knowledge of commerce, industry or finance. This structure reflects the original wishes of the Trust's founder. Trustees are appointed by the Board of Trustees and normally may serve until the age of 70 but, exceptionally, may serve beyond that age by Special Resolution of the Board of Trustees. There are no sub-committees of the Board. From 19th March 2013, by Special Resolution of the Board, Trustees appointed in the category of officers or former officers of the Regular Armed Forces may serve only for a maximum of 10 years.

No new Trustees were appointed in 2025. However, it was approved that Vice Admiral Sire David Steel would be succeeded by Vice Admiral Sir Martin Connell in March 2026. New Trustees receive an induction pack which outlines the history, structure, objects and procedures of the Charity. In addition, new Trustees receive copies of the previous year's Minutes of Meetings and Trustee Report and Financial Statements plus Charity Commission publications relevant to their duties with the Trust and their prior experience of Trustee duties.

Trustees receive no remuneration and Trustee travel expenses are reported in the Notes to the Accounts. Potential conflicts of interest are declared at each Trustee meeting and where Trustees have an interest in or association with potential grant recipients they take no part in the grant decision.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

REPORT OF THE TRUSTEES (Continued) FOR THE YEAR ENDED 31 DECEMBER 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT - (continued)

The Trustee Board meets twice per year and all matters relating to the Trust's activities are decided by the Board, other than the following delegations:

- a. The day-to-day administration of the Trust, the processing of grant applications and the administration of grants is delegated to the General Secretary within a budget set and monitored by the Board.
- b. The processing and approval of Minor Grants and the payment of Major Grants approved by the Board are delegated to the Armed Services (see Grant-making Policy).

The General Secretary is the Trust's sole employee and the Trust is administered from the General Secretary's home. The General Secretary is employed under a contract benchmarked against the REWARD Survey of Charitable Salaries and comparator military salaries and benefits. Triennial reviews are carried out with the remuneration benchmarked against charitable salary surveys and comparator military salaries and benefits.

The current General Secretary decided not to take a Defined Contribution Pension, but instead receives a 12% increase in salary in lieu.

As part of its Grant-making activity, the Trust cooperates with Armed Services' unit charities, the major Central Charitable Funds of the 3 Armed Services and other Armed Services-related charities.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2025**

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

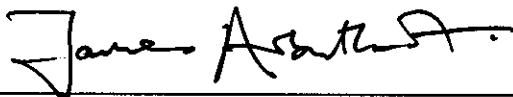
The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources for that period.

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 applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping accounting records which 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 applicable Charities (Accounts and Reports) Regulations, 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.

Approved by the Trustees on 17th March 2026 and signed on their behalf by:



The Rt Hon Lord Arbuthnot of Edrom

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF THE NUFFIELD TRUST FOR THE FORCES OF THE CROWN

FOR THE YEAR ENDED 31 DECEMBER 2025

Opinion

We have audited the financial statements of The Nuffield Trust for the Forces of the Crown for the year ended 31 December 2025 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. 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 2025, 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 of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

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

INDEPENDENT AUDITORS' REPORT (Continued)

**TO THE TRUSTEES OF
THE NUFFIELD TRUST FOR THE FORCES OF THE CROWN**

FOR THE YEAR ENDED 31 DECEMBER 2025

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires 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 and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 7, the Trustees are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- We identified the laws and regulations relevant to the charity from discussions with the secretary and from our knowledge of grant-making charities in similar sectors. The laws that we consider may have a direct material effect on the financial statements or the operation of the charity include the Charities Act 2011, employment, & data protection.

INDEPENDENT AUDITORS' REPORT (Continued)

TO THE TRUSTEES OF THE NUFFIELD TRUST FOR THE FORCES OF THE CROWN

FOR THE YEAR ENDED 31 DECEMBER 2025

- We ensured that the audit engagement team collectively has the appropriate competence, capabilities and skills to identify non-compliance with the applicable laws and regulations noted above.
- We assessed the extent of compliance with these laws and regulations through enquiries with the secretary and inspecting legal costs.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, and
- considering the internal controls in place to mitigate fraud risks and non-compliance with laws and regulation.

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

- performed analytical procedures to identify unusual or unexpected transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- reviewed a sample of transactions from the clients records for authorisation from the Trustees;
- reviewed the bank statements for evidence of review by the Trustees.

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

- agreeing financial statement disclosures to the underlying supporting documentation;
- reading the minutes as to actual and potential litigation and claims;
- checking for correspondence from the Charity Commission.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters which we are required to address

Your attention is drawn to the fact that the charity has prepared accounts in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

INDEPENDENT AUDITORS' REPORT (Continued)

**TO THE TRUSTEES OF
THE NUFFIELD TRUST FOR THE FORCES OF THE CROWN**

FOR THE YEAR ENDED 31 DECEMBER 2025

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 auditors' report and for no other purposes. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Pitt Godden & Taylor LLP

Chartered Accountants

Statutory Auditor

17th March 2026

Unit 3 Ambrose House
Meteor Court
Barnett Way
Barnwood
Gloucester
GL4 3GG

Pitt Godden & Taylor LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2025

		Unrestricted Funds	Unrestricted Funds
	Note	2025 £	2024 £
INCOME			
- Investment income	2	1,373,307	1,076,208
Total income		1,373,307	1,076,208
EXPENDITURE			
Costs of raising funds:			
- Investment management rebates	3	(125,900)	(125,173)
Expenditure on charitable activities:			
- Grants and support costs	4	4,346,976	1,850,717
Total expenditure		4,221,076	1,725,544
Net (expenditure) before gains on investments		(2,847,769)	(649,336)
Net gain/(loss) on investment assets	8	3,686,270	(700,973)
NET MOVEMENT IN FUNDS		838,501	(1,350,309)
Reconciliation of funds			
Total funds brought forward		45,118,673	46,468,982
Total funds carried forward		45,957,174	45,118,673

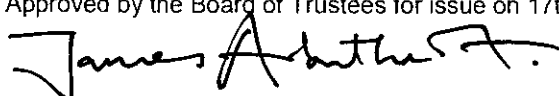
All amounts relate to continuing operations.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

BALANCE SHEET
AS AT 31 DECEMBER 2025

		Unrestricted funds	Unrestricted funds
	Note	2025 £	2024 £
FIXED ASSETS			
Tangible fixed assets	7	839	1,120
Investments	8	<u>47,744,088</u>	<u>46,029,015</u>
		<u>47,744,927</u>	<u>46,030,135</u>
CURRENT ASSETS			
Debtors	9	188,833	167,438
Cash at bank and in hand		<u>2,330,000</u>	<u>818,456</u>
TOTAL CURRENT ASSETS		2,518,833	985,894
LIABILITIES			
Creditors falling due within one year	10	<u>(2,186,586)</u>	<u>(1,897,356)</u>
NET CURRENT ASSETS/ (LIABILITIES)		332,247	(911,462)
LIABILITIES FALLING DUE IN MORE THAN ONE YEAR			
	11	<u>(2,120,000)</u>	<u>-</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>45,957,174</u>	<u>45,118,673</u>
The funds of the charity			
Unrestricted income funds		<u>45,957,174</u>	<u>45,118,673</u>
TOTAL CHARITY FUNDS		<u>45,957,174</u>	<u>45,118,673</u>

Approved by the Board of Trustees for issue on 17th March 2026 and signed on its behalf by:



The Rt Hon Lord Arbuthnot of Edrom
Chairman

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 31 DECEMBER 2025

	Note	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Net cash used in operating activities	14	(1,832,960)	(1,420,417)
<i>Cash flows from investing activities:</i>			
Interest and dividends received		1,373,307	1,076,208
Purchase of tangible fixed assets		-	(1,244)
Proceeds from sales of investments		2,098,577	670,000
Purchase of investments		(127,380)	(125,180)
Net cash provided by investing activities		<u>3,344,504</u>	<u>1,619,784</u>
Change in cash and cash equivalents in the year		1,511,544	199,367
Cash and cash equivalent brought forward		<u>818,456</u>	<u>619,089</u>
Cash and cash equivalents carried forward		<u><u>2,330,000</u></u>	<u><u>818,456</u></u>

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of investments at market value, and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared in order to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent provided to provide a 'true and fair' view. The departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The charity constitutes a public benefit entity as defined by FRS 102.

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

The financial statements are presented in Sterling which is the functional currency of the Charity. The figures are rounded to the nearest £.

The Charity is a Trust registered with the Charity Commission for England and Wales. The principal place of business is Magdala, Mill Lane, Titchfield, Hampshire PO15 5RD.

Income recognition

All income is recognised once the charity has entitlement to the income. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon the notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment manager of the dividend yield of the investment portfolio.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to the expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Overheads and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year on a basis consistent with use of the resources. The irrecoverable element of VAT is included with the item of expenses to which it relates.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2025

1 ACCOUNTING POLICIES (continued)

Expenditure recognition

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

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

Governance costs comprise the costs of running the Charity, including strategic planning for its future development, external audit and all costs of complying with constitutional and statutory requirements, such as costs of Trustees' meetings and for preparing statutory financial statements and satisfying public accountability.

Administrative costs have generally been split on a 50:50 basis between support and governance costs to reflect the time spent by the General Secretary on each activity. All support and governance costs have been allocated to the main grant giving activity.

Charitable activities

The expenditure on charitable activities includes grants made, governance costs, and support costs.

Tangible fixed assets and depreciation

All assets costing more than £100 are capitalised and valued at historical cost. Depreciation is calculated to write off the cost less estimated residual value of tangible assets over their estimated useful lives at 25% reducing balance.

Investments

Investments comprise listed investments and are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price. All gains or losses on investments sold during the year are taken to the statement of financial activities as they arise. Realised gains and losses are calculated as the difference between sales proceeds and their opening carrying value or purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised gains and losses are combined in the Statement of Financial Activities.

The Charity does not acquire put options, derivatives, or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions.

Cash held by the investment managers is disclosed within cash at bank and in hand.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2025

1 ACCOUNTING POLICIES (continued)

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date, or if appropriate at the forward contract rate. Non-monetary assets denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of acquisition of the assets. Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction, or at the contracted rate if the transaction is covered by a forward exchange contract. All revaluation differences and realised foreign exchange differences are taken to the SOFA.

2 INVESTMENT INCOME

Investment income, representing income from UK and overseas assets, derive from:

	2025	2024
	£	£
Listed investments	1,358,782	1,069,512
Bank interest	14,525	6,696
	<u>1,373,307</u>	<u>1,076,208</u>

All income relates to unrestricted funds.

3 INVESTMENT MANAGEMENT REBATES/COSTS

The investment management costs represent the fees chargeable to the portfolio by the investment managers during the year. These fees are offset by rebates of the management charges made on certain Blackrock in-house funds in the year.

The investment management fee for certain BlackRock in-house funds are deducted internally on a daily basis within the price of the fund. These internal fees are offset against the Trust's Annual Management Fee calculation.

Rebates are also paid by Jupiter on the funds held by the Trust. These are used to purchase further units in the fund rather than being refunded to the Trust.

Consequently, the credit in the accounts represents the rebates received by the Trust and also the rebates used to purchase further units.

Notional investment management costs based on the percentage fee charges on the portfolio's average value in 2025 would amount to £273,340 (2024: £265,485) before the rebated offsets described above.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025

4 ANALYSIS OF CHARITABLE EXPENDITURE

The charity undertakes its charitable activities through grant making to the armed services.

	Grants funded activity £	Support and Governance costs £	Total £	Total 2024 £
Armed services	<u>4,266,430</u>	<u>80,546</u>	<u>4,346,976</u>	<u>1,850,717</u>

All expenditure relates to unrestricted funds. (2024 analysis: Grant funded activity - £1,772,607, Support and Governance costs - £78,110).

5 GRANTS

Grants comprise of allocations, awarded to the Services and other institutions, and capital & special grants (as described in the Grant Making Policy in the Report of the Trustees) and are analysed as follows:

	2025 £	2024 £
Allocations:		
- Army	197,432	195,534
- Royal Air Force	568,566	570,464
- Reserve Forces	183,192	201,792
- Reserve Forces	160,000	120,000
Capital Grants:		
- Royal Air Force	106,625	521,367
- Army	2,760,000	211,250
- Royal Navy	253,200	-
- Boleh Trust	25,000	30,000
- Operation Christmas Box	20,000	40,000
Refunds:		
RAF	(7,585)	(91,800)
Royal Navy	-	(26,000)
	<u>4,266,430</u>	<u>1,772,607</u>

Grants approved are included in the financial statements. To the extent that such grants are not fully expended, surpluses are credited to grant expenditure following completion or cancellation of the project which for the year amounted to £7,585 (2024 - £117,800).

The total number of capital and special grants actually paid during the year by the Trust and by each of the recipient Services or Institutions from within their allocations, from the allocation made in November 2024 are summarised:-

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025

5 GRANTS - continued

	2025 No	2024 No
Boleh Trust	1	1
Op Christmas Box	1	1
Capital grant - Royal Air Force	3	1
Capital grant - Army	1	-
Royal Navy	34	60
Army	45	67
Royal Air Force	40	38
Ulysses Trust	69	55
	<u>194</u>	<u>223</u>

The detailed information for 2025 is set out in 'Special/capital grants and grants awarded from services allocations 2024', attached to these financial statements from page 25 onwards.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025

6 SUPPORT COSTS AND GOVERNANCE COSTS

	Support costs	Governance costs	Total allocated	Support costs	Governance costs	Total allocated
	2025	2025	2025	2024	2024	2024
	£	£	£	£	£	£
Salaries (Inc health insurance and Death in Service costs)	33,223	33,223	66,446	31,632	31,632	63,264
Employer's NI	897	897	1,794	1,251	1,251	2,502
Chairmans fund	-	-	-	307	306	613
Audit fees	2,520	2,520	5,040	2,520	2,520	5,040
Membership fee	228	227	455	224	225	449
Printing and stationery	696	695	1,391	871	871	1,742
Telephone	159	160	319	251	251	502
Insurance	207	207	414	187	187	374
Postage	108	108	216	89	88	177
Sundry expenses	403	404	807	-	-	-
Travelling and subsistence expenses	1,310	1,310	2,620	1,043	1,043	2,086
Website costs	275	276	551	272	273	545
Depreciation - office equipment	141	140	281	187	187	374
Bank charges	106	106	212	106	106	212
Loss on disposal	-	-	-	115	115	230
	<u>40,273</u>	<u>40,273</u>	<u>80,546</u>	<u>39,055</u>	<u>39,055</u>	<u>78,110</u>

Travel expenses of £1,766 were reimbursed to three Trustees during 2025 (2024 - reimbursements of £1,338 to three trustees). No remuneration is paid to Trustees. The Trust had one employee (2024: one) during the year. The employee received employee benefits of more than £60,000.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025

7 TANGIBLE FIXED ASSETS

	Fixtures and Fittings £
Cost	
At 1 January 2025	12,665
Additions	-
Disposals	-
At 31 December 2025	<u>12,665</u>
Depreciation	
At 1 January 2025	11,545
Depreciation charge	281
Eliminated on disposal	-
At 31 December 2025	<u>11,826</u>
Net book value	
At 31 December 2025	<u>839</u>
At 31 December 2024	<u>1,120</u>

8 INVESTMENTS

Fixed asset investments, which are held to provide an investment return, represent securities listed on recognised stock exchanges, with the exception of unit trust investments.

All investments are carried at their fair value,. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

	2025 £	2024 £
Market value at 1 January 2025	46,029,015	47,274,808
Acquisitions	127,380	125,180
Sale proceeds	(2,098,577)	(670,000)
Net change in market value	<u>3,686,270</u>	<u>(700,973)</u>
Market value at 31 December 2025	<u>47,744,088</u>	<u>46,029,015</u>
Investments are analysed as follows:	£	£
UK investments	<u>47,744,088</u>	<u>46,029,015</u>

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2025

8 INVESTMENTS (Continued)

	2025	2024
	£	£
UK Unit Trusts	26,658,341	24,441,637
UK - OEIC	<u>21,085,747</u>	<u>21,587,378</u>
	<u>47,744,088</u>	<u>46,029,015</u>

The historical cost of the investments at 31 December 2025 amounts to £42,899,088 (2024: £44,953,937).

The main risk to the Trust from financial instruments lies in the combination of uncertain investment markets and volatility in yield.

The Trustees have instructed their investment managers to invest the portfolio to maximise the long-term total return, whilst having regard to the level of risk stated below.

The Trustees have recognised that investing funds for real, long-term returns requires significant investment in equities and other assets which may involve an element of risk and that the asset values can and will fall at times.

The investment manager undertakes prudent investment suitable for a charitable trust in a broad investment portfolio to spread risk.

The investments made must only be in well-diversified readily-realizable investments which fall within categories permitted by the charity commission regulations or operational guidance and to such a degree as is permitted by regulations. This will reduce liquidity risk. The Trust does not hold investments in markets subject to exchange controls or trading restrictions.

The Trustees have set a Performance Objective and Composite Benchmark against which the investment managers will be compared. Additionally the Trustees compare the performance over rolling 3 year periods to the ARC Charity Indices. The capital value will be compared to a benchmark figure adjusted for inflation and any withdrawals.

9 DEBTORS

	2025	2024
	£	£
Prepayments and accrued income	<u>188,833</u>	<u>167,438</u>
	<u>188,833</u>	<u>167,438</u>

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025

10 CREDITORS - amounts falling due within one year	2025 £	2024 £
Grants payable	2,179,851	1,890,407
Social security and other taxes	1,695	1,909
Accruals	5,040	5,040
	<u>2,186,586</u>	<u>1,897,356</u>
	<u><u>2,186,586</u></u>	<u><u>1,897,356</u></u>
		Accrued
		£
		1,890,407
		4,259,192
		<u>(1,849,748)</u>
		<u>4,299,851</u>
		<u><u>4,299,851</u></u>

11 CREDITORS - amounts falling due in more than one year

11 CREDITORS - amounts falling due in more than one year	2025 £	2024 £
Grants payable	<u>2,120,000</u>	<u>-</u>
	<u>2,120,000</u>	<u>-</u>
	<u><u>2,120,000</u></u>	<u><u>-</u></u>

12 TAXATION

The Trust is a registered charity and therefore is not subject to taxation.

13 RELATED PARTY TRANSACTIONS

Sir Tyrone Urch is Vice Patron of Ulysses Trust. In 2025 this Trust was allocated a grant of £160,000 (2024: £120,000).

Sir David Steel is Patron of The Boleh Trust, which was allocated a grant of £30,000 for 2025 and a further £25,000 for 2026.

John Chaffeild-Roberts is employed by Jupiter Asset Management and is also a minority shareholder of Jupiter Fund Management plc - the ultimate parent. Jupiter Asset Management were joint investment managers of the Trust during 2025 and 2024.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2025

13 RELATED PARTY TRANSACTIONS (continued)

Sir Baz North is the president of the RAF Association and the RAF President of the Officers' Association. In 2026, The RAF received normal service grants of £183,192 (2024: £183,192) and capital grants of £106,625 (2024: £521,367).

14 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025 £	2024 £
Net movement in funds	838,501	(1,350,309)
Add back depreciation charge	281	604
Deduct interest income shown in investing activities	(1,373,307)	(1,076,208)
(Gain)/Loss on investments	(3,686,270)	700,973
(Increase)/decrease in debtors	(21,395)	94,032
Increase in creditors	2,409,230	210,491
	<u>2,409,230</u>	<u>210,491</u>
Net cash used in operating activities	(1,832,960)	(1,420,417)
	<u><u>(1,832,960)</u></u>	<u><u>(1,420,417)</u></u>

15 CATEGORIES OF FINANCIAL ASSETS & LIABILITIES

	2025 £	2024 £
Carrying amount of financial assets		
Financial assets that are equity instruments measured at fair value through the statement of financial activities	47,744,088	46,029,015
	<u>47,744,088</u>	<u>46,029,015</u>
Carrying amount of financial liabilities		
Financial liabilities measured at amortised cost	4,306,586	1,897,356
	<u>4,306,586</u>	<u>1,897,356</u>

**SPECIAL/CAPITAL GRANTS AND GRANTS AWARDED FROM SERVICES' ALLOCATIONS
2024 & PAID IN 2025**

UNIT	PROJECT	COST (£)
Halton Training Camp (JSMTC)	New Climbing Wall	211,250.00
RAF Benson	Welfare and Community Kitchen	259,367.00
RAF Waddington	Junior Ranks Welfare Facility	202,000.00
RAF Cosford Microlight Club	Replacement Microlight Aircraft	60,000.00
Op Christmas Box	Op Christmas Box 2025	40,000.00
BOLEH Trust	BOLEH Trust	30,000.00

ROYAL NAVY

RM Brazilian Jiu Jitsu Association	RMSA BID 2025	3,800.00
HMS Daring	HMS DARING- Mess Deck and Ship Improvements	15,000.00
Royal Navy Paddlesport Association (RNPA)	Project SPRAYDECK 2024/25	10,000.00
HMS Brocklesby	Welfare Regeneration Items	6,150.00
HMS Collingwood	Above Water Warfare Training Element (AWT TE) Room Refurbishment	3,523.13
HMS Mersey	Mess Improvements	500.00
HMS Sultan	Watt Hanger Training Facility - Recreation Space Renovation	2,996.05
Northwood Headquarters	Morale Boosting Items for SUBOPS Business Continuity Plan	366.97
HMS Bangor	SR Mess Refurbishment	1,262.51
HMS Flying Fox	FoxyFest '25- Festival Lights	509.34
HMS Protector	Refurbishment of JR's Mess	3,000.00
Commando Forces HQ (All units)	HQ Medical Cell Refurbishment	524.83
HMS Ambush	WO & SR Mess Regeneration	653.00
HMS Queen Elizabeth	QNLZ Shoreside Accommodation Improvement Fund	1,875.00
HMS Collingwood	Chaplaincy Furniture Renewal	1,183.50
Commando Training Centre Royal Marines	CTCRM JRDH Refurbishment	15,000.00
HMS Collingwood	Collingwood Suite refurbishment (Phase 2)	6,335.00
Band of Her Majesty's Royal Marines Scotland	RM Band Scotland Recreational Area Refurbishment	41,906.83
HMS Collingwood	OAC outside welfare area	2,058.87
HMS Forth	Messdecks Welfare Equipment	1,334.64
HMS Drake	HMS Drake Car and Motorcycle Club Aquablast Machine	4,905.60
HMS Stirling Castle	Refurbishment	2,686.22

UNIT	PROJECT	COST (£)
HMS Tamar	Sickbay Entertainment for Bedded down patients	506.08
Commando Logistics Regiment Royal Marines	MRS - Welfare during RLS NEG	1,500.00
Commando Training Centre Royal Marines	Dojo Mats	3,000.00
Hamworthy Barracks	Dojo Matting	3,000.00
2nd Mine Countermeasures Squadron	MCM2 Cottage Refresh - Phase 1	15,000.00
HMS President	Wardroom Bar Renovation	15,000.00
Royal Maritime Club	The Royal Maritime Club - Access Ramp	15,000.00
RAF Chicksands	Outdoor Welfare, Reflection, & Social Space for Naval Intelligence Div	7,500.00
RM Winter Sports Association	Equipment	2,449.22
RNAS Yeovilton	Fire Station Refurbishments	1,429.00
HMS Prince of Wales	Music Club	1,288.50
809 Naval Air Squadron	809 NAS welfare facilities in new building	1,344.29

Total: 34 Units

ARMY

26 Regt RA	Minibus	29,449.00
9 TS Bn REME	Unit Welfare Minibus	14,494.50
Spec Ops RMP	WELFARE FUNDING - SOUTHWICK PARK JNCO WELFARE LOUNGE	11,795.00
AISTC(S)	New sails for British Soldier	5,625.00
AISTC(S)	British Soldier Refit	15,000.00
Brit Trg Unit (Suf)	#WELFARE - BATUS - MINIBUS	29,371.00
Army Rowing	Womens Eight	15,000.00
ACanU	Army Canoeing Land Training Ergo machines	7,029.00
REME SC	REME Sailing Club - Replacement Yacht Engine	6,579.00
Arty Cntr	Parachute Systems to support junior members of the RA Sports Parachute Association	696.00
HQ REME	Welfare Grant for Minibus	30,000.00
BATUK	4X4 Welfare Minibus	24,400.00
1 RSME RE	Cpls Club Refurb	12,460.33
16 Sig Regt	Minibus	30,000.00
2 CS Bn REME	Motorhome	15,000.00
RACYC	Yacht Instruments	7,138.00
BAMA	Racing Sims	15,000.00
36 Regt RE	Minibus	30,000.00
154 Regt RLC	Golf Sim	12,500.00
HQ Bicester Garrison	2 x Indoor Padel Tennis Courts	15,000.00
6 Regt RLC	Minibus	30,000.00
154 Regt RLC	Golf Sim	12,500.00
Army Gliding Assoc	Recapitalisation of G-WYVN	9,450.00

UNIT	PROJECT	COST (£)
ARRC Sp Bn	Minibus	30,000.00
1 Sig Regt	Messing Hut	14,465.00
AISTC(S)	Tractor	9,246.60
47 Regt RA	Minibus	29,600.00
CCSPC	Cessna Engine	15,000.00
AISTC(S)	PPE - Wet Boots	2,451.00
AISTC(S)	Safety Boats	14,241.00
AISTC(S)	Intermediate Windsurfing Equipment Replacement	12,376.00
AISTC(S)	VHF Radios	1,873.00
HDSA	Yacht Deck Repair	9,954.00
1 R WELSH	Welfare 9 seater van for families	25,023.00
AISTC(S)	Advanced Windsurfing Equipment	14,997.00
RDG	Minibus	25,200.00
AISTC(S)	Sailing Dinghies for TISC	14,726.00
RESA	Safety Eqpt	9,441.03
RNAS Yeovilton	The Lookout Centre	15,000.00
AISTC(S)	Army Kite Surfing - Foil Development Equipment	9,046.00
AISTC(S)	Army Kite Surfing - Replace of Kite Foiling Equipt	9,238.43
UNFICYP	Minibus	27,000.00
British Forces Found'n	Panto Bus	49,000.00
HDSA	Yacht Deck Repair	9,954.00
HQ BGN	4X4 Welfare Minibus	24,790.11

Total: 45 Units

RAF

DHU Chicksands	Ex Dragon Trident Ski - Support for 6 x RAF participants	486.00
MPC Falklands	Phoenix Cinema Projector Project (Jointly funded Army £8,750 BFBS £15,800)	14,927.50
80 Sqn - Eglin	4 x Outdoor furniture sets £5,150.89	5,150.89
81 Sqn - Eglin	Circular logo Carpet for crew room	686.04
RAF Waddington RAFP	RAF Police crew room / garden rest area refurb	2,388.00
JSSU Ayios Nikolaos	Community Sun Shade replacements (Jointly funded RAF £2,292 Army £1,405)	2,292.00
80 Sqn - Eglin AFB	Kitchenware and Sign for crew room	1,275.25
CJPU - Episkopi	Contribution for Welfare garden benches (RAF Army £521)	613.00
ISTAR HQ RAF Waddington	ISTAR HQ Kitchen povision of white goods after refurbishment project	2,701.63
RAF Wittering	Nook 24 HR community space development (RAF Ben Fund £14,150, VIVO £1,750)	2,000.00
8 Sqn RAF Lossiemouth	Pool Table and Dart board for 8 Sqn Crew room	2,382.94
11 Sqn RAF Coningsby	Sqn crewroom refurbishment	3,137.80
RAF Cranwell	Junior Ranks Breakout Room	4,394.38
RAF Waddington	Ops Wg crewroom refurbishment	1,281.81
RAF Shawbury	WOSM - Garden renovation project	7,185.69
RAF Coningsby	Benches and Tables for Junior Rank outdoor seating social area	4,034.25

UNIT	PROJECT	COST (£)
RAF Paragliding Association	Hang and Para: 3 x solo paraglider rigs and competition paraglider	7,500.00
RAF Motorsports Association	Motorsports: 20 x Shark Race Helmets	6,194.51
RAF Powerlifting Association	Powerlifting - Competition platform, plates & squat/bench rack	7,875.00
RAF Athletics Association	Athletics: Replacement Pole Vaults	450.00
RAF Ice Hockey Association	Ice Hockey: Representative Team Clothing	2,400.00
RAF Kiting Association	Power Kiting: New member Instructional Equipment	3,000.00
RAF Watersports Association	Waterski & Wakeboard: Contribution towards new boat	6,000.00
RAF Sports	Sports Aircraft: Ground Servicing Equipment	13,500.00
RAF Winter Sports	Atomic Alpine & Telemark Equipment	9,697.37
RAF Sailing	Dinghy for training	10,500.00
RAF Volleyball	Team Kit	897.75
RAF Valley	Station Karting Track	6,750.00
RAF Winter Sports	Race Timing System	3,450.00
RAF Tennis	Padel & Pickleball Equipment	1,104.00
RAF Lossiemouth	Purchase of static caravan for use as welfare contact accommodation	14,995.00
80 Sqn - Eglin	Payment 4 - Pool Table and accessories	3,935.85
80 Sqn - Eglin	Payment 5 - Bar and Fridge items	2,185.06
RAF St Mawgan	Live music club equipment grant	1,875.00
600 Sqn RAF Northolt	Crew room refurbishment	9,468.94
7 AAC Middle Wallop	RAF Survival Equipment Section Crew Room improvement	766.42
901 EAW - Al Udeid	Outdoor seating area for UK Enclave	1,092.43
80 Sqn - Eglin	Payment 6 - Decorating Items 80 Sqn Crew room	409.72
DHU Chicksands	3 x RAF participants in Ex Dragon Trident Volans parachuting expedition	600.00
80 Sqn - Eglin	Payment 7 - 80 Sqn Crew room	10,357.19

Total: 40 Units

RESERVES (ULYSSES TRUST) – ADVENTUROUS TRAINING & EXPEDITIONS

U LONDON OTC	1,500.00
SUPPORT GROUP RAuxAF	1,000.00
16 MED REGT	345.00
103 Bn REME /R.YEO/JT FORCES CYBER	415.00
210 MMR	750.00
103 REGT RA	3,000.00
1401 (ALFRETON AND RIPLEY) SQN ATC	20.00
150 TPT REGT RLC	800.00
EAST MIDLANDS UOTC	2,000.00
BRISTOL & EXETER UOTCS	3,500.00
EAST MIDLANDS UOTC	1,600.00
ARCC Bn & HQ	513.00
BIRMINGHAM UOTC	3,500.00
DORSET ACF	769.00
4 LANCS/53 MI/16 MED REGT	1,200.00
WALES UOTC	1,125.00
BIRMINGHAM UOTC	2,000.00
HMS KING ALFRED	3,000.00
SOUTHAMPTON UOTC	1,800.00
BIRMINGHAM UOTC	2,100.00
366 (KING EGBERT) SQN ATC	80.00
OXFORD UOTC	5,000.00
HQ Fd ARMY (LEAD)	500.00
NORTHERN IRELAND UNIVERSITIES AIR SQ	7,000.00
ABERDEEN AND TAYFORTH OTR	490.00
23 PARA ENGINEERING REGIMENT	4,000.00
SOUTHAMPTON UOTC	2,000.00
158 REGT RLC	500.00
MANCHESTER & SALFORD UNI AIR SQN	700.00
LIVERPOOL UNIVERSITY AIR SQN	675.00
39 SIGNALS	500.00
UNIVERSITY OF LONDON OTC	1,250.00
UNIVERSITY OF LONDON OTC	3,000.00
RAF MOUNTAINEERING ASSOCIATION	1,100.00
UOTC GROUP x 15. RMAS ACADEMY	3,000.00
SOUTH-WEST OFFICER TRAINING REGIMENT	7,500.00
156 REGT RLC	700.00
CRH ADJUTANT GENERAL'S CORPS	4,000.00
75 ENGINEER REGT	2,000.00
150 TPT REG RLC	1,088.00
HQ CENTRAL (WEST MIDLNDs ARMY HQ)	2,424.00
ROYAL YEOMANRY	1,000.00
MAB 3	1,800.00
6 RIFLES	1,400.00
159 REGT RLC	950.00

RESERVES (ULYSSES TRUST) – ADVENTUROUS TRAINING & EXPEDITIONS

ROYAL AUXILLIARY AIR FORCE	2,500.00
3 MI Bn	10,000.00
RAF MOUNTAINEERING ASSOCIATION	500.00
MAB 4	2,000.00
NORTHUMBRIA UNIVERSITY AIR SQUADRON	6,000.00
81 SIGNAL SQN	1,000.00
6 x VAR UASqs. U WALES Asq lead)	6,750.00
100 REGT RA	90.00
3 ROYAL WELSH	1,550.00
LAND WARFARE CENTRE-WARMINSTER	1,000.00
INFANTRY BATTLE SCHOOL LEAD (7 X AR UNITS)	2,100.00
SOUTH WEST OFFICER TRAINING REGIMENT	900.00
EAST MIDLAND UOTC/RMAS/S-W UOTC	1,250.00
EAST MIDLANDS UOTC	2,000.00
100 REGT RA	400.00
VARIOUS UOTC UNITS. VARIOUS UASq UNITS	1,125.00
NORTH WEST OFFICER TRAINING REGIMENT	2,000.00
STANDING JOINT COMMITTEE (UK)	500.00
ARMY MOUNTAINEERING ASSOCIATION	1,000.00
203 MMR	250.00
HQ SW JMC	4,000.00
SOUTH WEST OFFICER TRAINING REGIMENT	4,000.00
HMS KING ALFRED	1,600.00
OXFORD UOTC	10,000.00

Total: 69 Units

Grand Total: 188 Units

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

England & Wales - Charity number 210829

Accounts

Registered Number: 210829

**NUFFIELD TRUST FOR
THE FORCES OF THE CROWN**

FINANCIAL STATEMENTS

31 DECEMBER 2024

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

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NUFFIELD TRUST FOR THE FORCES OF THE CROWN

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees

The Rt Hon Lord Arbuthnot of Edrom
Vice Admiral Sir David Steel KBE DL
Air Marshal Sir Baz North KCB OBE
The Rt Hon Lord Geidt of Crobeg GCB GCVO OBE QSO
John Chatfeild-Roberts
Lieutenant General Sir Tyrone Urch KBE

General Secretary/Office of the Charity

Commander S E J David MBE RN (Rtd)
Magdala
Mill Lane
Titchfield
Hampshire
PO15 5RD

Bankers

Barclays Bank, Cheltenham Branch, Cheltenham and North Cotswold Group, 128 High Street, Cheltenham, Gloucestershire GL50 1EL.

Auditors

Messrs Pitt Godden & Taylor LLP, Unit 3 Ambrose House, Meteor Court, Barnett Way, Barnwood, Gloucester, GL4 3GG

Solicitors

Messrs Herbert Mallam Gowers, Solicitors of Oxford, 126 High Street, OX1 4DG.

Investment Managers

BlackRock Investment Management (UK) Ltd, 12 Throgmorton Avenue, London EC2N 2DL

Jupiter Unit Trust Managers Ltd, The Zig Zag Building, 70 Victoria Street, London, SW1E 6SQ

Evenlode Investment Management Ltd, IFSL, Marlborough House, 59 Chorley New Road, Bolton BL1 4QP.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

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

TRUSTEE REPORT AND FINANCIAL STATEMENTS

The Trustee Report and Financial Statements for the year 1st January 2024 to 31st December 2024 have been prepared in accordance with the guidelines published by the Charity Commission. These guidelines are contained in the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The objective of the Trust is to promote the welfare and efficiency of the Forces of the Crown either by the provision of facilities for recreation or by any other means. The Trustees confirm that they comply with the duty in the Charities Act 2011 to have regard to the Charity Commission's general guidance on public benefit when carrying out the Trust's objective and aims and in grant making policy and awards.

The Trust's primary aim is to provide recreational and welfare amenities and facilities that are likely to be of lasting benefit to the Armed Forces but which are not provided by public funds and which are beyond the resources of other non-public funds. The Trust further aims to support units on operations and to benefit the maximum number of Service personnel whilst being mindful of the needs of smaller, less well-found sports associations and isolated units.

The Trust does not fundraise and, therefore, the Trustees aim for prudent stewardship of the Trust's assets to achieve Lord Nuffield's express wish that the Trust be maintained for such time as there is need. The Trustees judge that continuing restrictions on and shortfalls in the public funding of recreational facilities for the Armed Services mean that there will be a continuing, long-term need to meet.

GRANT MAKING POLICY

Under a Memorandum of Understanding between the Trust and the three Armed Services, grant applications for non-public (charitable) funding are scrutinised by the Armed Services, who make the decision on which might be suitable for funding from the Services' own charitable funds or by the Trust for the public benefit of promoting the welfare and efficiency of the Forces of the Crown.

At their November meeting the Trustees make a funding allocation to the Armed Services for the forthcoming year. That allocation is then sub-divided and paid to the Royal Navy, Army and Royal Air Force on a proportional basis relative to the Regular and Operational Reserve personnel numbers in each Service.

Each of the Services then applies for **Major Grants** (£15,001 to £50,000) from within their allocation. These applications are considered at the March Trustee meeting where the Trustees are joined by the serving Principal Personnel Officers of the Royal Navy, Army and Royal Air Force who are best qualified to advise on the relative priority of the various applications received. Approved Major Grants are paid by the individual Services from within their allocation. The balance of each Service's allocation is available for **Minor Grants** (up to £15,000 or £30,000 for mini-buses) which can be approved and paid by the individual Services from their allocations subject to the grant criteria agreed between the Trust and the Armed Services.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

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

GRANT MAKING POLICY (Continued)

Over and above the annual allocations to the Armed Services, the Trustees are also willing to consider Capital Grants (over £50,000) for projects from any Service, subject only to the project's suitability and the availability of funds. The Trust also makes special grants as circumstances require and gives Operational Welfare Grants with the object of providing a quick and flexible response to meet the particular needs of those serving in the Regular or Reserve forces deployed in an emergency to areas of conflict or disaster.

Additionally, the Trust makes an allocation to The Ulysses Trust which then considers and approves grants for Reservists or Reserve formations undertaking adventurous activity.

Grants made and the annual allocations are one-off donations to the applicants, all of which are charities in their own right.

ACHIEVEMENTS AND PERFORMANCE

The Charity's Trustees have had due regard to the Charity Commission's guidance on public benefit.

In 2023 the Trustees allocated £1,679,976 for grants to be paid out in 2024 (2023: £2,126,150) and £71,424 for administration (2023: £73,184).

Since 1939, grants paid out by the Trust for the direct benefit of those serving in the Armed Forces total some £74 million which would be valued at some £342 million at present day value.

Two Special Grants (to the Boleh Trust, Operation Christmas Box), one Capital Grant, and 165 Major and Minor Grants were awarded from the Trust's allocations to the Services, and 55 Reservist grants were made by the Ulysses Trust. For information, a full list of grants made by the Trust or from delegated allocations is appended to this report. Grants were made to HM Ships and Naval Establishments; Royal Marine Units; Army Garrisons and Units and RAF Stations and Establishments (including Reserve Units) worldwide and to individual Sports Associations, Service Sports Clubs or teams from all three Services. All grants made were institutional and made to recipient formations with charitable status. The total number of units/associations supported in 2024 (220) was an increase from 2023 (196) reflecting the increasing demand for Trust support within the Armed Forces.

The Trust has achieved its objective and measures its aims further by feedback from recipient units, their Commanding Officers and higher levels of the chain of command, including from the three Service Principal Personnel Officers.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

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

FINANCIAL REVIEW

The Trust receives its funding solely from its investment portfolio and bank interest. The Trust monitors monthly reports from the Investment Managers and the Trustees meet formally with the Fund Managers twice a year to review the performance of the Trust Funds and to ensure that investments held have been acquired in accordance with the powers of the Trustees and any directions they have given. Investment policy is reviewed annually by the Trustees.

In mid 2023 the Trustees appointed two new Fund Managers, splitting the portfolio evenly between the two. The new Fund Managers are Evenlode Investment Management Ltd and Jupiter Asset Management Ltd. BlackRock, the previous Fund Managers, retain a small investment portfolio for the Trust in their Property Management Fund (circa £2.2M). This could not be closed immediately due to financial regulatory reasons. It is anticipated this fund will not be closed before end-2025.

The Trustees authorised the Fund Managers to hold any investment defined under the Financial Services Act 1986, subject only to the proviso that such investment and its degree was permitted by regulations or operational guidance given by the Charity Commission, within a prudent, widely diversified portfolio. The Trust does not set environmental, social or governance (ESG) policies for its portfolio, but adopts the overarching ESG policies set by its Investment Fund Managers.

The performance of the Trust's portfolio is evaluated against a bespoke composite index. In a period of major global stock market volatility across 2024 due to the continuing economic impact of volatile interest rates and inflation, US Elections and continuing conflicts in eastern Europe and the Middle East, the portfolio's investments returned as follows: Individually, BlackRock Property Fund saw a return of 4.46%, Jupiter saw a negative return of -1% against the benchmark of 17.5%. Evenlode saw a return of 1.8% against the benchmark of 19.1%. The Trustees also benchmark the Trust's 3-year rolling average capital value against its 1998 capital value adjusted for CPI (RPI before 2018) and capital grant expenditure. On that basis, the Trust's average capital value was £1.86 million above the benchmark (2023: £3.48 million).

At 31 December 2024 the Trust's investments were valued at £46,029,015 (BlackRock £211,714; Jupiter £22,329,923; Evenlode £21,587,378) (2023: £47,274,808) after the withdrawal of £670,000 for grants and administration. On a dividends receivable basis, as required by the SOFA, the Trust's income for the year was £1,076,208 (2023: £1,121,177). This income comprised investment and property income.

The total investment management fees for 2024 were £265,485 (2023: £197,883) prior to the rebate.

RESERVES

In May 1997 the Charity Commission confirmed that both the capital and income of the fund could be expended on furthering the objects of the Charity. Given the structured nature of the Trust's grant-making procedures and the ability of the Trust to apply both capital and income to meet need, the Trustees do not designate specific reserve funds. The total amount of reserves held at 31 December 2024 was £45,118,673 (2023: £46,468,982) as there is no restriction in place. The amount of free cash reserves were £985,894 (2023: £880,559).

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

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

RISK MANAGEMENT

The Trustees at their meeting on 15th November 2024 reviewed the major risks to which the charity was exposed and were satisfied that procedures had been established to manage these risks.

The major risk arising from the performance of the investment portfolio and manager has been mitigated by using hedging policies and diversification of asset classes. The Trust receives monthly reports from the investment manager and a regular review of investment policies and performance is undertaken. This is underwritten by a written management agreement.

The Trust retains expert investment managers and the Trust's money is held separately from the Fund Manager's own.

PLANS FOR FUTURE PERIODS

As previously stated, the Trustees see a long-term need to continue grant-making activity in support of the morale of the Armed Services in furtherance of the late Lord Nuffield's endowment and express wishes. The Trustees seek the advice of the Principal Personnel Officers and the Central Funds of the Armed Services on the nature and extent of future grant requirements.

For 2025 the Trustees approved grants of £1,890,407, which included the annual allocations to the Services and Reserves of £1,087,790 as well as £802,617 for Capital and special projects. £72,220 was allocated for administrative costs (less than 4% of total expenditure).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trust is an unincorporated trust founded by the late Lord Nuffield in 1939 and originally operated under the terms of a Trust Deed made on the 14th October 1939. This was superseded by a Charity Commissioners' Scheme that was sealed on 13th February 1997.

The Trust Deed provides for 6 Trustees, 3 of whom should be officers or former officers of the Regular Armed Forces and 3 of whom should be persons who have a special knowledge of commerce, industry or finance. This structure reflects the original wishes of the Trust's founder. Trustees are appointed by the Board of Trustees and normally may serve until the age of 70 but, exceptionally, may serve beyond that age by Special Resolution of the Board of Trustees. There are no sub-committees of the Board. From 19th March 2013, by Special Resolution of the Board, Trustees appointed in the category of officers or former officers of the Regular Armed Forces may serve only for a maximum of 10 years.

No new Trustees were appointed in 2024. New Trustees receive an induction pack which outlines the history, structure, objects and procedures of the Charity. In addition, new Trustees receive copies of the previous year's Minutes of Meetings and Trustee Report and Financial Statements plus Charity Commission publications relevant to their duties with the Trust and their prior experience of Trustee duties.

Trustees receive no remuneration and Trustee travel expenses are reported in the Notes to the Accounts. Potential conflicts of interest are declared at each Trustee meeting and where Trustees have an interest in or association with potential grant recipients they take no part in the grant decision.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

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

STRUCTURE, GOVERNANCE AND MANAGEMENT - (continued)

The Trustee Board meets twice per year and all matters relating to the Trust's activities are decided by the Board, other than the following delegations:

- a. The day-to-day administration of the Trust, the processing of grant applications and the administration of grants is delegated to the General Secretary within a budget set and monitored by the Board.
- b. The processing and approval of Minor Grants and the payment of Major Grants approved by the Board are delegated to the Armed Services (see Grant-making Policy).

The General Secretary is the Trust's sole employee and the Trust is administered from the General Secretary's home. The General Secretary is employed under a contract benchmarked against the REWARD Survey of Charitable Salaries and comparator military salaries and benefits. Triennial reviews are carried out with the remuneration benchmarked against charitable salary surveys and comparator military salaries and benefits.

The current General Secretary decided not to take a Defined Contribution Pension, but instead receives a 12% increase in salary in lieu.

As part of its Grant-making activity, the Trust cooperates with Armed Services' unit charities, the major Central Charitable Funds of the 3 Armed Services and other Armed Services-related charities.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

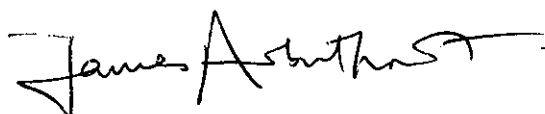
The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources for that period.

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 applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping accounting records which 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 applicable Charities (Accounts and Reports) Regulations, 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.

Approved by the Trustees on *31 March 2025* and signed on their behalf by:



The Rt Hon Lord Arbuthnot of Edrom

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF
THE NUFFIELD TRUST FOR THE FORCES OF THE CROWN

FOR THE YEAR ENDED 31 DECEMBER 2024

Opinion

We have audited the financial statements of The Nuffield Trust for the Forces of the Crown for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. 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 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 of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

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

INDEPENDENT AUDITORS' REPORT (Continued)

TO THE TRUSTEES OF THE NUFFIELD TRUST FOR THE FORCES OF THE CROWN

FOR THE YEAR ENDED 31 DECEMBER 2024

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires 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 and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 7, the Trustees are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee's 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 cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- We identified the laws and regulations relevant to the charity from discussions with the secretary and from our knowledge of grant-making charities in similar sectors. The laws that we consider may have a direct material effect on the financial statements or the operation of the charity include the Charities Act 2011, employment, & data protection.

INDEPENDENT AUDITORS' REPORT (Continued)

TO THE TRUSTEES OF THE NUFFIELD TRUST FOR THE FORCES OF THE CROWN

FOR THE YEAR ENDED 31 DECEMBER 2024

- We ensured that the audit engagement team collectively has the appropriate competence, capabilities and skills to identify non-compliance with the applicable laws and regulations noted above.
- We assessed the extent of compliance with these laws and regulations through enquiries with the secretary and inspecting legal costs.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, and
- considering the internal controls in place to mitigate fraud risks and non-compliance with laws and regulation.

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

- performed analytical procedures to identify unusual or unexpected transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- reviewed a sample of transactions from the clients records for authorisation from the Trustees;
- reviewed the bank statements for evidence of review by the Trustees.

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

- agreeing financial statement disclosures to the underlying supporting documentation;
- reading the minutes as to actual and potential litigation and claims;
- checking for correspondence from the Charity Commission.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters which we are required to address

Your attention is drawn to the fact that the charity has prepared accounts in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

INDEPENDENT AUDITORS' REPORT (Continued)

TO THE TRUSTEES OF
THE NUFFIELD TRUST FOR THE FORCES OF THE CROWN

FOR THE YEAR ENDED 31 DECEMBER 2024

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 auditors' report and for no other purposes. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Pitt Godden & Taylor LLP

Pitt Godden & Taylor LLP
Chartered Accountants
Statutory Auditor

31st March 2025

Unit 3 Ambrose House
Meteor Court
Barnett Way
Barnwood
Gloucester
GL4 3GG

Pitt Godden & Taylor LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2024

		Unrestricted Funds	Unrestricted Funds
	Note	2024 £	2023 £
INCOME			
- Investment income	2	<u>1,076,208</u>	<u>1,121,177</u>
Total income		1,076,208	1,121,177
EXPENDITURE			
Costs of raising funds:			
- Investment management rebates	3	(125,173)	(69,301)
Expenditure on charitable activities:			
- Grants and support costs	4	1,850,717	1,816,469
Total expenditure		<u>1,725,544</u>	<u>1,747,168</u>
Net (expenditure) before gains on investments		(649,336)	(625,991)
Net (loss)/gain on investment assets	8	<u>(700,973)</u>	<u>2,602,711</u>
NET MOVEMENT IN FUNDS		(1,350,309)	1,976,720
Reconciliation of funds			
Total funds brought forward		<u>46,468,982</u>	<u>44,492,262</u>
Total funds carried forward		<u><u>45,118,673</u></u>	<u><u>46,468,982</u></u>

All amounts relate to continuing operations.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

BALANCE SHEET
AS AT 31 DECEMBER 2024

	Note	Unrestricted funds 2024 £	Unrestricted funds 2023 £
FIXED ASSETS			
Tangible fixed assets	7	1,120	480
Investments	8	<u>46,029,015</u>	<u>47,274,808</u>
		<u>46,030,135</u>	<u>47,275,288</u>
CURRENT ASSETS			
Debtors	9	167,438	261,470
Cash at bank and in hand		<u>818,456</u>	<u>619,089</u>
TOTAL CURRENT ASSETS		985,894	880,559
LIABILITIES			
Creditors falling due within one year	10	<u>(1,897,356)</u>	<u>(1,686,865)</u>
NET CURRENT (LIABILITIES)		<u>(911,462)</u>	<u>(806,306)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>45,118,673</u>	<u>46,468,982</u>
The funds of the charity			
Unrestricted income funds		<u>45,118,673</u>	<u>46,468,982</u>
TOTAL CHARITY FUNDS		<u>45,118,673</u>	<u>46,468,982</u>

Approved by the Board of Trustees for issue on 31/3/25 and signed on its behalf by:

The Rt Hon Lord Arbutnot of Edrom
Chairman



NUFFIELD TRUST FOR THE FORCES OF THE CROWN

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 31 DECEMBER 2024

	Note	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Net cash used in operating activities	13	(1,420,417)	(2,387,352)
<i>Cash flows from investing activities:</i>			
Interest and dividends received		1,076,208	1,121,177
Purchase of tangible fixed assets		(1,244)	-
Proceeds from sales of investments		670,000	68,686,957
Purchase of investments		(125,180)	(68,266,971)
Net cash provided by investing activities		<u>1,619,784</u>	<u>1,541,163</u>
Change in cash and cash equivalents in the year		199,367	(846,189)
Cash and cash equivalent brought forward		<u>619,089</u>	<u>1,465,278</u>
Cash and cash equivalents carried forward		<u><u>818,456</u></u>	<u><u>619,089</u></u>

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of investments at market value, and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared in order to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent provided to provide a 'true and fair' view. The departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The charity constitutes a public benefit entity as defined by FRS 102.

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

The financial statements are presented in Sterling which is the functional currency of the Charity. The figures are rounded to the nearest £.

The Charity is a Trust registered with the Charity Commission for England and Wales. The principal place of business is Magdala, Mill Lane, Titchfield, Hampshire PO15 5RD.

Income recognition

All income is recognised once the charity has entitlement to the income. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon the notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment manager of the dividend yield of the investment portfolio.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to the expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Overheads and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year on a basis consistent with use of the resources. The irrecoverable element of VAT is included with the item of expenses to which it relates.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

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

1 ACCOUNTING POLICIES (continued)

Expenditure recognition

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

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

Governance costs comprise the costs of running the Charity, including strategic planning for its future development, external audit and all costs of complying with constitutional and statutory requirements, such as costs of Trustees' meetings and for preparing statutory financial statements and satisfying public accountability.

Administrative costs have generally been split on a 50:50 basis between support and governance costs to reflect the time spent by the General Secretary on each activity. All support and governance costs have been allocated to the main grant giving activity.

Charitable activities

The expenditure on charitable activities includes grants made, governance costs, and support costs.

Tangible fixed assets and depreciation

All assets costing more than £100 are capitalised and valued at historical cost. Depreciation is calculated to write off the cost less estimated residual value of tangible assets over their estimated useful lives at 25% reducing balance.

Investments

Investments comprise listed investments and are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price. All gains or losses on investments sold during the year are taken to the statement of financial activities as they arise. Realised gains and losses are calculated as the difference between sales proceeds and their opening carrying value or purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised gains and losses are combined in the Statement of Financial Activities.

The Charity does not acquire put options, derivatives, or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions.

Cash held by the investment managers is disclosed within cash at bank and in hand.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

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

1 ACCOUNTING POLICIES (continued)

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date, or if appropriate at the forward contract rate. Non-monetary assets denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of acquisition of the assets. Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction, or at the contracted rate if the transaction is covered by a forward exchange contract. All revaluation differences and realised foreign exchange differences are taken to the SOFA.

2 INVESTMENT INCOME

Investment income, representing income from UK and overseas assets, derive from:

	2024	2023
	£	£
Listed investments	1,069,512	1,040,791
Bank interest	6,696	80,386
	<u>1,076,208</u>	<u>1,121,177</u>

All income relates to unrestricted funds.

3 INVESTMENT MANAGEMENT REBATES/COSTS

The investment management costs represent the fees chargeable to the portfolio by the investment managers during the year. These fees are offset by rebates of the management charges made on certain Blackrock in-house funds in the year.

The investment management fee for certain BlackRock in-house funds are deducted internally on a daily basis within the price of the fund. These internal fees are offset against the Trust's Annual Management Fee calculation.

Rebates are also paid by Jupiter on the funds held by the Trust. These are used to purchase further units in the fund rather than being refunded to the Trust.

Consequently, the credit in the accounts represents the rebates received by the Trust and also the rebates used to purchase further units.

Notional investment management costs based on the percentage fee charges on the portfolio's average value in 2024 would amount to £265,485 (2023: £197,883) before the rebated offsets described above.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

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

4 ANALYSIS OF CHARITABLE EXPENDITURE

The charity undertakes its charitable activities through grant making to the armed services.

	Grants funded activity £	Support and Governance costs £	Total £	Total 2023 £
Armed services	<u>1,772,607</u>	<u>78,110</u>	<u>1,850,717</u>	<u>1,816,469</u>

All expenditure relates to unrestricted funds. (2023 analysis: Grant funded activity - £1,743,226, Support and Governance costs - £73,243).

5 GRANTS

Grants comprise of allocations, awarded to the Services and other institutions, and capital & special grants (as described in the Grant Making Policy in the Report of the Trustees) and are analysed as follows:

	2024 £	2023 £
Allocations:		
- Royal Navy	195,534	190,788
- Army	570,464	572,362
- Royal Air Force (includes additional 10%)	201,792	186,040
- Reserve Forces	120,000	120,000
Capital Grants:		
- Royal Air Force	521,367	510,786
- Army	211,250	-
- Boleh Trust	30,000	30,000
- Operation Christmas Box	40,000	50,000
- Royal Gibraltar Regiment Association	-	50,000
- Victory Services Club	-	33,250
Refunds:		
RAF	(91,800)	-
Royal Navy	<u>(26,000)</u>	<u>-</u>
	<u>1,772,607</u>	<u>1,743,226</u>

Grants approved are included in the financial statements. To the extent that such grants are not fully expended, surpluses are credited to grant expenditure following completion or cancellation of the project which for the year amounted to £117,800 (2023 - £nil).

The total number of capital and special grants actually paid during the year by the Trust and by each of the recipient Services or Institutions from within their allocations, from the allocation made in November 2023 are summarised:-

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

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

5 GRANTS - continued

	2024 No	2023 No
Boleh Trust	1	2
Op Christmas Box	1	1
Victory Services Club	-	1
Capital grant - Royal Air Force	1	-
Royal Navy	60	37
Army	67	72
Royal Air Force	38	35
Ulysses Trust	55	49
	<u>223</u>	<u>197</u>

The detailed information for 2024 is set out in 'Special/capital grants and grants awarded from services allocations 2023', attached to these financial statements from page 25 onwards.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

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

6 SUPPORT COSTS AND GOVERNANCE COSTS

	Support costs		Governance costs		Total allocated		Support costs		Governance costs		Total allocated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	£	£	£	£	£	£	£	£	£	£	£	£
Salaries (inc health insurance and Death in Service costs)	31,632	31,632	31,632	28,908	63,264	28,908	28,909	57,817				
Employer's NI	1,251	1,251	1,251	826	2,502	826	826	1,652				
Chairmans fund	307	306	306	671	613	671	670	1,341				
Audit fees	2,520	2,520	2,520	2,400	5,040	2,400	2,400	4,800				
Membership fee	224	225	225	210	449	210	210	420				
Printing and stationery	871	871	871	560	1,742	560	561	1,121				
Telephone	251	251	251	249	502	249	248	497				
Insurance	187	187	187	155	374	155	154	309				
Postage	89	88	88	178	177	178	179	357				
Travelling and subsistence expenses	1,043	1,043	1,043	2,112	2,086	2,112	2,111	4,223				
Website costs	272	273	273	154	545	154	155	309				
Depreciation - office equipment	187	187	187	80	374	80	80	160				
Bank charges	106	106	106	119	212	119	118	237				
Loss on disposal	115	115	115	-	230	-	-	-				
	39,055	39,055	39,055	36,622	78,110	36,622	36,621	73,243				

Travel expenses of £1,338 were reimbursed to three Trustees during 2024 (2023 - reimbursements of £2,300 to four trustees). No remuneration is paid to Trustees. The Trust had one employee (2023: one) during the year. The employee received employee benefits of more than £60,000.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

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

7 TANGIBLE FIXED ASSETS

	Fixtures and Fittings £
Cost	
At 1 January 2024	12,736
Additions	1,244
Disposals	(1,315)
At 31 December 2024	<u>12,665</u>
Depreciation	
At 1 January 2024	12,256
Depreciation charge	374
Eliminated on disposal	(1,085)
At 31 December 2024	<u>11,545</u>
Net book value	
At 31 December 2024	<u><u>1,120</u></u>
At 31 December 2023	<u><u>480</u></u>

8 INVESTMENTS

Fixed asset investments, which are held to provide an investment return, represent securities listed on recognised stock exchanges, with the exception of unit trust investments.

All investments are carried at their fair value. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

	2024 £	2023 £
Market value at 1 January 2024	47,274,808	45,092,083
Acquisitions	125,180	68,266,971
Sale proceeds	(670,000)	(68,686,957)
Net change in market value	<u>(700,973)</u>	<u>2,602,711</u>
Market value at 31 December 2024	<u><u>46,029,015</u></u>	<u><u>47,274,808</u></u>
Investments are analysed as follows:	£	£
UK investments	<u><u>46,029,015</u></u>	<u><u>47,274,808</u></u>

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

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

8 INVESTMENTS (Continued)

	2024	2023
	£	£
UK Unit Trusts	24,441,637	25,821,824
UK - OEIC	21,587,378	21,452,984
	<u>46,029,015</u>	<u>47,274,808</u>

The historical cost of the investments at 31 December 2024 amounts to £44,953,937 (2023: £45,470,747).

The main risk to the Trust from financial instruments lies in the combination of uncertain investment markets and volatility in yield.

The Trustees have instructed their investment managers to invest the portfolio to maximise the long-term total return, whilst having regard to the level of risk stated below.

The Trustees have recognised that investing funds for real, long-term returns requires significant investment in equities and other assets which may involve an element of risk and that the asset values can and will fall at times.

The investment manager undertakes prudent investment suitable for a charitable trust in a broad investment portfolio to spread risk.

The investments made must only be in well-diversified readily-realizable investments which fall within categories permitted by the charity commission regulations or operational guidance and to such a degree as is permitted by regulations. This will reduce liquidity risk. The Trust does not hold investments in markets subject to exchange controls or trading restrictions.

The Trustees have set a Performance Objective and Composite Benchmark against which the investment managers will be compared. Additionally the Trustees compare the performance over rolling 3 year periods to the ARC Charity Indices. The capital value will be compared to a benchmark figure adjusted for inflation and any withdrawals.

9 DEBTORS

	2024	2023
	£	£
Prepayments and accrued income	167,438	261,470
	<u>167,438</u>	<u>261,470</u>

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

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

10 CREDITORS - amounts falling due within one year	2024 £	2023 £
Grants payable	1,890,407	1,679,976
Social security and other taxes	1,909	1,304
Accruals	<u>5,040</u>	<u>5,585</u>
	<u>1,897,356</u>	<u>1,686,865</u>
		Charitable Commitments Accrued £
Movements in provisions and funding commitments for grants during the year		
Grant commitments at the start of the year		1,679,976
New grant commitments charged to the SOFA in year		1,772,607
Net grants paid during the year		<u>(1,562,176)</u>
Amount of grant commitments recognised as at 31 December 2024		<u>1,890,407</u>

11 TAXATION

The Trust is a registered charity and therefore is not subject to taxation.

12 RELATED PARTY TRANSACTIONS

Sir Tyrone Urch is Vice Patron of Ulysses Trust, in 2024 this Trust was allocated a grant of £120,000 for 2025 (2023: £120,000).

Sir David Steel is Patron of The Boleh Trust, which was allocated a grant of £30,000 for 2024 and a further £30,000 for 2025. Sir David Steel was also Commander-in-Chief of the Royal Gibraltar Regiment when the Regiment received a grant of £50,000 from the Trust in 2023.

John Chatfeild-Roberts is employed by Jupiter Asset Management and is also a minority shareholder of Jupiter Fund Management plc - the ultimate parent. Jupiter Asset Management were joint investment managers of the Trust during 2024.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

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

13 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £	2023 £
Net movement in funds	(1,350,309)	1,976,720
Add back depreciation charge	604	161
Deduct interest income shown in investing activities	(1,076,208)	(1,121,177)
Loss/(Gain) on investments	700,973	(2,602,711)
(Increase)/decrease in debtors	94,032	(257,220)
Increase/(Decrease) in creditors	210,491	(383,125)
	<u> </u>	<u> </u>
Net cash used in operating activities	(1,420,417)	(2,387,352)
	<u> </u>	<u> </u>

14 CATEGORIES OF FINANCIAL ASSETS & LIABILITIES

	2024 £	2023 £
Carrying amount of financial assets		
Financial assets that are equity instruments measured at fair value through the statement of financial activities	46,029,015	47,274,808
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Financial liabilities measured at amortised cost	1,897,356	1,686,865
	<u> </u>	<u> </u>

**SPECIAL/CAPITAL GRANTS AND GRANTS AWARDED FROM SERVICES' ALLOCATIONS
2023 & PAID IN 2024**

UNIT	PROJECT	COST (£)
Op Christmas Box	Op Christmas Box 2024	50,000.00
RAF Wittering	Refurbishment of Golden Lion Junior Ranks Social Facility	220,786.00
BOLEH Trust	BOLEH Trust	30,000.00

ROYAL NAVY

RM Paddlesports Association	RMSA - 2024 BID	4,500.00
HMS Raleigh	Replacement of Sauna	1,915.00
RM Cricket Association	RMSA - 2024 BID	1,409.75
HMS Dragon	HMS DRAGON Post Upkeep Mess Deck & Ship Improvements	13,368.70
HMS Sultan	Napier Building Welfare Room	382.00
HMNB Portsmouth	Refurbishment of the Mountbatten House Staff Areas	708.99
HMS Ledbury	Recreational Items for Messes	1,490.00
HMS Temeraire	Renovation of Sportsman's Arms	5,000.00
HMNB Portsmouth	Royal Navy Counter Intelligence Furniture Update	2,485.00
HMS Charger	Tv for Wardroom	429.00
HMS Nelson	Replace Haven Pool Table	2,000.00
HMS Collingwood	Recreational Space Upgrade- for Divisional Staff	510.62
HMS Temeraire	Cases for Transportation of TRiM Course Material	839.96
40 Commando Royal Marines	Outdoor Seating	6,026.96
DTXG - Bravo Squadron	Refurbishment of Restroom	1,498.00
Recruitment and Attraction People & Training Directorate	Refurbishment of Recruit and Attract Specialist Office	2,227.50
846 Naval Air Squadron	Junior Rates Crew Room Revamp	2,625.90
RAF St Mawgan	Indoor Golf Training Facility	3,180.00
HMS Sultan	CPC (S) Refurbishment for Crew Members	705.98
HMS Nelson	Logistic Rest Room	802.79
HMS Collingwood	Wellness Suite - Infrared Sauna and Ice Baths	2,200.00
HMS Sutherland	HMS SUTHERLAND Mess AV Improvements	15,000.00
HMS Protector	New Sofas Mess update	2,625.00
HMS Caledonia	Wardroom Refresh - Refurbishment	2,574.00
HMS Agamemnon **Submarine in Build**	Mess Decks Alongside - Wardroom, Senior Rates and Duty Watch	2,249.81
HMS Collingwood	Teaboat Facility	81.95

UNIT	PROJECT	COST (£)
UKMCC Bahrain	UKNSF Green Room Improvement Project	4,000.00
DEMs Trg Regt St Georges Barracks	Updating of Austin Element rest room living space	1,000.00
HMS Caledonia	CPC North Mess	435.67
COMUKMCMCFOR	COMUKMCMCFOR REC AREA	1,500.00
INM	Refurbishment of the All Ranks Mess	15,000.00
RNAS Culdrose	Refurbishment to Family Contact Houses	581.50
HMS Raider	Mess Improvements	600.00
HMS Excellent	Medical Centre Staff Room Refurbishment	1,202.50
HMS Neptune	Quayside Cafe Upgrade	3,500.00
Royal Navy Senior Rugby XV	Royal Navy Senior XV Habitability Improvements	3,401.96
Commando Helicopter Force	MTU Communal Area Refurb and Field Kit Uplift	3,375.00
HMS Vivid	Replacement of Tub Chairs	659.94
HMS Gannet	Regeneration of HMS Gannet	3,281.28
HMS Eaglet	JR Mess Refurbishment	3,865.98
47 Commando Raiding Group	Mac Inn Renovation	2,547.98
HMS Raleigh	Sports Bar Sofas	4,050.00
RNAS Yeovilton	Ph2B Trainee communal room refresh	5,159.16
Commando Training Centre Royal Marines	Welfare Space for AACC Team & Students	913.94
HMS Sultan	Audio Upgrade	7,500.00
HMS Tyne	Mess Improvements for JR, SR and Wardroom	529.91
HMS Sutherland	Refurbishment of Messes	1,713.00
RNAS Yeovilton	RNAS Yeovilton Met Office - Breakout Room Refurbishment Project	1,599.00
DTXG - Alpha Sqn	Rest Room Refurbishment	887.21
HMS Raleigh	RN FPS Office Improvement	1,941.00
45 Commando Royal Marines	Refurbishment of Female Recreational Space	900.00
HMS Tamar	JR'S Mess Games TV	350.00
Northwood Headquarters	Northwood HQ WO&SR Mess Upgrades	7,499.00
HMS Drake	Restoration of HMS DRAKE Wardroom Chesterfield Sofa's	1,500.00
Commando Training Centre Royal Marines	Planning Craft Replacement	10,434.35
814 Naval Air Squadron	814 Mohawk Flight CETO Flight	354.67
HMNB Clyde	Tentbox XL	1,717.50
Institute of Naval Medicine	Fixtures and fittings for INM Mess	2,694.95
RN Motorsport Association	RN MSA Car Racing Team (CRT) – Grass Roots Race Car Replacement	5,000.00
HMS Raleigh	Refurbishment of Neptune Sqn - Uplift	5,785.60

Total: 60 Units

ARMY

UNIT	PROJECT	COST (£)
AISTC	Windsurfing Eqpt	15,000.00
22 Engr Regt	MTBs	6,400.00
22 Engr Regt	Snowboards and Eqpt	3,500.00
BATUK	4X4 Welfare Vehicle	15,000.00
RAF Wyton	Contribution to Kart club (24.3%)	4,500.00
AHPA	3 X Paragliders	9,719.00
Infantry Sailing Association	Upgrade to Maintain eqpt - Bayonet	2,170.00
Tidworth Equestrian	Arena Resurfacing	50,000.00
RAYC	Wing Foiling Eqpt	11,258.00
AISTC	RIB Refit	5,025.00
ASA	New sails - British Soldier	13,421.00
HQ 38X	PPE Offshore and Upkeep	5,606.80
AISTC(S)	Dinghy Refit	2,939.00
AHPA	AHPA - Paragliding Equipment	8,467.50
1 Regt RLC	Welfare Minibus	14,238.00
RAYC	Upgrade of kitesurfing equipment	7,604.10
HDSA	Standing rigging for yacht Gladeye	7,960.80
1 Regt RLC	Refund from Minibus Sale	(2,000.00)
AGC YC	Windsurfing Equipment	11,481.75
AISTC(S)	Renew the main outboard motor	8,118.00
AISTC(S)	Replacement 50 HP outboard motor on the Club's safety boat	6,000.00
AISTC(S)	Fit hydraulic steering to safety boat	846.00
ARCA	Coxless pair/sculling boat	13,125.00
RAYC	New engine for St Barbara V	11,025.90
WFS	Welfare Minibus	29,472.60
11EOD (Hargreaves, Alistair)	Climbing Team equipment	3,827.88
RAYC	Replacement of components for RAYC Yachts	8,894.50
AISTC(S)	Safety boat and Trailer	2,730.00
RACYC	Rudder repair and cruising jib	5,812.00
AISTC(S)	Purchase of a Seadoo GTX Pro 170PWC	15,000.00
Adv Trg Grp (Army)	Replacement of Equipment at the Nuffield Centre Anglesey	10,196.13
HQ BFC	Episkopi Cinema Development	7,000.00
HQ BFC	Dhekelia Services Sailing Club Dinghies	12,504.00
Jnt Srvs Sig U Dig	Digby Kart Club equipment	6,874.05
BATUK	Panga bar refurbishment	6,793.00
HQ BFC	Watersports Equipment	7,327.00
AGlidA	Motorglider (Falke) repair, which is used for towing gliders	4,560.00
24 Cdo Engr Regt	Royal Engineer telemarking ski equipment	7,545.44
RACSC	Replace Fencing and Lighting at RAC Saddle Club	15,000.00
AISTC(S)	Dinghy Fleet Renewal Plan	5,870.00
AISTC(S)	PPE for watersports	5,582.00

UNIT	PROJECT	COST (£)
BAMA	Overland Vehicle Preparation & Repairs	4,000.00
AISTC(S)	Start Windsurfing	6,582.00
AISTC(S)	Intermediate windsurfing	6,966.00
AISTC(S)	Start kitesurfing	6,630.00
AISTC(S)	Intermediate and Development Kitesurfing	5,975.00
AISTC(S)	RIB Retube	5,896.00
AISTC(S)	Start Windsurfing	5,877.00
RL	Skiing Equipment	9,304.47
DCPG	DSPS - Project Proposal for Equipping the Multi-Surface AstroTurf Pitch with Portable Nets for Hockey, Football, etc	9,768.00
7 Regt RLC	Abingdon Station Contact Houses Refurbishment Upgrade	4,364.40
2 R YORKS	8 Seater Minibus for Sub Unit use.	30,000.00
RACYC	Purchase of a new sail for the RACYC.	1,351.08
HQ BRITCON	Ledra Palace Welfare facility	9,598.00
32 Engr Regt	Welfare Grant for Minibuses	30,000.00
HAC	Garmin Inreach Devices for Nepal Climbing Expeditions	4,679.27
REME Sailing Club	REME Sailing Club Yacht Main Sails	5,330.52
ASPT	Golf Simulator	7,939.00
REME Sailing Club	Spinnaker Winches	2,504.99
2RGR	Rfn and Junior Mess and Welfare Area	9,525.00
BATUK	4X4 Welfare Minibus	21,287.09
AISTC(S)	New sails for British Soldier	5,625.00
9 TS Bn REME	Unit Welfare Minibus	14,494.50
Spec Ops RMP	WELFARE FUNDING - SOUTHWICK PARK JNCO WELFARE LOUNGE	11,795.00
AISTC(S)	British Soldier Refit	10,000.00
Brit Trg Unit (Suf)	#WELFARE - BATUK - MINIBUS	1,401.74
Army Gliding Assoc	Recapitalisation of G-WYVN	9,450.00
26 Regt RA	Minibus	29,449.00

Total: 67 Units

RAF

UNIT	PROJECT	COST (£)
RAF Benson	Puma Maintenance Flight crew room items table tennis table, refurb of pool table	993.00
RAF Marham	Station Community Benches project (RAF £6,697, RN £2,230) £8,927	6,697.00
RAF Chess Association	Competition clocks and chess sets	660.00
RAF Leeming	Junior Ranks Welfare Room - Games for 24 Hour recreation area	1,057.48

UNIT	PROJECT	COST (£)
MPC - Falkland Islands	MPA Bowling Alley maintenance and spares bid (Joint project RAF 65% £4,502.31 Army 35% £2,416.25)	4,502.31
RAF Coningsby	Purchase of new mini bus for the JRWF	29,504.00
14 Sqn RAF Waddington	6 x 6ft picnic tables for new outdoor garden rest area at 14	1,485.00
RAF Mountaineering	Support to EX Alpine Venture RAFMA exped to Switzerland	388.00
RAF Cosford	Enabling works for relocation of Kart Club	6,815.00
RAF Syerston	Installation of new sauna and refurb of RAF Syerston gym	2,847.42
Poggio NSE	4 x leisure bikes for the UK community at Poggio	621.52
RAF Odiham	Officers Mess Woodburner and chimney repairs	4,500.00
RAF Waddington	TDF T-Bar refurbishment	942.24
RAF Boulmer	Pool Table for Dukes Junior Ranks Facility	1,234.00
RAF Coningsby	SEF New Rest Area Tea Bar refurbishment	435.23
3(F) Sqn RAF Coningsby	Deployment welfare equipment BBQ/Coffee maker/Coffee Flask/wheeled cool box	795.00
TSW Stafford	TSW Motorhome mid life refurbishment to prolong life and improve facility	2,672.13
Tedworth House	Personal Recovery Centre Tedworth House Garden of growth	6,479.00
RAF Wittering	3 MCS Crew Room refurbishment	2,800.00
RAF Wyton	New welfare mini-bus (jointly funded with Army LE Fund £8,864.00 contribution)	20,680.00
RAF Waddington	Pool Table Stn Svcs Sqn	1,255.50
RAF Coningsby	Creation of JR Welfare Recreation Area	9,244.00
RAF Waddington	ATC Satellite Gym equipment	14,456.44
RAF Archery Association	Archery - Replacement of worn out targets	473.00
RAF Table Tennis Association	Replacement of worn out tables	510.00
RAF Hang and Paragliding Association	3 x solo paraglider rigs and competition paraglider	7,125.00
RAF Weightlifting Association	NGB Standard Competition Lifting Rig	12,000.00
RAF Canoeing	Surf boats	2,625.00
RAF Motorsports	Racing vehicle trailer	11,250.00
RAF Gliding & Soaring	Parachutes	10,500.00
RAF Nordic Sports	Replacement of barrel skis	3,645.53
RAF Netball	Gazebos and table coverings	1,875.00
RAF Rugby Union	Scrum trailer	6,180.00
RAF Winter Sports Association	Ski Team: Replacement skis	9,750.00
RAF Powerkiting	Light wind racing equipment	6,750.00
RAF Ice Hockey	Kit to aid new member engagement	3,375.00
RAF Archery	7 x target boss and stands	4,086.86
RAF Winter Sports Association	Committee: Protective clothing	12,000.00

Total: 38 Units

RESERVES (ULYSSES TRUST) – ADVENTUROUS TRAINING & EXPEDITIONS

3 ROYAL WELSH	700.00
PAN-ARMY. MAB7 LEAD.	2,000.00
GREAT BARR ACADEMY CCF	73.00
FIRST AID NURSING YEOMANY (PRVC)	1,000.00
ARMY MOUNTAINEERING ASSOCIATION	2,110.00
CAMBRIDGE UOTC	5,500.00
ARMY MOUNTAINEERING ASSOCIATION	3,000.00
(LEAD) 22 ENGINEERING REGIMENT RE: 3 x RESERVIST	1,000.00
FIRST AID NURSING YEOMANY (PRVC)	2,000.00
U LONDON OTC	3,500.00
203 MULTI-ROLE MEDICAL REGIMENT	750.00
DORSET ACF	1,500.00
BIRMINGHAM UOTC	4,000.00
WALES UOTC	3,000.00
EXETER UOTC	4,000.00
CAMBRIDGE UOTC	4,000.00
NORTHERN IRELAND UNIVERSITY AIR SQN	1,500.00
MANCHESTER & SALFORD UAS/LIVERPOOL UAS	2,400.00
NORTHUMBRIAN UOTC	400.00
BIRMINGHAM UOTC	900.00
RAF MOUNTAINEERING ASSOCIATION	261.00
U.BIRMINGHAM AIR SQN & EAST OF SCOTLAND U. AIR	7,000.00
NORTHUMBRIAN AND BRISTOL UAS	1,200.00
4 LANCES	600.00
100 REGT RA	1,500.00
HONOURABLE ARTILLERY COMPANY	3,200.00
UNIVERSTITY OF LONDON OTC	120.00
UNIVERSTITY OF LONDON OTC	120.00
UNIVERSTITY OF LONDON OTC	450.00
NORTHERN IRELAND UAS	1,500.00
4 PARA	2,227.00
HQ COY 6 RIFLES	1,120.00
OXFORD UAS	1,500.00
EXETER UOTC (SWOTR)	1,500.00
RNR (HMS VIVID LEAD)	600.00
SOUTHAMPTON UOTC	1,800.00
U LONDON OTC	1,200.00
BIRMINGHAM/BRISTOL/WALES UAS	5,400.00
EAST MIDLANDS UOTC	2,500.00
HQ HOME COMMAND (SJC)	1,080.00
1st & 2nd NI BN ACF	654.00
32 SIGNAL RGIMENT	7,000.00
OXFORD UOTC	10,000.00
HAC	5,000.00
104 REGIMENT RA	2,500.00

RESERVES (ULYSSES TRUST) – ADVENTUROUS TRAINING & EXPEDITIONS

U LONDON OTC	120.00
U LONDON OTC	500.00
100 (YEOMANRY) REGT RA	500.00
135 GRO SQN RE/3 MI BN/144 PARA MED SQN/EAST MIDLAND UOTC	900.00
CANFORD SCHOOL CCF	182.00
ARMY MOUNTAINEERING ASSOCIATION	3,400.00
ARMY-WIDE. (HQ FIELD ARMY LED)	7,000.00
DORSET ACF	290.00
SOUTH WEST REGION & WEST MERCIA WING RAFAC	957.00
RAuxAF INSPECTORATE	7,500.00

Total: 55 Units

Grand Total: 223 Units

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

England & Wales - Charity number 210829

Accounts

Registered Number: 210829

**NUFFIELD TRUST FOR
THE FORCES OF THE CROWN**

FINANCIAL STATEMENTS

31 DECEMBER 2023

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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NUFFIELD TRUST FOR THE FORCES OF THE CROWN

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees

The Rt Hon Lord Arbuthnot of Edrom
The Rt Hon Lord Geidt of Crobeg GCB GCVO OBE QSO
Lieutenant General Sir Tyrone Urch KCB (from November 2023)
Lieutenant General Sir Mark Mans KCB CBE DL (to November 2023)
Air Marshal Sir Baz North KCB OBE
Vice Admiral Sir David Steel KBE DL
John Chatfeild-Roberts

General Secretary/Office of the Charity

Commander S E J David MBE RN (Rtd)
Magdala
Mill Lane
Titchfield
Hampshire
PO15 5RD

Bankers

Barclays Bank, Cheltenham Branch, Cheltenham and North Cotswold Group, 128 High Street, Cheltenham, Gloucestershire GL50 1EL.

Auditors

Messrs Pitt Godden & Taylor LLP, Unit 3 Ambrose House, Meteor Court, Barnett Way, Barnwood, Gloucester, GL4 3GG

Solicitors

Messrs Herbert Mallam Gowers, Solicitors of Oxford, 126 High Street, OX1 4DG.

Investment Managers

BlackRock Investment Management (UK) Ltd, 12 Throgmorton Avenue, London EC2N 2DL
Jupiter Unit Trust Managers Ltd, The Zig Zag Building, 70 Victoria Street, London, SW1E 6SQ (from 30 June 2023)

Evenlode Investment Management Ltd (Waystone Fund Services (UK) Ltd), 64 James's Street, Nottingham, NG1 6FJ (from 5 July 2023)

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

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

TRUSTEE REPORT AND FINANCIAL STATEMENTS

The Trustee Report and Financial Statements for the year 1st January 2023 to 31st December 2023 have been prepared in accordance with the guidelines published by the Charity Commission. These guidelines are contained in the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The objective of the Trust is to promote the welfare and efficiency of the Forces of the Crown either by the provision of facilities for recreation or by any other means. The Trustees confirm that they comply with the duty in the Charities Act 2011 to have regard to the Charity Commission's general guidance on public benefit when carrying out the Trust's objective and aims and in grant making policy and awards.

The Trust's primary aim is to provide recreational and welfare amenities and facilities that are likely to be of lasting benefit to the Armed Forces but which are not provided by public funds and which are beyond the resources of other non-public funds. The Trust further aims to support units on operations and to benefit the maximum number of Service personnel whilst being mindful of the needs of smaller, less well-found sports associations and isolated units.

The Trust does not fundraise and, therefore, the Trustees aim for prudent stewardship of the Trust's assets to achieve Lord Nuffield's express wish that the Trust be maintained for such time as there is need. The Trustees judge that continuing restrictions on and shortfalls in the public funding of recreational facilities for the Armed Services mean that there will be a continuing, long-term need to meet.

GRANT MAKING POLICY

Under a Memorandum of Understanding between the Trust and the three Armed Services, grant applications for non-public (charitable) funding are scrutinised by the Armed Services, who make the decision on which might be suitable for funding from the Services' own charitable funds or by the Trust for the public benefit of promoting the welfare and efficiency of the Forces of the Crown.

At their November meeting the Trustees make a funding allocation to the Armed Services for the forthcoming year. That allocation is then sub-divided and paid to the Royal Navy, Army and Royal Air Force on a proportional basis relative to the Regular and Operational Reserve personnel numbers in each Service.

Each of the Services then applies for **Major Grants** (£15,001 to £50,000) from within their allocation. These applications are considered at the March Trustee meeting where the Trustees are joined by the serving Principal Personnel Officers of the Royal Navy, Army and Royal Air Force who are best qualified to advise on the relative priority of the various applications received. Approved Major Grants are paid by the individual Services from within their allocation. The balance of each Service's allocation is available for **Minor Grants** (up to £15,000 or £30,000 for mini-buses) which can be approved and paid by the individual Services from their allocations subject to the grant criteria agreed between the Trust and the Armed Services.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

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

GRANT MAKING POLICY (Continued)

Over and above the annual allocations to the Armed Services, the Trustees are also willing to consider Capital Grants (over £50,000) for projects from any Service, subject only to the project's suitability and the availability of funds. The Trust also makes special grants as circumstances require and gives Operational Welfare Grants with the object of providing a quick and flexible response to meet the particular needs of those serving in the Regular or Reserve forces deployed in an emergency to areas of conflict or disaster.

Additionally, the Trust makes an allocation to The Ulysses Trust which then considers and approves grants for Reservists or Reserve formations undertaking adventurous activity.

Grants made and the annual allocations are one-off donations to the applicants, all of which are charities in their own right.

ACHIEVEMENTS AND PERFORMANCE

The Charity's Trustees have had due regard to the Charity Commission's guidance on public benefit.

In 2022 the Trustees allocated £2,126,150 for grants to be paid out in 2023 (2022: £3,341,966) and £73,184 for administration (2022: £71,369).

Since 1939, grants paid out by the Trust for the direct benefit of those serving in the Armed Forces total some £72 million which would be valued at some £340 million at present day value.

Two Special Grants (to the Boleh Trust and Operation Christmas Box), one Capital Grant, and 144 Major and Minor Grants were awarded from the Trust's allocations to the Services, and 49 Reservist grants were made by the Ulysses Trust. For information, a full list of grants made by the Trust or from delegated allocations is appended to this report. Grants were made to HM Ships and Naval Establishments; Royal Marine Units; Army Garrisons and Units and RAF Stations and Establishments (including Reserve Units) worldwide and to individual Sports Associations, Service Sports Clubs or teams of all three Services. All grants made were institutional and made to recipient formations with charitable status. The number of units supported in 2023 (197) was a decrease from 2022 (230) reflecting the increase in average grant size as against units, but there was still a continuing demand for Trust support within the Armed Forces.

The Trust has achieved its objective and measures its aims further by feedback from recipient units, their Commanding Officers and higher levels of the chain of command, including from the three Service Principal Personnel Officers.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

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

FINANCIAL REVIEW

The Trust receives its funding solely from its investment portfolio and bank interest. The Trust monitors monthly reports from the Investment Managers and the Trustees meet formally with the Fund Managers twice a year to review the performance of the Trust Funds and to ensure that investments held have been acquired in accordance with the powers of the Trustees and any directions they have given. Investment policy is reviewed annually by the Trustees.

In early 2023 the Trustees conducted a full review of the investment managers and decided to end the appointment of BlackRock as Fund Managers and appoint two new Fund Managers, splitting the portfolio evenly between the two. The new Fund Managers are Evenlode Investment Management Ltd and Jupiter Asset Management Ltd. BlackRock retain a small investment portfolio for the Trust in their Property Management Fund (circa £2.2M). This could not be closed immediately due to financial regulatory reasons. It is anticipated this fund will not be closed before mid-2025.

The Trustees authorised the Fund Managers to hold any investment defined under the Financial Services Act 1986, subject only to the proviso that such investment and its degree was permitted by regulations or operational guidance given by the Charity Commission, within a prudent, widely diversified portfolio. The Trust does not set environmental, social or governance (ESG) policies for its portfolio, but adopts the overarching ESG policies set by its Investment Fund Managers.

The performance of the Trust's portfolio is evaluated against a bespoke composite index. In a period of major global stock market volatility across 2023 due to the continuing economic impact, global supply chain issues, volatile interest rates and inflation, and conflicts in eastern Europe and the Middle East, the portfolio saw a total outturn of 4.8% (gross) in 2023. As the fund was reassigned and split during the year there was no comparison against a composite benchmark index return or a 3-year annualised return against benchmark. However, individually, BlackRock's return for the first half of the year (the fund was reassigned on 1 July 2023) saw a return of 2.93% against the benchmark of 2.09%. Jupiter saw a return of 9.7% from 1 July to 31 December against the benchmark of 6.99%. Evenlode saw a return of 0.2% from 5 July to 31 December against the benchmark of 6.5%. The Trustees also benchmark the Trust's 3-year rolling average capital value against its 1998 capital value adjusted for CPI (RPI before 2018) and capital grant expenditure. On that basis, the Trust's average capital value was £3.48 million above the benchmark (2022: £5.37 million).

At 31 December 2023 the Trust's investments were valued at £47,274,808 (2022: £45,092,083) after the withdrawal of £1,810,000 for grants and administration. On a dividends receivable basis, as required by the SOFA, the Trust's income for the year was £1,121,177 (2022: £621,538). This income comprised investment and property income.

The total investment management fees for 2023 were £197,883 (2022: £201,291) prior to the rebate.

RESERVES

In May 1997 the Charity Commission confirmed that both the capital and income of the fund could be expended on furthering the objects of the Charity. Given the structured nature of the Trust's grant-making procedures and the ability of the Trust to apply both capital and income to meet need, the Trustees do not designate specific reserve funds. The total amount of reserves held at 31 December 2023 was £46,468,982 (2022: £44,492,262) as there is no restriction in place. The amount of free cash reserves were £880,559 (2022: £1,469,528).

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

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

RISK MANAGEMENT

The Trustees at their meeting on 21st November 2023 reviewed the major risks to which the charity was exposed and were satisfied that procedures had been established to manage these risks.

The major risk arising from the performance of the investment portfolio and manager has been mitigated by using hedging policies and diversification of asset classes. The Trust receives monthly reports from the investment manager and a regular review of investment policies and performance is undertaken. This is underwritten by a written management agreement.

The Trust retains expert investment managers and the Trust's money is held separately from the Fund Manager's own.

PLANS FOR FUTURE PERIODS

As previously stated, the Trustees see a long-term need to continue grant-making activity in support of the morale of the Armed Services in furtherance of the late Lord Nuffield's endowment and express wishes. The Trustees seek the advice of the Principal Personnel Officers and the Central Funds of the Armed Services on the nature and extent of future grant requirements.

For 2024 the Trustees approved grants of £1,676,976, which included the annual allocations to the Services and Reserves of £1,069,190 as well as £610,786 for Capital and special projects. £71,424 was allocated for administrative costs (less than 4% of total expenditure).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trust is an unincorporated trust founded by the late Lord Nuffield in 1939 and originally operated under the terms of a Trust Deed made on the 14th October 1939. This was superseded by a Charity Commissioners' Scheme that was sealed on 13th February 1997.

The Trust Deed provides for 6 Trustees, 3 of whom should be officers or former officers of the Regular Armed Forces and 3 of whom should be persons who have a special knowledge of commerce, industry or finance. This structure reflects the original wishes of the Trust's founder. Trustees are appointed by the Board of Trustees and normally may serve until the age of 70 but, exceptionally, may serve beyond that age by Special Resolution of the Board of Trustees. There are no sub-committees of the Board. From 19th March 2013, by Special Resolution of the Board, Trustees appointed in the category of officers or former officers of the Regular Armed Forces may serve only for a maximum of 10 years.

Lieutenant General Sir Mark Mans KCB CBE DL reached his 10 year point in 2023 and was relieved in November 2023 by Lieutenant General Sir Tyrone Urch KBE FICE, who recently retired from his last serving appointment as Commander Home Command.

New Trustees receive an induction pack which outlines the history, structure, objects and procedures of the Charity. In addition, new Trustees receive copies of the previous year's Minutes of Meetings and Trustee Report and Financial Statements plus Charity Commission publications relevant to their duties with the Trust and their prior experience of Trustee duties.

Trustees receive no remuneration and Trustee travel expenses are reported in the Notes to the Accounts. Potential conflicts of interest are declared at each Trustee meeting and where Trustees have an interest in or association with potential grant recipients they take no part in the grant decision.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

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

STRUCTURE, GOVERNANCE AND MANAGEMENT - (continued)

The Trustee Board meets twice per year and all matters relating to the Trust's activities are decided by the Board, other than the following delegations:

- a. The day-to-day administration of the Trust, the processing of grant applications and the administration of grants is delegated to the General Secretary within a budget set and monitored by the Board.
- b. The processing and approval of Minor Grants and the payment of Major Grants approved by the Board are delegated to the Armed Services (see Grant-making Policy).

The General Secretary is the Trust's sole employee and the Trust is administered from the General Secretary's home. The General Secretary is employed under a contract benchmarked against the REWARD Survey of Charitable Salaries and comparator military salaries and benefits. Triennial reviews are carried out with the remuneration benchmarked against charitable salary surveys and comparator military salaries and benefits.

The current General Secretary decided not to take a Defined Contribution Pension, but instead receives a 12% increase in salary in lieu.

As part of its Grant-making activity, the Trust cooperates with Armed Services' unit charities, the major Central Charitable Funds of the 3 Armed Services and other Armed Services-related charities.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

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

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

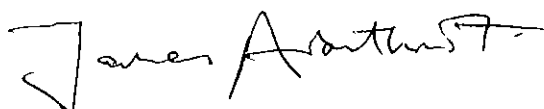
The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources for that period.

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 applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping accounting records which 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 applicable Charities (Accounts and Reports) Regulations, 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.

Approved by the Trustees on *30 March 2024* and signed on their behalf by:



The Rt Hon Lord Arbutnot of Edrom

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF THE NUFFIELD TRUST FOR THE FORCES OF THE CROWN

FOR THE YEAR ENDED 31 DECEMBER 2023

Opinion

We have audited the financial statements of The Nuffield Trust for the Forces of the Crown for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. 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 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 of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

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

INDEPENDENT AUDITORS' REPORT (Continued)

**TO THE TRUSTEES OF
THE NUFFIELD TRUST FOR THE FORCES OF THE CROWN**

FOR THE YEAR ENDED 31 DECEMBER 2023

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires 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 and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 7, the Trustees are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee's 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 cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- We identified the laws and regulations relevant to the charity from discussions with the secretary and from our knowledge of grant-making charities in similar sectors. The laws that we consider may have a direct material effect on the financial statements or the operation of the charity include the Charities Act 2011, employment, & data protection.

INDEPENDENT AUDITORS' REPORT (Continued)

TO THE TRUSTEES OF THE NUFFIELD TRUST FOR THE FORCES OF THE CROWN

FOR THE YEAR ENDED 31 DECEMBER 2023

- We ensured that the audit engagement team collectively has the appropriate competence, capabilities and skills to identify non-compliance with the applicable laws and regulations noted above.
- We assessed the extent of compliance with these laws and regulations through enquiries with the secretary and inspecting legal costs.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, and
- considering the internal controls in place to mitigate fraud risks and non-compliance with laws and regulation.

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

- performed analytical procedures to identify unusual or unexpected transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- reviewed a sample of transactions from the clients records for authorisation from the Trustees;
- reviewed the bank statements for evidence of review by the Trustees.

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

- agreeing financial statement disclosures to the underlying supporting documentation;
- reading the minutes as to actual and potential litigation and claims;
- checking for correspondence from the Charity Commission.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters which we are required to address

Your attention is drawn to the fact that the charity has prepared accounts in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

INDEPENDENT AUDITORS' REPORT (Continued)

**TO THE TRUSTEES OF
THE NUFFIELD TRUST FOR THE FORCES OF THE CROWN**

FOR THE YEAR ENDED 31 DECEMBER 2023

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 auditors' report and for no other purposes. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Pitt Godden & Taylor LLP

**Pitt Godden & Taylor LLP
Chartered Accountants
Statutory Auditor**

30th March 2024

**Unit 3 Ambrose House
Meteor Court
Barnett Way
Barnwood
Gloucester
GL4 3GG**

Pitt Godden & Taylor LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023**

		Unrestricted Funds	Unrestricted Funds
	Note	2023	2022
		£	£
INCOME			
- Investment income	2	<u>1,121,177</u>	<u>621,538</u>
Total income		1,121,177	621,538
EXPENDITURE			
Costs of raising funds:			
- Investment management rebates/costs	3	(69,301)	28,768
Expenditure on charitable activities:			
- Grants made	4	1,816,469	2,142,652
Total expenditure		<u>1,747,168</u>	<u>2,171,420</u>
Net (expenditure) before gains on investments		(625,991)	(1,549,882)
Net gain/(loss) on investment assets	8	<u>2,602,711</u>	<u>(3,356,471)</u>
NET MOVEMENT IN FUNDS		1,976,720	(4,906,353)
Reconciliation of funds			
Total funds brought forward		<u>44,492,262</u>	<u>49,398,615</u>
Total funds carried forward		<u>46,468,982</u>	<u>44,492,262</u>

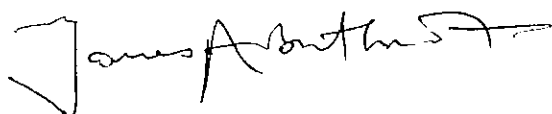
All amounts relate to continuing operations.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

BALANCE SHEET
AS AT 31 DECEMBER 2023

		Unrestricted funds	Unrestricted funds
	Note	2023	2022
		£	£
FIXED ASSETS			
Tangible fixed assets	7	480	641
Investments	8	<u>47,274,808</u>	<u>45,092,083</u>
		<u>47,275,288</u>	<u>45,092,724</u>
CURRENT ASSETS			
Debtors	9	261,470	4,250
Cash at bank and in hand		<u>619,089</u>	<u>1,465,278</u>
TOTAL CURRENT ASSETS		880,559	1,469,528
LIABILITIES			
Creditors falling due within one year	10	<u>(1,686,865)</u>	<u>(2,069,990)</u>
NET CURRENT (LIABILITIES)		<u>(806,306)</u>	<u>(600,462)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>46,468,982</u>	<u>44,492,262</u>
The funds of the charity			
Unrestricted income funds		<u>46,468,982</u>	<u>44,492,262</u>
TOTAL CHARITY FUNDS		<u>46,468,982</u>	<u>44,492,262</u>

Approved by the Board of Trustees for issue on 30 March 2024 and signed on its behalf by:



The Rt Hon Lord Arbuthnot of Edrom
Chairman

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 31 DECEMBER 2023

	Note	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Net cash used in operating activities	13	(2,387,352)	(3,475,320)
<i>Cash flows from investing activities:</i>			
Interest and dividends received		1,121,177	621,538
Proceeds from sales of investments		68,686,957	14,923,417
Purchase of investments		(68,266,971)	(14,118,700)
Net cash provided by investing activities		<u>1,541,163</u>	<u>1,426,255</u>
Change in cash and cash equivalents in the year		(846,189)	(2,049,065)
Cash and cash equivalent brought forward		<u>1,465,278</u>	<u>3,514,343</u>
Cash and cash equivalents carried forward		<u>619,089</u>	<u>1,465,278</u>

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of investments at market value, and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared in order to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent provided to provide a 'true and fair' view. The departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019.

The charity constitutes a public benefit entity as defined by FRS 102.

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

The financial statements are presented in Sterling which is the functional currency of the Charity. The figures are rounded to the nearest £.

The Charity is a Trust registered with the Charity Commission for England and Wales. The principal place of business is Magdala, Mill Lane, Titchfield, Hampshire PO15 5RD.

Income recognition

All income is recognised once the charity has entitlement to the income. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon the notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment manager of the dividend yield of the investment portfolio.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to the expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Overheads and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year on a basis consistent with use of the resources. The irrecoverable element of VAT is included with the item of expenses to which it relates.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

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

1 ACCOUNTING POLICIES (continued)

Expenditure recognition

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

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

Governance costs comprise the costs of running the Charity, including strategic planning for its future development, external audit and all costs of complying with constitutional and statutory requirements, such as costs of Trustees' meetings and for preparing statutory financial statements and satisfying public accountability.

Administrative costs have generally been split on a 50:50 basis between support and governance costs to reflect the time spent by the General Secretary on each activity. All support and governance costs have been allocated to the main grant giving activity.

Charitable activities

The expenditure on charitable activities includes grants made, governance costs, and support costs.

Tangible fixed assets and depreciation

All assets costing more than £100 are capitalised and valued at historical cost. Depreciation is calculated to write off the cost less estimated residual value of tangible assets over their estimated useful lives at 25% reducing balance.

Investments

Investments comprise listed investments and are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price. All gains or losses on investments sold during the year are taken to the statement of financial activities as they arise. Realised gains and losses are calculated as the difference between sales proceeds and their opening carrying value or purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised gains and losses are combined in the Statement of Financial Activities.

The Charity does not acquire put options, derivatives, or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions.

Cash held by the investment managers is disclosed within cash at bank and in hand.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

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

1 ACCOUNTING POLICIES (continued)

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date, or if appropriate at the forward contract rate. Non-monetary assets denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of acquisition of the assets. Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction, or at the contracted rate if the transaction is covered by a forward exchange contract. All revaluation differences and realised foreign exchange differences are taken to the SOFA.

2 INVESTMENT INCOME

Investment income, representing income from UK and overseas assets, derive from:

	2022	2022
	£	£
Listed investments	1,040,791	604,850
Bank interest	80,386	16,688
	<u>1,121,177</u>	<u>621,538</u>

All income relates to unrestricted funds.

3 INVESTMENT MANAGEMENT REBATES/COSTS

The investment management costs represent the fees chargeable to the portfolio by the investment managers during the year. These fees are offset by rebates of the management charges made on certain Blackrock in-house funds in the year.

The investment management fee for certain BlackRock in-house funds are deducted internally on a daily basis within the price of the fund. These internal fees are offset against the Trust's Annual Management Fee calculation.

Rebates are also paid by Jupiter on the funds held by the Trust. These are used to purchase further units in the fund rather than being refunded to the Trust.

Consequently, the credit in the accounts represents the rebates received by the Trust and also the rebates used to purchase further units.

Notional investment management costs based on the percentage fee charges on the portfolio's average value in 2023 would amount to £197,883 (2022: £201,291) before the rebated offsets described above.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

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

4 ANALYSIS OF CHARITABLE EXPENDITURE

The charity undertakes its charitable activities through grant making to the armed services.

	Grants funded activity £	Support and Governance costs £	Total £	Total 2022 £
Armed services	<u>1,743,226</u>	<u>73,243</u>	<u>1,816,469</u>	<u>2,142,652</u>

All expenditure relates to unrestricted funds. (2022 analysis: Grant funded activity - £2,075,092, Support and Governance costs - £67,560).

5 GRANTS

Grants comprise of allocations, awarded to the Services and other institutions, and capital & special grants (as described in the Grant Making Policy in the Report of the Trustees) and are analysed as follows:

	2023 £	2022 £
Allocations:		
- Royal Navy	190,788	177,756
- Army	572,362	517,740
- Royal Air Force	186,040	167,404
- Reserve Forces	120,000	120,000
Capital Grants:		
- Triservice	-	36,471
- Royal Navy	-	(15,539)
- Royal Air Force	510,786	991,260
- Boleh Trust	30,000	30,000
- Operation Christmas Box	50,000	50,000
- Royal Gibraltar Regiment Association	50,000	-
- Victory Services Club	33,250	-
	<u>1,743,226</u>	<u>2,075,092</u>

Grants approved are included in the financial statements. To the extent that such grants are not fully expended, surpluses are credited to grant expenditure following completion or cancellation of the project which for the year amounted to £nil (2022 - £15,539).

The total number of capital and special grants actually paid during the year by the Trust and by each of the recipient Services or Institutions from within their allocations, from the allocation made in November 2022 are summarised:-

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

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

5 GRANTS - continued

	2023 No	2022 No
Boleh Trust	2	1
Op Christmas Box	1	1
Union Jack Club	-	1
Victory Services Club	1	-
Interservice	-	1
Capital grant - Royal Navy	-	2
Capital grant - Royal Air Force	-	2
Capital grant - Army	-	2
Royal Navy	37	36
Army	72	79
Royal Air Force	35	44
Ulysses Trust	49	70
	<u>197</u>	<u>239</u>

The detailed information for 2023 is set out in 'Special/capital grants and grants awarded from services allocations 2022', attached to these financial statements from page 25 onwards.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

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

6 SUPPORT COSTS AND GOVERNANCE COSTS

	Support costs 2023 £	Governance costs 2023 £	Total allocated 2023 £	Support costs 2022 £	Governance costs 2022 £	Total allocated 2022 £
Salaries (inc health insurance and Death in Service costs)	28,908	28,909	57,817	28,007	28,006	56,013
Employer's NI	826	826	1,652	876	875	1,751
Chairman's fund	671	670	1,341	-	-	-
Audit fees	2,400	2,400	4,800	2,400	2,400	4,800
Membership fee	210	210	420	193	193	386
Printing and stationery	560	561	1,121	486	486	972
Telephone	249	248	497	378	378	756
Insurance	155	154	309	137	137	274
Postage	178	179	357	209	208	417
Travelling and subsistence expenses	2,112	2,111	4,223	608	609	1,217
Website costs	154	155	309	144	144	288
Depreciation – office equipment	80	80	160	107	107	214
Bank charges	119	118	237	106	106	212
Computer upgrades	-	-	-	130	130	260
	<u>36,622</u>	<u>36,621</u>	<u>73,243</u>	<u>33,781</u>	<u>33,779</u>	<u>67,560</u>

Travel expenses of £2,300 were reimbursed to four Trustees during 2023 (2022 - reimbursements of £285). No remuneration is paid to Trustees. The Trust had one employee (2022: one) during the year. The employee did not receive employee benefits of more than £60,000.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

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

7 TANGIBLE FIXED ASSETS

	Fixtures and Fittings £
Cost	
At 1 January 2023	12,736
Additions	-
At 31 December 2023	<u>12,736</u>
Depreciation	
At 1 January 2023	12,095
Depreciation charge	161
At 31 December 2023	<u>12,256</u>
Net book value	
At 31 December 2023	<u><u>480</u></u>
At 31 December 2022	<u><u>641</u></u>

8 INVESTMENTS

Fixed asset investments, which are held to provide an investment return, represent securities listed on recognised stock exchanges, with the exception of unit trust investments.

All investments are carried at their fair value,. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

	2023 £	2022 £
Market value at 1 January 2023	45,092,083	49,253,271
Acquisitions	68,266,971	14,118,700
Sale proceeds	(68,686,957)	(14,923,417)
Net change in market value	<u>2,602,711</u>	<u>(3,356,471)</u>
Market value at 31 December 2023	<u><u>47,274,808</u></u>	<u><u>45,092,083</u></u>
Investments are analysed as follows:	£	£
UK investments	47,274,808	30,449,919
Overseas investments	<u>-</u>	<u>14,642,164</u>
	<u><u>47,274,808</u></u>	<u><u>45,092,083</u></u>

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

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

8 INVESTMENTS (Continued)

	2023	2022
	£	£
UK equities	-	17,077,421
Overseas equities	-	14,642,164
Other	47,274,808	6,721,932
UK fixed interest	-	6,650,566
	<u>47,274,808</u>	<u>45,092,083</u>

The historical cost of the investments at 31 December 2023 amounts to £45,470,747 (2022: £43,995,535).

The main risk to the Trust from financial instruments lies in the combination of uncertain investment markets and volatility in yield.

The Trustees have instructed their investment managers to invest the portfolio to maximise the long-term total return, whilst having regard to the level of risk stated below.

The Trustees have recognised that investing funds for real, long-term returns requires significant investment in equities and other assets which may involve an element of risk and that the asset values can and will fall at times.

The investment manager undertakes prudent investment suitable for a charitable trust in a broad investment portfolio to spread risk.

The investments made must only be in well-diversified readily-realizable investments which fall within categories permitted by the charity commission regulations or operational guidance and to such a degree as is permitted by regulations. This will reduce liquidity risk. The Trust does not hold investments in markets subject to exchange controls or trading restrictions.

The Trustees have set a Performance Objective and Composite Benchmark against which the investment managers will be compared. Additionally the Trustees compare the performance over rolling 3 year periods to the ARC Charity Indices. The capital value will be compared to a benchmark figure adjusted for inflation and any withdrawals.

9 DEBTORS

	2023	2022
	£	£
Prepayments and accrued income	<u>261,470</u>	<u>4,250</u>
	<u>261,470</u>	<u>4,250</u>

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

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

10 CREDITORS - amounts falling due within one year	2023	2022
	£	£
Grants payable	1,679,976	2,062,900
Social security and other taxes	1,304	1,521
Accruals	<u>5,585</u>	<u>5,569</u>
	<u>1,686,865</u>	<u>2,069,990</u>
		Charitable Commitments Accrued £
Movements in provisions and funding commitments for grants during the year		
Grant commitments at the start of the year		2,062,900
New grant commitments charged to the SOFA in year		1,743,226
Grants paid during the year		<u>(2,126,150)</u>
Amount of grant commitments recognised as at 31 December 2023		<u>1,679,976</u>

11 TAXATION

The Trust is a registered charity and therefore is not subject to taxation.

12 RELATED PARTY TRANSACTIONS

A grant of £120,000 was allocated to The Ulysses Trust of which Sir Mark Mans (Trustee until November 2023) is a Vice Patron for 2023.

Sir David Steel is patron of The Boleh Trust, which was allocated a grant of £30,000 for 2023 and a further £30,000 for 2024 which was paid early towards the end of 2023. Sir David Steel is Commander-in-Chief of the Royal Gibraltar Regiment. This Regiment received a grant of £50,000 from the Trust.

John Chatfield-Roberts is employed by Jupiter Asset Management and is also a minority shareholder of Jupiter Fund Management plc - the ultimate parent. Jupiter Asset Management became joint investment managers of the Trust during 2023.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

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

13 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£	£
Net movement in funds	1,976,720	(4,906,353)
Add back depreciation charge	161	214
Deduct interest income shown in investing activities	(1,121,177)	(621,538)
(Gain)/Loss on investments	(2,602,711)	3,356,471
(Increase)/decrease in debtors	(257,220)	828
(Decrease) in creditors	<u>(383,125)</u>	<u>(1,304,942)</u>
Net cash used in operating activities	<u>(2,387,352)</u>	<u>(3,475,320)</u>

14 CATEGORIES OF FINANCIAL ASSETS & LIABILITIES

	2023	2022
	£	£
Carrying amount of financial assets		
Financial assets that are debt instruments measured at amortised cost	-	-
Financial assets that are equity instruments measured at fair value through the statement of financial activities	<u>47,274,808</u>	<u>45,092,083</u>
Carrying amount of financial liabilities		
Financial liabilities measured at amortised cost	<u>1,686,865</u>	<u>2,069,990</u>

**SPECIAL/CAPITAL GRANTS AND GRANTS AWARDED FROM SERVICES' ALLOCATIONS
2023 & PAID IN 2023**

UNIT	PROJECT	COST (£)
Op Christmas Box	Op Christmas Box 2022	50,000.00
Victory Services Club	Family Room Refurbishment	33,250.00
BOLEH Trust	BOLEH Trust – 2 grants	60,000.00

ROYAL NAVY

HMS Neptune	FloatFit Boards x 10	2,495.00
Joint Services Signal Unit - Cheltenham	Windmill Hill Signal Station Gibraltar - Rest Room Refurbishment	700
40 Commando Royal Marines	Powerlifting equipment for 40 Commando RM/Royal Marines Powerlifting Association	3,000.00
HMS Nelson	Mess Audio Visual Upgrade + Victory Club	3,935.19
HMS Diamond	Reinvigoration of Junior Rates Mess Deck	15,000.00
RAF Digby	Community Centre Improvement	1,265.00
RN Equestrian Association	Box Trailer	1,561.40
HMS Neptune	FloatFit Boards x 10	2,495.00
HMS Drake	Wardroom Bike Lockers	3,000.00
HMS Mersey	Mess Deck Improvements	2,685.65
Royal Navy Family & People Support	Communal Room	2,168.88
17 Squadron	Test and Evaluation Squadron Entertainment Items	3,057.00
HMS Drake	Cinema Room	2,803.50
RNAS Yeovilton	CDO MAOT Crew Room Refurbishment	2,661.99
RNAS Yeovilton	Outdoor Improvements Area	10,000.00
RNAS Culdrose	ATC Crew Room Refurbishment	1,907.95
HMNB Clyde	Televisions	479
Defence College of Logistics, Policing and Administration	Kestrel Division Games Consoles	2,381.00
HMS Sultan	Crew Room Refurbishment	3,288.00
MAB7 - Special Forces Support Group	Audio Visual System	1,410.00
HMNB Devonport	Wyvern Centre Audio Upgrade	3,772.32
40 Commando Royal Marines	Patio Revamp	3,650.00
824 Naval Air Squadron	JRs Crew Room	2,493.00
HMS Middleton	Wardroom Regeneration	589.82
30 Commando Information & Exploitation Group Royal Marines	Exercise PHOENIX VENTURE - Deployment Welfare Items	1,674.97
Royal Navy Royal Marines Motor Sports Association	RNRM Motorsport Storage Facility	4,883.75

UNIT	PROJECT	COST (£)
HMS Caledonia	SR Mess Function Room	10,000.00
RAF Chicksands	Refurbishment of Trainee Crew Room	500.00
HMS Raleigh	MTU HQ New Staff Restroom	1,164.46
RNAS Yeovilton	Quality Support Team Crew Room	1,269.70
HMS Caledonia	Recreational Space	2,977.19
RNAS Culdrose	Refurbishment to Family Contact Houses	581.50
HMS Raider	Mess Improvements	600.00
HMS Excellent	Medical Centre Staff Room Refurbishment	1,202.50
HMS Neptune	Quayside Cafe Upgrade	3,500.00
Royal Navy Senior Rugby XV	Royal Navy Senior XV Habitability Improvements	3,401.96
Commando Helicopter Force	MTU Communal Area Refurb and Field Kit Uplift	3,375.00

Total: 37 Units

ARMY

REYC	Purchase Yacht	15,000.00
AHPA	Purchase Paragliders	6,862.00
R MON RE	Purchase MTBs	6,400.00
Combat Manoeuvre Centre	Purchase MTBs	6,400.00
RAYC	Replacement Engine For BOMBARDIER III	9,280.00
2 YORKS	Purchase MTBs	6,400.00
Catterick Gn	Purchase Minibus	25,000.00
1 SG	Purchase MTBs	6,400.00
256 FH	Purchase MTBs	6,400.00
RAF Digby	Refurbish Community Centre	3,163.00
3 SCOTS	Purchase MTBs	6,400.00
39 Sig Regt	Purchase MTBs	6,400.00
BATSUB	Purchase Bikes for Movement Around Camp	3,600.00
BATSUB	Welfare Equip for Perm & Exercise Pers	1,620.00
BATUK	Cricket Clothing	654.00
Dhekelia Golf Club	Fairway Mower	15,000.00
Akrotiri Angling Club	Purchase Angling Boat	6,481.00
Episkopi Stn	Purchase RHIB for MTW	11,156.00
1 ANGLIAN	Deployment AV Kits	9,107.00
RE Motorsports	Tools and Equip to Support RE Motorsports	11,413.00
Army Sports Car Racing	Outdoor Jackets	5,400.00
REME Kart Team	Eqpt for Kart Team	9,824.00
AAC Kart Team	Eqpt for Kart Team	3,663.00
AISTC	Replacement Safety Boats	7,723.00
AISTC	RIB Refit	5,205.00
Dhekelia Services Sailing Club	Purchase RIB	15,000.00
RAC YC	Purchase Mainsail and Liferaft for WHITE KNIGHT	4,347.00
AISTC	Purchase Covers for RS 2000 Dinghies	1,524.00

UNIT	PROJECT	COST (£)
AISTC	Refit Training Dinghies	2,939.00
Army Offshore Racing Team	Purchase Replacement Sail for BRITISH SOLDIER	3,979.00
AISTC	Purchase Replacement Kitesurfing Eqpt	7,333.00
REYC	Purchase Foul Weather Clothing	7,496.00
AOSC	Purchase Replacement Headsail for GREBE	1,244.00
AAC SA	Purchase Advanced Kitesurfing Eqpt	8,028.00
RAYC	Purchase Windsurfing Eqpt	7,500.00
RLCSA	Purchase Windsurfing Eqpt	7,442.00
BATSUB	Purchase Welfare Vehicle	23,400.00
167 Regt RLC	Purchase MTBs	6,400.00
71 Engr Regt	Purchase MTBs	6,400.00
AISTC	Refurbish Washrooms & Purchase Equipment	7,102.00
AHPA	Purchase Wings and Equipment	9,959.00
BG Pokhara	Purchase MTBs	6,400.00
AMS Snowboard	Purchase Snowboards for Male Corps Team	3,500.00
AMS Snowboard	Purchase Snowboards for Female Corps Team	3,500.00
Infantry Snowboard	Purchase Snowboards for Corps Team	3,500.00
8 Bn REME	Purchase MTBs	6,400.00
22 Engr Regt	Purchase MTBs	6,400.00
22 Engr Regt	Purchase Snowboards and Eqpt	3,500.00
17 P&M Regt	Purchase MTBs	6,400.00
BATSUB	Purchase Boat trailer	7,140.00
BFC-EPI- WSC	Purchase RHIB	20,000.00
RLC Climbing team	Purchase climbing eqpt	4,600.00
Army Motocross	Purchase Motocross safety Eqpt	9,180.00
AISTC	Purchase radios	1,958.00
AISTC	Purchase watersport PPE	6,775.00
AISTC	Purchase Windsurfing Eqpt	17,115.00
AISTC	Purchase Kitesurfing Eqpt	5,825.00
AISTC	Purchase Wingsurfing Eqpt	12,119.00
REYC	Purchase Wing Foiling Eqpt	8,154.00
RAYC	Purchase Wing Foiling Eqpt	11,258.00
HDSA	Navigation eqpt upgrade - Gladeye IV	1,902.00
Infantry Sailing Association	Upgrade to Maintain eqpt - Bayonet	2,170.00
BATUK	Panga bar refurbishment	6,778.00
REME Basketball	Purchase Dr. Dish Trg aid	5,700.00
AHPA	Purchase 3 X Paragliders	8,679.00
APA	Purchase of Freefall and Static line jumpsuits	3,749.00
RAF Wyton	Contribution to Kart club (24.3%)	6,500.00
BATUK	Purchase 4X4 - Rhino Charge	15,000.00
ASCR	Purchase team trailer	13,500.00
ARCA	Purchase coxless pair/sculling boat	13,125.00
ASA	Purchase new sails - British Soldier	13,421.00
Army Motocross	Purchase 4 X Motocross bikes	20,000.00

Total: 72 Units

UNIT	PROJECT	COST (£)
RAF		
RAF Coningsby	RAF Coningsby JRM refurbishment - Approved as a major grant at Nov 22 trustee meeting.	26,580.97
RAF Akrotiri	Akrotiri TV loan pool project - Jointly funded RAF Ben Fund £2,000, BFBS £1500	1,500.00
RAF Wittering	Aviators Lounge JRM Ante Room refurbishment project (joint funding RAF Ben Fund contributing £30K)	8,500.00
1563 Flt Puma - Brunei	Equipment to establish a crew room at Brunei garrison - new posting for Puma Force	4,766.25
RAF Digby	Community Centre refurbishment project Jointly funded Total £12,652. (RAF £8,224, Army £3,163, RN £1,265)	8,224.00
RAF Lossiemouth	Equipment for station table top games club	1,756.41
RAF Cosford	Project Greenspaces Community allotment refurbishment - tables and sun shelter	1,893.99
54 Sqn Protector Flt USA	Establish crew room at 54 Sqn, Protector Flt, North Dakota	2,686.00
RAF Lossiemouth	Pool table for 24 hour manned Typhoon Quick Reaction Alert crew	1,274.25
90 SU RAF Leeming	Pool table for 90 SU crew room	1,599.00
906 EAW	Purchase of 4 x road bikes for recreational use at 906 EAW Minhad	2,300.00
RAF Wittering	RAF Wittering Wellness garden/outdoor recreation space £15,000 -	15,000.00
RAF Brize Norton	RAF Brize Norton JRWF - New Mini-Bus	29,969.00
ASWC USA TT Team	Crew Room Furniture & Kitchen appliances	565.97
UKAF VA	RAF element of Kit costs - Australia tour and next season	643.50
RAF Waddington	Ops/ATC crew room welfare Pool Table Gaming consul	2,109.34
RAF Leeming	RAF Leeming welfare room grant	2,998.80
Sailing	Equipment replacement	7,600.00
Table Tennis	Competition playing table	510.00
Motorsports	2 x Branded 6M Hex gazebos for Rally	3,750.00
Motorsports	2 x 6Mx3M gazebos for MC Road Racing	3,300.00
Motorsports	1 x eMotorsports rig	3,750.00
Sea Angling	Purchase rods & reels	937.50
Sailing	Offshore - Teamwear	187.50
Small Arms	Purchase of various rifles & accessories	6,390.00
Hang Paragliding	Purchase of 3 x solo paraglider rigs	6,975.00
RAF Cranwell	Qaboos Pavilion Refurbishment costs	5,000.00
Polo	Equipment	557.90
Fencing	Equipment	1,875.00
Winter Sports Association	Race management software and instructor equipment	3,500.00
Ski Team	Race suits	7,500.00
Telemark	Ski replacement	2,500.00
Snowboard	Cold weather clothing	1,000.00
Netball	Scoreboard	630.00
Gliding & Soaring	FLARM linked variometer	3,750.00

Total: 35 Units

RESERVES (ULYSSES TRUST) – ADVENTUROUS TRAINING & EXPEDITIONS

YOTR	4,000.00
AUOTC, TUOTC, CEOTC/3 R.WELSH	5,000.00
BIRMINGHAM UOTC	3,500.00
BRISTOL UOTC	1,200.00
CAMBRIDGE U AIR SQUADRON	3,000.00
EXETER UOTC	6,000.00
DORSET COUNTY ACF	515.00
BIRMINGHAM UOTC	1,650.00
204 FD HOSP	1,400.00
YORKSHIRE TRG REGT	1,000.00
NORTHUMBRIAN UAS	450.00
OXFORD UOTC	706.00
4 BN YORKS	7,500.00
ARMY MOUNTAINEERING ASSOC	600.00
106 REGT RA	1,001.00
AT CENTRE. UK STRATCOM	750.00
BIRMINGHAM UOTC	2,250.00
CAMBRIDGE UOTC	4,000.00
WALES UOTC	2,400.00
37 SIGNAL REGIMENT	2,800.00
NORTH WEST OFFICER TRAINING REGIMENT	600.00
EAST MIDLAND UOTC	930.00
EAST MIDLAND UOTC	500.00
CAMBRIDGE UOTC	1,250.00
165 PORT & MARITIME REGT RLC	890.00
U LONDON OTC	300.00
NORTHUMBRIAN UOTC	450.00
CORPS OF ROYAL ENGINEERS	1,450.00
NORTHUMBRIAN UOTC	1,200.00
510 STRE (AIR INFRASTRUCTURE)	510.00
212 FD HOSP	1,500.00
CAMBRIDGE UOTC	3,000.00
OXFORD UOTC	3,500.00
HONOURABLE ARTILLERY COMPANY	1,863.00
ROYAL NAVAL RESERVE	1,000.00
MAS(A). HQ ARMY.	300.00
NORTHERN UOTC	1,557.00
YORKSHIRE TRAINING REGIMENT	1,500.00
SOUTHAMPTON UOTC	1,800.00
CAMBRIDGE UOTC	2,500.00
HQ CENTRE REGION (ARMY CADETS OFFICERS)	263.00
101 ENGINEER REGIMENT (EOD&S)	600.00
206 MMR (incl 208 FD HOSP)	4,200.00
HC HOME COMMAND , SJC (UK)	1,750.00
OXFORD UOTC	10,000.00

RESERVES (ULYSSES TRUST) – ADVENTUROUS TRAINING & EXPEDITIONS

CAMBRIDGE UOTC	3,000.00
3 ROYAL WELSH	700.00
GREAT BARR ACADEMY CCF	73.00
DEFENCE SERIOUS CRIMES UNIT	400.00

Total: 49 Units

Grand Total: 197 Units

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

England & Wales - Charity number 210829

Accounts

Registered Number: 210829

**NUFFIELD TRUST FOR
THE FORCES OF THE CROWN**

FINANCIAL STATEMENTS

31 DECEMBER 2022

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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NUFFIELD TRUST FOR THE FORCES OF THE CROWN

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees

The Rt Hon Lord Arbuthnot of Edrom
The Rt Hon Lord Geidt of Crobeg GCB GCVO OBE QSO
Lieutenant General Sir Mark Mans KCB CBE DL
Air Marshal Sir Baz North KCB OBE
Vice Admiral Sir David Steel KBE DL
John Chatfeild-Roberts

General Secretary/Office of the Charity

Commander S E J David MBE RN (Rtd)
Magdala
Mill Lane
Titchfield
Hampshire
PO15 5RD

Bankers

Barclays Bank, Cheltenham Branch, Cheltenham and North Cotswold Group, 128 High Street, Cheltenham, Gloucestershire GL50 1EL.

Auditors

Messrs Pitt Godden & Taylor LLP, Unit 3 Ambrose House, Meteor Court, Barnett Way, Barnwood, Gloucester, GL4 3GG

Solicitors

Messrs Herbert Mallam Gowers, Solicitors of Oxford, 126 High Street, OX1 4DG.

Investment Managers

BlackRock Investment Management (UK) Ltd, 12 Throgmorton Avenue, London EC2N 2DL

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

REPORT OF THE TRUSTEES (Continued) FOR THE YEAR ENDED 31 DECEMBER 2022

TRUSTEE REPORT AND FINANCIAL STATEMENTS

The Trustee Report and Financial Statements for the year 1st January 2022 to 31st December 2022 have been prepared in accordance with the guidelines published by the Charity Commission. These guidelines are contained in the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The objective of the Trust is to promote the welfare and efficiency of the Forces of the Crown either by the provision of facilities for recreation or by any other means. The Trustees confirm that they comply with the duty in the Charities Act 2011 to have regard to the Charity Commission's general guidance on public benefit when carrying out the Trust's objective and aims and in grant making policy and awards.

The Trust's primary aim is to provide recreational and welfare amenities and facilities that are likely to be of lasting benefit to the Armed Forces but which are not provided by public funds and which are beyond the resources of other non-public funds. The Trust further aims to support units on operations and to benefit the maximum number of Service personnel whilst being mindful of the needs of smaller, less well-found sports associations and isolated units.

The Trust does not fundraise and, therefore, the Trustees aim for prudent stewardship of the Trust's assets to achieve Lord Nuffield's express wish that the Trust be maintained for such time as there is need. The Trustees judge that continuing restrictions on and shortfalls in the public funding of recreational facilities for the Armed Services mean that there will be a continuing, long-term need to meet.

GRANT MAKING POLICY

Under a Memorandum of Understanding between the Trust and the three Armed Services, grant applications for non-public (charitable) funding are scrutinised by the Armed Services, who make the decision on which might be suitable for funding from the Services' own charitable funds or by the Trust for the public benefit of promoting the welfare and efficiency of the Forces of the Crown.

At their November meeting the Trustees make a funding allocation to the Armed Services for the forthcoming year. That allocation is then sub-divided and paid to the Royal Navy, Army and Royal Air Force on a proportional basis relative to the Regular and Operational Reserve personnel numbers in each Service.

Each of the Services then applies for **Major Grants** (£15,001 to £50,000) from within their allocation. These applications are considered at the March Trustee meeting where the Trustees are joined by the serving Principal Personnel Officers of the Royal Navy, Army and Royal Air Force who are best qualified to advise on the relative priority of the various applications received. Approved Major Grants are paid by the individual Services from within their allocation. The balance of each Service's allocation is available for **Minor Grants** (up to £15,000 or £30,000 for mini-buses) which can be approved and paid by the individual Services from their allocations subject to the grant criteria agreed between the Trust and the Armed Services.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

REPORT OF THE TRUSTEES (Continued) FOR THE YEAR ENDED 31 DECEMBER 2022

GRANT MAKING POLICY (Continued)

Over and above the annual allocations to the Armed Services, the Trustees are also willing to consider Capital Grants (over £50,000) for projects from any Service, subject only to the project's suitability and the availability of funds. The Trust also makes special grants as circumstances require and gives Operational Welfare Grants with the object of providing a quick and flexible response to meet the particular needs of those serving in the Regular or Reserve forces deployed in an emergency to areas of conflict or disaster.

Additionally, the Trust makes an allocation to The Ulysses Trust which then considers and approves grants for Reservists or Reserve formations undertaking adventurous activity.

Grants made and the annual allocations are one-off donations to the applicants, all of which are charities in their own right.

ACHIEVEMENTS AND PERFORMANCE

The Charity's Trustees have had due regard to the Charity Commission's guidance on public benefit.

In 2021 the Trustees allocated £3,341,966 for grants to be paid out in 2022 (2021: £1,836,900) and £71,369 for administration (2021: £71,225).

Since 1939, grants paid out by the Trust for the direct benefit of those serving in the Armed Forces total some £70 million which would be valued at some £279 million at present day value.

Three Special Grants (to the Boleh Trust, Union Jack Club and Operation Christmas Box), 7 Capital Grants, and 159 Major and Minor Grants were awarded from the Trust's allocations to the Services, and 71 Reservist grants were made by the Ulysses Trust from its allocation. For information, a full list of grants made by the Trust or from delegated allocations is appended to this report. Grants were made to HM Ships and Naval Establishments; Royal Marine Units; Army Garrisons and Units and RAF Stations and Establishments (including Reserve Units) worldwide and to individual Sports Associations, Service Sports Clubs or teams of all three Services. All grants made were institutional and made to recipient formations with charitable status. The number of units supported in 2022 (230) was an increase from 2021 (207) reflecting the continuing demand for Trust support within the Armed Forces and the reduction in the impact of COVID-19 restrictions as units got back to normal operating.

The Trust has achieved its objective and measures its aims further by feedback from recipient units, their Commanding Officers and higher levels of the chain of command, including from the three Service Principal Personnel Officers.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

REPORT OF THE TRUSTEES (Continued) FOR THE YEAR ENDED 31 DECEMBER 2022

FINANCIAL REVIEW

The Trust receives its funding solely from its investment portfolio and bank interest. The Trust monitors monthly reports from the Investment Managers and the Trustees meet formally with the Fund Managers twice a year to review the performance of the Trust Funds and to ensure that investments held have been acquired in accordance with the powers of the Trustees and any directions they have given. Investment policy is reviewed annually by the Trustees.

The Trustees authorised the Fund Managers to hold any investment defined under the Financial Services Act 1986, subject only to the proviso that such investment and its degree was permitted by regulations or operational guidance given by the Charity Commission, within a prudent, widely diversified portfolio. The Trust does not set environmental, social or governance (ESG) policies for its Fund Managers, but adopts the overarching ESG policies set by BlackRock Investment Management (UK) Ltd for its Charities Investment Sector.

The performance of the Trust's portfolio is evaluated against a bespoke composite index. In a period of major global stock market volatility across 2022 due to the continuing economic impact of COVID-19, global supply chain issues, rising interest rates and inflation, and the war between Russia and Ukraine, the portfolio saw an outturn of -5.58% (gross) in 2022 (against a composite benchmark index return of -5.68%). The 3-year annualised return of 3.01% outperformed the benchmark by 0.17%, although this did not meet the Trustees' objective of outperforming the composite benchmark by 1%. The Trustees also benchmark the Trust's 3-year rolling average capital value against its 1998 capital value adjusted for CPI (RPI before 2018) and capital grant expenditure. On that basis, the Trust's average capital value was £5.37 million above the benchmark (2021: £8.16 million).

At 31 December 2022 the Trust's investments were valued at £45,092,083 (2021: £49,253,271) after the withdrawal of £1,050,000 for grants and administration. On a dividends receivable basis, as required by the SOFA, the Trust's income for the year was £621,538 (2021: £500,291). This income comprised investment and property income.

The total investment management fees for 2022 were £201,291 (2021: £222,887) prior to the rebate.

RESERVES

In May 1997 the Charity Commission confirmed that both the capital and income of the fund could be expended on furthering the objects of the Charity. Given the structured nature of the Trust's grant-making procedures and the ability of the Trust to apply both capital and income to meet need, the Trustees do not designate specific reserve funds. The total amount of reserves held at 31 December 2022 was £44,492,262 (2021: £49,398,615) as there is no restriction in place. The amount of free cash reserves were £1,469,358 (2021: £3,519,271).

RISK MANAGEMENT

The Trustees at their meeting on 22nd November 2022 reviewed the major risks to which the charity was exposed and were satisfied that procedures had been established to manage these risks.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

REPORT OF THE TRUSTEES (Continued) FOR THE YEAR ENDED 31 DECEMBER 2022

RISK MANAGEMENT - (continued)

The major risk arising from the performance of the investment portfolio and manager has been mitigated by using hedging policies and diversification of asset classes. The Trust receives monthly reports from the investment manager and a regular review of investment policies and performance is undertaken. This is underwritten by a written management agreement.

The Trust retains expert investment managers and the Trust's money is held separately from the Fund Manager's own.

PLANS FOR FUTURE PERIODS

As previously stated, the Trustees see a long-term need to continue grant-making activity in support of the morale of the Armed Services in furtherance of the late Lord Nuffield's endowment and express wishes. The Trustees seek the advice of the Principal Personnel Officers and the Central Funds of the Armed Services on the nature and extent of future grant requirements.

For 2023 the Trustees approved grants of £2,062,900, which included the annual allocations to the Services and Reserves of £982,900 as well as £1,080,000 for Capital projects.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trust is an unincorporated trust founded by the late Lord Nuffield in 1939 and originally operated under the terms of a Trust Deed made on the 14th October 1939. This was superseded by a Charity Commissioners' Scheme that was sealed on 13th February 1997.

The Trust Deed provides for 6 Trustees, 3 of whom should be officers or former officers of the Regular Armed Forces and 3 of whom should be persons who have a special knowledge of commerce, industry or finance. This structure reflects the original wishes of the Trust's founder. Trustees are appointed by the Board of Trustees and normally may serve until the age of 70 but, exceptionally, may serve beyond that age by Special Resolution of the Board of Trustees. There are no sub-committees of the Board. From 19th March 2013, by Special Resolution of the Board, Trustees appointed in the category of officers or former officers of the Regular Armed Forces may serve only for a maximum of 10 years.

Lieutenant General Sir Mark Mans KCB CBE DL reaches his 10 year point in 2023. Sir Mark will be relieved in November 2023 by Lieutenant General Sir Tyrone Urch KBE FICE, who recently retired from his last serving appointment as Commander Home Command.

New Trustees receive an induction pack which outlines the history, structure, objects and procedures of the Charity. In addition, new Trustees receive copies of the previous year's Minutes of Meetings and Trustee Report and Financial Statements plus Charity Commission publications relevant to their duties with the Trust and their prior experience of Trustee duties.

Trustees receive no remuneration and Trustee travel expenses are reported in the Notes to the Accounts. Potential conflicts of interest are declared at each Trustee meeting and where Trustees have an interest in or association with potential grant recipients they take no part in the grant decision.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

REPORT OF THE TRUSTEES (Continued) FOR THE YEAR ENDED 31 DECEMBER 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT - (continued)

The Trustee Board meets twice per year and all matters relating to the Trust's activities are decided by the Board, other than the following delegations:

- a. The day-to-day administration of the Trust, the processing of grant applications and the administration of grants is delegated to the General Secretary within a budget set and monitored by the Board.

- b. The processing and approval of Minor Grants and the payment of Major Grants approved by the Board are delegated to the Armed Services (see Grant-making Policy).

The General Secretary is the Trust's sole employee and the Trust is administered from the General Secretary's home. The General Secretary is employed under a contract benchmarked against the REWARD Survey of Charitable Salaries and comparator military salaries and benefits. Triennial reviews are carried out with the remuneration benchmarked against charitable salary surveys and comparator military salaries and benefits.

The current General Secretary decided not to take a Defined Contribution Pension, but instead receives a 12% increase in salary in lieu.

As part of its Grant-making activity, the Trust cooperates with Armed Services' unit charities, the major Central Charitable Funds of the 3 Armed Services and other Armed Services-related charities.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2022

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

The law applicable to charities in England and Wales requires the 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 its incoming resources and application of resources 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 applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping accounting records which 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 applicable Charities (Accounts and Reports) Regulations, 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.

Approved by the Trustees on 21 March 2023 and signed on their behalf by:

The Rt Hon Lord Arbuthnot of Edrom

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF THE NUFFIELD TRUST FOR THE FORCES OF THE CROWN

FOR THE YEAR ENDED 31 DECEMBER 2022

Opinion

We have audited the financial statements of The Nuffield Trust for the Forces of the Crown for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. 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 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 of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

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

INDEPENDENT AUDITORS' REPORT (Continued)

TO THE TRUSTEES OF THE NUFFIELD TRUST FOR THE FORCES OF THE CROWN

FOR THE YEAR ENDED 31 DECEMBER 2022

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires 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 and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 7, the Trustees are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee's 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 cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- We identified the laws and regulations relevant to the charity from discussions with the secretary and from our knowledge of grant-making charities in similar sectors. The laws that we consider may have a direct material effect on the financial statements or the operation of the charity include the Charities Act 2011, employment, & data protection.

INDEPENDENT AUDITORS' REPORT (Continued)

TO THE TRUSTEES OF THE NUFFIELD TRUST FOR THE FORCES OF THE CROWN

FOR THE YEAR ENDED 31 DECEMBER 2022

- We ensured that the audit engagement team collectively has the appropriate competence, capabilities and skills to identify non-compliance with the applicable laws and regulations noted above.
- We assessed the extent of compliance with these laws and regulations through enquiries with the secretary and inspecting legal costs.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, and
- considering the internal controls in place to mitigate fraud risks and non-compliance with laws and regulation.

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

- performed analytical procedures to identify unusual or unexpected transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- reviewed a sample of transactions from the clients records for authorisation from the Trustees;
- reviewed the bank statements for evidence of review by the Trustees.

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

- agreeing financial statement disclosures to the underlying supporting documentation;
- reading the minutes as to actual and potential litigation and claims;
- checking for correspondence from the Charity Commission.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters which we are required to address

Your attention is drawn to the fact that the charity has prepared accounts in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

INDEPENDENT AUDITORS' REPORT (Continued)

**TO THE TRUSTEES OF
THE NUFFIELD TRUST FOR THE FORCES OF THE CROWN**

FOR THE YEAR ENDED 31 DECEMBER 2022

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 auditors' report and for no other purposes. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Pitt Godden & Taylor LLP
Chartered Accountants
Statutory Auditor**

21st March 2023

**Unit 3 Ambrose House
Meteor Court
Barnett Way
Barnwood
Gloucester
GL4 3GG**

Pitt Godden & Taylor LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022

		Unrestricted Funds	Unrestricted Funds
	Note	2022 £	2021 £
INCOME			
- Investment income	2	<u>621,538</u>	<u>500,291</u>
Total income		621,538	500,291
EXPENDITURE			
Costs of raising funds:			
- Investment management costs	3	28,768	78,958
Expenditure on charitable activities:			
- Grants made	4	2,142,652	3,320,182
Total expenditure		<u>2,171,420</u>	<u>3,399,140</u>
Net (expenditure) before gains on investments		(1,549,882)	(2,898,849)
Net (loss)/gain on investment assets	8	<u>(3,356,471)</u>	<u>5,376,955</u>
NET MOVEMENT IN FUNDS		(4,906,353)	2,478,106
Reconciliation of funds			
Total funds brought forward		<u>49,398,615</u>	<u>46,920,509</u>
Total funds carried forward		<u><u>44,492,262</u></u>	<u><u>49,398,615</u></u>

All amounts relate to continuing operations.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

**BALANCE SHEET
AS AT 31 DECEMBER 2022**

		Unrestricted funds	Unrestricted funds
	Note	2022 £	2021 £
FIXED ASSETS			
Tangible fixed assets	7	641	855
Investments	8	<u>45,092,083</u>	<u>49,253,271</u>
		<u>45,092,724</u>	<u>49,254,126</u>
CURRENT ASSETS			
Debtors	9	4,250	5,078
Cash at bank and in hand		<u>1,465,278</u>	<u>3,514,343</u>
TOTAL CURRENT ASSETS		1,469,528	3,519,421
LIABILITIES			
Creditors falling due within one year	10	<u>(2,069,990)</u>	<u>(3,374,932)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(600,462)</u>	144,489
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>44,492,262</u>	<u>49,398,615</u>
The funds of the charity			
Unrestricted income funds		<u>44,492,262</u>	<u>49,398,615</u>
TOTAL CHARITY FUNDS		<u>44,492,262</u>	<u>49,398,615</u>

Approved by the Board of Trustees for issue on 21 March 2023 and signed on its behalf by:

**The Rt Hon Lord Arbuthnot of Edrom
Chairman**

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 31 DECEMBER 2022

	Note	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Net cash used in operating activities	13	(3,475,320)	(1,887,873)
<i>Cash flows from investing activities:</i>			
Interest and dividends received		621,538	500,291
Proceeds from sales of investments		14,923,417	44,590,939
Purchase of investments		(14,118,700)	(40,724,559)
Net cash provided by investing activities		<u>1,426,255</u>	<u>4,366,671</u>
Change in cash and cash equivalents in the year		(2,049,065)	2,478,798
Cash and cash equivalent brought forward		<u>3,514,343</u>	<u>1,035,545</u>
Cash and cash equivalents carried forward		<u><u>1,465,278</u></u>	<u><u>3,514,343</u></u>

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of investments at market value, and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared in order to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent provided to provide a 'true and fair' view. The departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019.

The charity constitutes a public benefit entity as defined by FRS 102.

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

The financial statements are presented in Sterling which is the functional currency of the Charity. The figures are rounded to the nearest £.

The Charity is a Trust registered with the Charity Commission for England and Wales. The principal place of business is Magdala, Mill Lane, Titchfield, Hampshire PO15 5RD.

Income recognition

All income is recognised once the charity has entitlement to the income. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon the notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment manager of the dividend yield of the investment portfolio.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to the expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Overheads and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year on a basis consistent with use of the resources. The irrecoverable element of VAT is included with the item of expenses to which it relates.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2022

1 ACCOUNTING POLICIES (continued)

Expenditure recognition

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

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

Governance costs comprise the costs of running the Charity, including strategic planning for its future development, external audit and all costs of complying with constitutional and statutory requirements, such as costs of Trustees' meetings and for preparing statutory financial statements and satisfying public accountability.

Administrative costs have generally been split on a 50:50 basis between support and governance costs to reflect the time spent by the General Secretary on each activity. All support and governance costs have been allocated to the main grant giving activity.

Charitable activities

The expenditure on charitable activities includes grants made, governance costs, and support costs.

Tangible fixed assets and depreciation

All assets costing more than £100 are capitalised and valued at historical cost. Depreciation is calculated to write off the cost less estimated residual value of tangible assets over their estimated useful lives at 25% reducing balance.

Investments

Investments comprise listed investments and are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price. All gains or losses on investments sold during the year are taken to the statement of financial activities as they arise. Realised gains and losses are calculated as the difference between sales proceeds and their opening carrying value or purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised gains and losses are combined in the Statement of Financial Activities.

The Charity does not acquire put options, derivatives, or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions.

Cash held by the investment managers is disclosed within cash at bank and in hand.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2022

1 ACCOUNTING POLICIES (continued)

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date, or if appropriate at the forward contract rate. Non-monetary assets denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of acquisition of the assets. Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction, or at the contracted rate if the transaction is covered by a forward exchange contract. All revaluation differences and realised foreign exchange differences are taken to the SOFA.

2 INVESTMENT INCOME

Investment income, representing income from UK and overseas assets, derive from:

	2022	2021
	£	£
Listed investments	604,850	500,104
Bank interest	16,688	187
	<u>621,538</u>	<u>500,291</u>

All income relates to unrestricted funds.

3 INVESTMENT MANAGEMENT COSTS

The investment management costs represent the fees chargeable to the portfolio by the investment managers during the year. These fees are offset by rebates of the management charges made on certain Blackrock in-house funds in year.

The investment management fee for certain BlackRock in-house funds are deducted internally on a daily basis within the price of the fund. These internal fees are offset against the Trust's Annual Management Fee calculation.

Consequently, the overall investment management costs are not recorded separately in these financial statements.

Notional investment management costs based on the percentage fee charges on the portfolio's average value in 2022 would amount to £201,291 (2021: £222,887) before the rebated offsets described above.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2022**

4 ANALYSIS OF CHARITABLE EXPENDITURE

The charity undertakes its charitable activities through grant making to the armed services.

	Grants funded activity £	Support and Governance costs £	Total £	Total 2021 £
Armed services	<u>2,075,092</u>	<u>67,560</u>	<u>2,142,652</u>	<u>3,320,182</u>

All expenditure relates to unrestricted funds. (2021 analysis: Grant funded activity - £3,243,740, Support and Governance costs - £76,442).

5 GRANTS

Grants comprise of allocations, awarded to the Services and other institutions, and capital & special grants (as described in the Grant Making Policy in the Report of the Trustees) and are analysed as follows:

	2022 £	2021 £
Allocations:		
- Royal Navy	177,756	176,460
- Army	517,740	521,624
- Royal Air Force	167,404	164,816
- Reserve Forces	120,000	110,000
- Reserve Forces - adjustments to grants	-	(118,226)
Capital Grants:		
- Triservice	36,471	226,700
- Royal Navy	(15,539)	255,000
- Royal Air Force	991,260	432,366
- Army	-	1,300,000
- Boleh Trust	30,000	40,000
- Union Jack Club	-	85,000
- Operation Christmas Box	50,000	50,000
	<u>2,075,092</u>	<u>3,243,740</u>

Grants approved are included in the financial statements. To the extent that such grants are not fully expended, surpluses are credited to grant expenditure following completion or cancellation of the project which for the year amounted to £15,539 (2021 - £118,226).

The total number of capital and special grants actually paid during the year by the Trust and by each of the recipient Services or Institutions from within their allocations, from the allocation made in November 2021 are summarised:-

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

5 GRANTS - continued

	2022 No	2021 No
Boleh Trust	1	1
Op Christmas Box	1	-
Union Jack Club	1	-
Interservice	1	1
Capital grant - Royal Navy	2	1
Capital grant - Royal Air Force	2	1
Capital grant - Army	2	-
Royal Navy	36	68
Army	79	81
Royal Air Force	44	26
Ulysses Trust	70	28
	<u>239</u>	<u>207</u>

The detailed information for 2022 is set out in 'Special/capital grants and grants awarded from services allocations 2021', attached to these financial statements from page 25 onwards.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 31 DECEMBER 2022

6 SUPPORT COSTS AND GOVERNANCE COSTS

	Support costs	Governance costs	Total allocated	Support costs	Governance costs	Total allocated
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Salaries (inc health insurance and Death in Service costs)	28,007	28,006	56,013	30,415	30,414	60,829
Employer's NI	876	875	1,751	1,553	1,553	3,106
Chairmans fund	-	-	-	1,239	1,240	2,479
Audit fees	2,400	2,400	4,800	-	4,800	4,800
Membership fee	193	193	386	-	280	280
Printing and stationery	486	486	972	603	602	1,205
Telephone	378	378	756	405	405	810
Insurance	137	137	274	-	170	170
Postage	209	208	417	162	163	325
Travelling and subsistence expenses	608	609	1,217	718	718	1,436
Website costs	144	144	288	252	252	504
Depreciation - office equipment	107	107	214	143	143	286
Bank charges	106	106	212	106	106	212
Computer upgrades	130	130	260	-	-	-
	33,781	33,779	67,560	35,596	40,846	76,442

Expenses of £285 were reimbursed to Trustees during 2022 (2021 - reimbursements of £680). No remuneration is paid to Trustees. The Trust had one employee (2021: one) during the year. This employee received employee benefits of more than £50,000 but less than £59,999.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

7 TANGIBLE FIXED ASSETS

	Fixtures and Fittings £
Cost	
At 1 January 2022	12,736
Additions	-
	<hr/>
At 31 December 2022	12,736
Depreciation	
At 1 January 2022	11,881
Depreciation charge	214
	<hr/>
At 31 December 2022	12,095
Net book value	
At 31 December 2022	<u>641</u>
At 31 December 2021	<u>855</u>

8 INVESTMENTS

Fixed asset investments, which are held to provide an investment return, represent securities listed on recognised stock exchanges, with the exception of unit trust investments.

All investments are carried at their fair value. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

	2022 £	2021 £
Market value at 1 January 2022	49,253,271	47,742,696
Acquisitions	14,118,700	40,724,559
Sale proceeds	(14,923,417)	(44,590,939)
Net change in market value	<u>(3,356,471)</u>	<u>5,376,955</u>
Market value at 31 December 2022	<u>45,092,083</u>	<u>49,253,271</u>
	<hr/>	<hr/>
Investments are analysed as follows:	£	£
UK investments	30,449,919	32,194,347
Overseas investments	<u>14,642,164</u>	<u>17,058,924</u>
	<u>45,092,083</u>	<u>49,253,271</u>
	<hr/>	<hr/>

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2022

8 INVESTMENTS (Continued)

	2022 £	2021 £
UK equities	17,077,421	18,788,740
Overseas equities	14,642,164	17,058,924
Other	6,721,932	7,390,377
UK fixed interest	<u>6,650,566</u>	<u>6,015,230</u>
	<u>45,092,083</u>	<u>49,253,271</u>

The historical cost of the investments at 31 December 2022 amounts to £43,936,23 (2021: £45,169,482).

The main risk to the Trust from financial instruments lies in the combination of uncertain investment markets and volatility in yield.

The Trustees have instructed their investment managers to invest the portfolio to maximise the long-term total return, whilst having regard to the level of risk stated below.

The Trustees have recognised that investing funds for real, long-term returns requires significant investment in equities and other assets which may involve an element of risk and that the asset values can and will fall at times.

The investment manager undertakes prudent investment suitable for a charitable trust in a broad investment portfolio to spread risk.

The investments made must only be in well-diversified readily-realizable investments which fall within categories permitted by the charity commission regulations or operational guidance and to such a degree as is permitted by regulations. This will reduce liquidity risk. The Trust does not hold investments in markets subject to exchange controls or trading restrictions.

The Trustees have set a Performance Objective and Composite Benchmark against which the investment managers will be compared. Additionally the Trustees compare the performance over rolling 3 year periods to the ARC Charity Indices. The capital value will be compared to a benchmark figure adjusted for inflation and any withdrawals.

9 DEBTORS

	2022 £	2021 £
Prepayments and accrued income	<u>4,250</u>	<u>5,078</u>
	<u>4,250</u>	<u>5,078</u>

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2022

10 CREDITORS - amounts falling due within one year	2022	2021
	£	£
Grants payable	2,062,900	3,341,966
Social security and other taxes	1,521	4,562
Accruals	5,569	28,404
	<u>2,069,990</u>	<u>3,374,932</u>
		Charitable Commitments Accrued £
Movements in provisions and funding commitments for grants during the year		
Grant commitments at the start of the year		3,341,966
New grant commitments charged to the SOFA in year		2,075,092
Grants paid during the year		<u>(3,354,158)</u>
Amount of grant commitments recognised as at 31 December 2022		<u>2,062,900</u>

11 TAXATION

The Trust is a registered charity and therefore is not subject to taxation.

12 RELATED PARTY TRANSACTIONS

A grant of £120,000 was allocated to The Ulysses Trust of which Sir Mark Mans is a Vice Patron for 2023. The grant agreed for 2021 was reduced by £118,226 due to the Trust being unable to complete some of its activities due to the Covid-19 pandemic.

Sir David Steel is patron of The Boleh Trust, which was allocated a grant of £30,000.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

13 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022	2021
	£	£
Net movement in funds	(4,906,353)	2,478,106
Add back depreciation charge	214	286
Deduct interest income shown in investing activities	(621,538)	(500,291)
Loss/(Gain) on investments	3,356,471	(5,376,955)
Decrease/(increase) in debtors	828	(103)
(Decrease)/increase in creditors	<u>(1,304,942)</u>	<u>1,511,084</u>
Net cash used in operating activities	<u><u>(3,475,320)</u></u>	<u><u>(1,887,873)</u></u>

14 CATEGORIES OF FINANCIAL ASSETS & LIABILITIES

	2022	2021
	£	£
Carrying amount of financial assets		
Financial assets that are debt instruments measured at amortised cost	-	-
Financial assets that are equity instruments measured at fair value through the statement of financial activities	<u>45,092,083</u>	<u>49,253,271</u>
Carrying amount of financial liabilities		
Financial liabilities measured at amortised cost	<u>2,069,990</u>	<u>3,374,932</u>

SPECIAL/CAPITAL GRANTS AND GRANTS AWARDED FROM SERVICES' ALLOCATIONS 2022

UNIT	PROJECT	COST (£)
Union Jack Club	Union Jack Club 3 Floor Refurbishment	85,000.00
Op Christmas Box	Op Christmas Box 2022	50,000.00
HQBF Gibraltar	Gunwharf - Replacement Boats	263,171.00
RAF Brize Norton	Integrated Welfare Facility	354,626.00
RAF Waddington	Carswell Club Refurbishment	69,000.00
HMS SULTAN	Wardroom Refurbishment	130,932.28
China Fleet Club	Glazing Replacement in Club Centre	108,528.73
Army Sailing Association	Army Offshore Sailing Centre - Relocation	1,000,000.00
Royal Gibraltar Regiment	RG Association Clubhouse Refurbishment	300,000.00
BOLEH Trust	BOLEH Trust	20,000.00

ROYAL NAVY

HMS Penzance	Replacing TV	500.00
RNRMMSA – Royal Navy Royal Marines Motorsport Association	Purchase of a grass roots trials vehicle for use with the Off Road Team (ORT)	875.00
HMS Vigilant Port	HMS Vigilant Treadmill	1,000.00
Royal Navy Senior Rugby XV	Royal Navy Senior XV Recreation Space	1,600.00
Commando Training Centre Royal Marines	Sgts Mess BeaverFit Frame	3,375.00
RNAS Culdrose	Audio /Visual Equipment - Bill Pearce Sports Pavillions	5,630.80
HMS Collingwood	HMS COLLINGWOOD Yacht Sea Nymph III	3,000.00
HMS Collingwood	Refurbishment of 1805 Club within Victory Squadron Phase 2 -HMS Collingwood	2,500.00
HMS Raleigh	HMS Raleigh Dojo Refurbishment	2,080.39
ASG RM	ASG SNCO Improvement	3,000.00
Headquarters British Forces Gibraltar	PRMC Staff Room	3,876.00
HMS Drake	Purchase of Power Lifting Combo Lift	1,071.20
MOD Caledonia	Junior Rates bar and communal areas development	3,455.00
HMS Spey	Request for media equipment for the embarked forces recreational area	525.00
HMS Sultan	HMS Sultan SARC - Recreational Facilities upgrade (2 x Areas)	3,800.00
Manchester URNU/ HMS Biter	AV Equipment	1,126.98
HMS Iron Duke	HMS IRON DUKE MESS REFURBISHMENT	15,000.00
Band of Her Majesty's Royal Marines Collingwood	RM Band Inlier's Communal Room	879.50
Exercise Inspire 22	Ex INSPIRE 22 (Interdisciplinary South Pole Innovation & Research Expedition)	4,166.00
HMS Raleigh	HMS RALEIGH Staff Hub	10,000.00

HMS Oardacious	HMS Oardacious Boat 2	15,000.00
HMS Collingwood	Floodlight Cover	2,100.00
HMS Nelson	Junior Rates Mess Refurbishment	6,000.00
HMS TRACKER	Mid-life Welfare Upgrade	2,900.00
Royal Navy American Football Association	Royal Navy American Football Association Helmet Application	2,500.00
HMS Lancaster	Reinvigoration of whole ship Entertainment	600.00
HMS Temeraire - RN Weightlifting and Powerlifting Associations	Weightlifting Platforms	2,009.00
HMS St Albans	HMS ST ALBANS Mess Deck Improvements	15,000.00
40 Commando Royal Marines	40 Commando officers' mess modernisation.	14,430.00
RAF Chicksands	Refurbishment of the Naval Intelligence Division	2,700.00
HMS Collingwood	Staff Crew room for RNLA East	4,502.99
RM Paddlesports Association	Kayak Trailer and V-Bars for Kayak Trailer	895.00
HMS Tyne	Contribution towards Wardroom Refurbishment and Bar	4,000.00
HMS Diamond	WO&SR Mess Refurbishment	2,598.52
RAF Chicksands	Community Centre Courtyard Project	6,154.00
RAF Chicksands	12 Hole Disc Golf Course	1,092.00

Total: 36 Units

ARMY

2 SCOTS	Purchase MTBs	£3,600
DSPG Southwick Park	Mindfulness Room	£465
R MON RE	Purchase MTBs	£3,600
102 Bn REME	Purchase MTBs	£3,600
105 Regt RA	Purchase Snowboards	£2,991
Strategic Command	Purchase iPads for SP in Quarantine at DA	£4,230
HQ SW	Purchase MTBs	£3,600
7 RIFLES	Purchase MTBs	£2,258
AISTC (S)	Replace Kitesurf Equipment	£3,877
AISTC (S)	Purchase 2000 Dinghy	£7,404
AISTC (S)	Purchase Wetsuits	£5,058
AISTC (S)	Purchase Windsurf Vehicle	£14,912
AISTC (S)	Replace Intermediate Windsurf Equipment	£11,320
AISTC (S)	Replace Start Windsurf Equipment	£8,313
AISTC (S)	Replace Foil Windsurf Equipment	£6,603
AISTC (S)	Purchase Windsurf Equipment	£3,171
AAC SA	Purchase Windsurf Foil Equipment	£7,500
AMS Windsurfing Club	Purchase Windsurf Equipment	£7,500
RAYC	Purchase Windsurf Equipment	£7,296
REYC (Offshore)	Purchase Replacement Mainsail for TROJAN	£6,412
REME Kart Team	Purchase Equipment for Kart Team	£6,912
ORC (A)	Purchase Equipment for Rowing Boat	£11,957
RCDM	Purchase MTBs	£3,951
AGC Snowboard Team	Purchase Snowboards	£3,609

32 Engr Regt	Purchase MTBs	£3,600
AHPA	Purchase Two Sets of Paragliding Wings	£3,975
AISTC(S)	Purchase Events Trailer	£5,076
AISTC(S)	Purchase 3 Outboard Motors	£1,502
AISTC(S)	Purchase 10 VHF Handheld Radios	£1,870
5 SCOTS	Purchase MTBs	£3,600
KRH	Purchase MTBs	£3,600
116 Pro Coy	Purchase MTBs	£3,040
RAF Akrotiri	Refurbish Bowl & Families Club	£15,000
9 Regt RLC	Snowboard	£2,957
25 Regt RLC	Minibus	£20,000
1 CG	Purchase MTBs	£2,806
14 Sig Regt	Purchase MTBs	£3,600
5 Regt RA	Purchase MTBs	£3,161
1 R Anglian	Minibus	£20,000
QRH	Purchase MTBs	£3,600
Int Corps	Snowboard	£3,000
14 Regt RA	Snowboard	£2,004
RAF Akrotiri	Purchase Aircraft	£7,000
PRU East	TVs for Accom Block	£5,000
Dhekelia Gn	Sunshade over Volleyball Court	£15,000
Chicksands Clay Target Club	Purchase 4 Clay Target Traps	£11,130
AISTC (S)	Purchase 2000 Dinghy	£8,837
RACYC	Purchase Eqpt for White Knight 7	£11,250
RLCSA	Purchase Windsurfing Eqpt	£7,635
RAYC	Purchase Kitesurfing Eqpt	£11,985
Epi Water Sports Centre	Purchase Kitesurfing Eqpt	£9,700
RAYC	Maintenance St Barbara V and Bombardier III	£9,000
HDSA	Replace Foresails Gladeye IV	£13,024
AISTC (S)	Purchase Wetsuits	£4,176
AISTC (S)	Replace Unservicable Boat Trailers	£9,000
AISTC (S)	Purchase 2 Safetyboats	£8,877
AISTC (S)	Purchase Kitesurfing Eqpt	£8,344
Army Rowing	Purchase 6 Training Sculling Boats	£8,743
Army Rowing	Purchase Racing Pair Boat	£8,574
Army Rowing	Purchase Coaching Launch	£7,706
AHPA	Purchase 3 Paragliders	£6,268
ASCR	Purchase Eqpt to Support Team	£5,125
Infantry Hockey Team	Purchase Strips and Balls	£1,266
QDG	Purchase MTBs	£5,200
208 FH	Purchase MTBs	£4,393
14 RA	Purchase Telemark Eqpt	£2,844
10 QOGLR	Purchase Snowboard Eqpt	£3,500
Infantry Sailing Assn	Purchase Replacement Foresail	£3,781
BATSUB	Purchase Furnishings for Angry Pirate	£10,000
BATSUB	Purchase Outboard Motor for PRI Vessel	£8,000
30 Sig Regt	Purchase MTBs	£5,120
9 Para RHA	Minibus	£25,000
RAF Digby	Purchase Furniture for E-Sports Room	£1,934

RA Snowboarding Assn	Purchase Equipment for RA Snowboarding	£3,500
12 RA	Purchase Snowboard Eqpt	£2,995
5 RA	Purchase Snowboard Eqpt	£2,507
1 Sig Regt	Purchase MTBs	£5,156
Brunel Garrison	Purchase MTBs	£5,200
BGN	Purchase MTBs	£5,200

Total: 79 Units

RAF

RAF Akrotiri	Astra Cinema replacement projector and sound system - Collaborative funding project, NAAFI £20k, BFBS £20K, Akrotiri £7,600, Nuffield Trust RAF £9,515.10, Army £6,343.40	9,515.10
RAF Brize Norton	ATC Tower new crew room welfare Items Sofa, Fridge, TV	1,371.00
Episkopi	New RHIB for Episkopi Services sailing club £9,929 Jointly funded Army NT £5,934, RAF £3,995.	3,995.00
RAF Cranwell	Purchase of 2 x Beehives and equipment to establish RAF Cranwell Beekeeper Society.	1,374.00
Ex Inspire 22	Payment for 1 x RAF participate on Ex Inspire 22 agreed at NT annual meeting to be funded from SS annual contribution.	4,166.00
RAF Coningsby	Pool table for Logs Sqn RAF Coningsby	411.75
140 EAW OP BILOXI	Welfare Items, fridges, microwaves, fire sticks, picnic benches, sports recreational equipment, for 140 EAW - Op Biloxi - Mihail Kogalniceanu airport	1,476.26
RAF St Mawgan	6 x Gaming Chairs for e-sports suite at RAF St Mawgan.	1,469.94
RAF Boulmer	Support to EX Squamish Rock RAFMA exped	772.03
RAF Netball	Equipment and kit purchase for Australia tour and next season	1,567.56
RAF Staxton Wold	Cinema/Recreation room equipment for Remote Radar Head Staxton Wold	6,735.46
RAF Cranwell	RAF Cranwell WOSM refurbishment project	10,000.00
RAF Leeming	34 Sqn RAF Regt welfare and conditioning area	9,979.79
DTIG Chicksands	DTIG Chicksands Disc Golf Project installation (Joint project Army £6,552, RN £1,092)	3,275.13
RAF Halton	RAF Halton Servicepersons Awaiting Trade Training accommodation entertainment welfare package for 2 x holding accommodation block communal areas.	6,965.49
Archery	Replacement targets	1,971.00
Athletics	Tug of War gantry	3,750.00
Badminton	Shuttle feeder machine	1,500.00
Basketball	Electronic scoreboard	4,500.00
Biathlon & Nordic	6 x skis @ £300 per pair	1,350.00
Canoeing	4x NAISH ONE 12'6 inflatable SUP Boards and equipment, 4x Red Sport Touring inflatable SUP Boards and equipment, Mid range development K2	5,859.00
Competitive Angling	Sea angling (rods & reels £1,250), Coase angling (nets £2,000)	2,438.00
Cresta	Replacement toboggans	3,000.00
Cricket	Training equipment	1,710.00
Equitation	Maintenance of XC jumps at Cranwell	1,500.00

Fencing	Replacement weapons (2,500), 2 x 'easypistes' and scoring box kits (£5,028)	5,646.00
Gliding & Soaring	Fitting of new FLARM linked variometers to K-21 fleet	3,750.00
Hang & Paragliding	3 x solo para rigs (£6,975), 1 x dual para rig (£3,900)	8,156.00
Ice Hockey	Skate sharpener	1,928.00
Martial Arts	4 x Kendo beginners pack (£442), 2 x Bogu [Kendo] (£544)	740.00
Motor Sports	1 x gazebo (rally-£5k), 1 x Axiom shelter (eMsports-£4k), 2 x eSports Hub rigs (eMsports-£5k), 10 x pedal&wheel kits (eMsports-£3k), 1 x gazebo (karting-£3k), 1 x race bike & equipment (MC Road racing-£4k), 1 x gazebo (MC Road racing £4.4k)	21,300.00
Olympic Weightlifting	Platform and weightbar	3,750.00
Polo	General contribution towards kit and equipment; sticks, helmets and ancillaries	1,500.00
Powerkiting	Safety craft upgrades - battery/powerpack (£5k) & instruction quivers (£3k)	6,000.00
Small Arms	Target - Rifle, slings and scopes	5,595.00
Sports Parachuting	Replacement of equipment	12,375.00
Table Tennis	New table	510.00
Waveriders	Replacement of surfboards and bodyboards	1,500.00
Polo	Kit, clothing, stirrups and helmets (revised Mar 2022 funding for playing kit and gloves)	1,272.33
Martial Arts	Go Pro cameras x 3	950.00
Swimming	Water polo equipment for RAF Gosford	4,875.00
WSAA	Alpine squads kit and equipment replacement (MAJOR GRANT))	44,175.00
Rowing	Replacement 8 boat (Association and RAF Central Fund also contributing to total cost £33k)	15,000.00
Athletics	Timing equipment - Awaiting further details	13,500.00

Total: 44 Units

RESERVES (ULYSSES TRUST) – ADVENTUROUS TRAINING & EXPEDITIONS

ARMY MOUNTAINEERING ASSOCIATION	1,000.00
151 REGIMENT RLC	500.00
CAMBRIDGE UOTC	2,100.00
DERBYSHIRE SECTOR ATC	106.00
DERBYSHIRE SECTOR ATC	157.00
131 CDO REGT RE	1,260.00
HQ LONDON DISTRICT	800.00
2 ROYAL IRISH	2,500.00
101 ENG REGT RE	1,350.00
YORKSHIRE OTR	4,000.00
23 PARA ENGINEER REGT	900.00
QUEENS UOTC	4,500.00
BRISTOL URNU/DTUS/RMR (RES)/RNR	3,000.00

151 REGT RLC	2,000.00
U of BIRMINGHAM A.Sqn	3,400.00
EAST MIDLANDS UOTC	3,760.00
EAST MIDLANDS UOTC	3,000.00
22 ENG REGT (LEAD UNIT)	1,000.00
SELY OAKTRUST SCHOOL CCF	123.00
BRISTOL UNIVERSITY AIR SQUADRON	3,000.00
37 SIGNAL	2,400.00
OXFORD UOTC	4,500.00
LONDON REGIMENT	7,000.00
NRHQ ROYAL ARTILLERY	7,500.00
EAST MIDLANDS UOTC	800.00
37 SIGNAL REGIMENT	4,200.00
GREATER LONDON (SOUTH SECTOR) ACF	49.00
BIRMINGHAM UOTC	3,500.00
EAST MIDLANDS UOTC	3,400.00
RWxY, SNIY, RY, QOY	250.00
71 ENGINEER REGIMENT	209.00
DERBYSHIRE ARMY CADET FORCE	300.00
CITY OF LIVERPOOL SEA CADET CORPS/ROYAL MARINE CADETS	79.00
156 REGIMENT RLC	1,000.00
EDUCATION AND TRAINING SERVICES AGC (ETS)	100.00
UNIVERSITY OF LONDON OTC	1,500.00
WALES UOTC	2,100.00
EAST MIDLANDS UOTC	1,800.00
BIRMINGHAM UOTC	1,500.00
NORTHUMBRIA UNIVERSITY UASq	500.00
CAMBRIDGE UNIVERSITY OTC	2,400.00
BIRMINGHAM UOTC	2,500.00
VARIOUS ESSEX-BASED ATC SQNS	50.00
CAMBRIDGE UOTC	3,200.00
ABERDEEN & TAILFORTH UOTC	2,800.00
CAMBRIDGE UOTC	2,200.00
EAST MIDLANDS UOTC	300.00
BURY & RADCLIFFE SCC	170.00
RAF BRIZE NORTON. RAuxAFs FROM VARIOUS UNITS.	554.00
U LONDON OTC	3,200.00
CITY OF EDINBURGH UOTC	1,000.00
SHROPSHIRE ACF	132.00
CUMBRIA ACF	269.00
DTUS-TYPHOON SQN	800.00
BRISTOL & GLOUCESTERSHIRE WING ATC	667.00
159 REGT RLC	700.00
ROSSALL SCHOOL CCF	750.00
ARMY-WIDE MAJOR EXPEDITION	2,500.00
UK RNR UNITS (MULTI)	1,000.00
HQ RAFAC	292.00
1163 (COLNE VALLEY SQN ATC	600.00

EAST MIDLANDS UOTC	960.00
32 SIGNAL REGIMENT	1,200.00
HQ REGIONAL COMMAND	150.00
105 REGT RA/EXETER UOTC	750.00
NORTHERN IRELAND UNIVERSITY AIR SQN	3,500.00
71 ENGINEER REGIMENT	2,600.00
3 ROYAL WELSH	500.00
CAMBRIDGE UOTC	3,000.00
BRISTOL & GLOUCESTERSHIRE WING ATC	2,700.00

Total: 71 Units

Grand Total: 230 Units

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

England & Wales - Charity number 210829

Accounts

Registered Number: 210829

**NUFFIELD TRUST FOR
THE FORCES OF THE CROWN**

FINANCIAL STATEMENTS

31 DECEMBER 2021

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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NUFFIELD TRUST FOR THE FORCES OF THE CROWN

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees

The Rt Hon Lord Arbuthnot of Edrom
The Rt Hon Lord Geidt of Crobeg GCB GCVO OBE QSO
Lieutenant General Sir Mark Mans KCB CBE DL
Air Marshal Sir Baz North KCB OBE
David Rosier MA (Oxon) (resigned 23/11/2021)
Vice Admiral Sir David Steel KBE DL
John Chatfeild-Roberts (appointed 23/11/2021)

General Secretary/Office of the Charity

Commander S E J David MBE RN (Rtd)
Magdala
Mill Lane
Titchfield
Hampshire
PO15 5RD

Bankers

Barclays Bank, Cheltenham Branch, Cheltenham and North Cotswold Group, 128 High Street, Cheltenham, Gloucestershire GL50 1EL.

Auditors

Messrs Pitt Godden & Taylor LLP, Unit 3 Ambrose House, Meteor Court, Barnett Way, Barnwood, Gloucester, GL4 3GG

Solicitors

Messrs Herbert Mallam Gowers, Solicitors of Oxford, 126 High Street, OX1 4DG.

Investment Managers

BlackRock Investment Management (UK) Ltd, 12 Throgmorton Avenue, London EC2N 2DL

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

REPORT OF THE TRUSTEES (Continued) FOR THE YEAR ENDED 31 DECEMBER 2021

TRUSTEE REPORT AND FINANCIAL STATEMENTS

The Trustee Report and Financial Statements for the year 1st January 2021 to 31st December 2021 have been prepared in accordance with the guidelines published by the Charity Commission. These guidelines are contained in the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The objective of the Trust is to promote the welfare and efficiency of the Forces of the Crown either by the provision of facilities for recreation or by any other means. The Trustees confirm that they comply with the duty in the Charities Act 2011 to have regard to the Charity Commission's general guidance on public benefit when carrying out the Trust's objective and aims and in grant making policy and awards.

The Trust's primary aim is to provide recreational and welfare amenities and facilities that are likely to be of lasting benefit to the Armed Forces but which are not provided by public funds and which are beyond the resources of other non-public funds. The Trust further aims to support units on operations and to benefit the maximum number of Service personnel whilst being mindful of the needs of smaller, less well-found sports associations and isolated units.

The Trust does not fundraise and, therefore, the Trustees aim for prudent stewardship of the Trust's assets to achieve Lord Nuffield's express wish that the Trust be maintained for such time as there is need. The Trustees judge that continuing restrictions on and shortfalls in the public funding of recreational facilities for the Armed Services mean that there will be a continuing, long-term need to meet.

GRANT MAKING POLICY

Under a Memorandum of Understanding between the Trust and the three Armed Services, grant applications for non-public (charitable) funding are scrutinised by the Armed Services, who make the decision on which might be suitable for funding from the Services' own charitable funds or by the Trust for the public benefit of promoting the welfare and efficiency of the Forces of the Crown.

At their November meeting the Trustees make a funding allocation to the Armed Services for the forthcoming year. That allocation is then sub-divided and paid to the Royal Navy, Army and Royal Air Force on a proportional basis relative to the Regular and Operational Reserve personnel numbers in each Service.

Each of the Services then applies for **Major Grants** (£15,001 to £50,000) from within their allocation. These applications are considered at the March Trustee meeting where the Trustees are joined by the serving Principal Personnel Officers of the Royal Navy, Army and Royal Air Force who are best qualified to advise on the relative priority of the various applications received. Approved Major Grants are paid by the individual Services from within their allocation. The balance of each Service's allocation is available for **Minor Grants** (up to £15,000 or £30,000 for mini-buses) which can be approved and paid by the individual Services from their allocations subject to the grant criteria agreed between the Trust and the Armed Services.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

REPORT OF THE TRUSTEES (Continued) FOR THE YEAR ENDED 31 DECEMBER 2021

GRANT MAKING POLICY (Continued)

Over and above the annual allocations to the Armed Services, the Trustees are also willing to consider Capital Grants (over £50,000) for projects from any Service, subject only to the project's suitability and the availability of funds. The Trust also makes special grants as circumstances require and gives Operational Welfare Grants with the object of providing a quick and flexible response to meet the particular needs of those serving in the Regular or Reserve forces deployed in an emergency to areas of conflict or disaster.

Additionally, the Trust makes an allocation to The Ulysses Trust which then considers and approves grants for Reservists or Reserve formations undertaking adventurous activity.

Grants made and the annual allocations are one-off donations to the applicants, all of which are charities in their own right.

ACHIEVEMENTS AND PERFORMANCE

The Charity's Trustees have had due regard to the Charity Commission's guidance on public benefit.

For 2021, the Trustees allocated £1,836,900 for grants (2020: £2,046,900) and £71,225 for administration (2020: £68,235).

Since 1939, grants paid out by the Trust for the direct benefit of those serving in the Armed Forces total some £67 million which would be valued at some £275 million at present day value.

One Special Grant (to the Boleh Trust), 2 Capital Grants, and 175 Major and Minor Grants were awarded from the Trust's allocations to the Services, and 28 Reservist grants were made by the Ulysses Trust. For information, a full list of grants made by the Trust or from delegated allocations is appended to this report. Grants were made to HM Ships and Naval Establishments; Royal Marine Units; Army Garrisons and Units and RAF Stations and Establishments (including Reserve Units) worldwide and to individual Sports Associations, Service Sports Clubs or teams of all three Services. All grants made were institutional and made to recipient formations with charitable status. The number of units supported in 2021 (207) was an increase from 2020 (165) reflecting the continuing demand for Trust support within the Armed Forces. However, the Ulysses Trust, which supports Reservist Adventurous Training (AT) and Expeditions, was again severely curtailed in its grant-making as a result of most expeditions/AT being cancelled or unable to be scheduled. However, in-year COVID-19 relaxations enabled over £85,000 of grants to be made by funds already forwarded to the Ulysses Trust. The November 2021 meeting of the Trustees again agreed to allow the remaining underspend to be carried forward to 2022. The Ulysses Trust hopes to increase grants to units significantly once COVID-19 restrictions are fully eased. On a more positive note, the RN and Army managed to spend their allocations. The RAF Sports Federation, which receives half of the annual allocation to the RAF, introduced a new capital spend plan spread over several years which, allied to COVID-19 restrictions, resulted in a large underspend for 2021. However, increased grant-making is expected in 2022.

The Trust has achieved its objective and measures its aims further by feedback from recipient units, their Commanding Officers and higher levels of the chain of command, including from the three Service Principal Personnel Officers.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

REPORT OF THE TRUSTEES (Continued) FOR THE YEAR ENDED 31 DECEMBER 2021

FINANCIAL REVIEW

The Trust receives its funding solely from its investment portfolio and bank interest. The Trust monitors monthly reports from the Investment Managers and the Trustees meet formally with the Fund Managers twice a year to review the performance of the Trust Funds and to ensure that investments held have been acquired in accordance with the powers of the Trustees and any directions they have given. Investment policy is reviewed annually by the Trustees.

The Trustees authorised the Fund Managers to hold any investment defined under the Financial Services Act 1986, subject only to the proviso that such investment and its degree was permitted by regulations or operational guidance given by the Charity Commission, within a prudent, widely diversified portfolio. The Trust does not set environmental, social or governance (ESG) policies for its Fund Managers, but adopts the overarching ESG policies set by BlackRock Investment Management (UK) Ltd for its Charities Investment Sector.

The performance of the Trust's portfolio is evaluated against a bespoke composite index. In a period of major global stock market volatility across 2021 due to the economic impact of COVID-19, as well as BREXIT implementation, the portfolio still saw an outturn of 12.89% (gross) in 2021 (against a composite benchmark index return of 13.44%), whilst the 3-year annualised return of 11.44% outperformed the benchmark by 1.22%, meeting the Trustees' objective of outperforming the composite benchmark by 1% annualised over 3 years. The Trustees also benchmark the Trust's 3-year rolling average capital value against its 1998 capital value adjusted for CPI (RPI before 2018) and capital grant expenditure. On that basis, the Trust's average capital value was £8.16 million above the benchmark (2020: £6.38 million).

At 31 December 2021 the Trust's investments were valued at £49,253,271 (2020: £47,742,696) after the withdrawal of £3,500,000 for grants and administration. On a dividends receivable basis, as required by the SOFA, the Trust's income for the year was £500,291 (2020: £87,141). This income comprised investment and property income. The increase in dividend income from 2020 is due to the Trust's portfolio allocation reverting back from accumulation share classes to income share classes which pay out a regular dividend to the investor.

The total investment management fees for 2021 were £222,887 (2020: £193,512) prior to the rebate.

RESERVES

In May 1997 the Charity Commission confirmed that both the capital and income of the fund could be expended on furthering the objects of the Charity. Given the structured nature of the Trust's grant-making procedures and the ability of the Trust to apply both capital and income to meet need, the Trustees do not designate specific reserve funds. The total amount of reserves held at 31 December 2021 was £49,398,615 (2020: £46,920,509) as there is no restriction in place. The amount of free cash reserves were £3,519,271 (2020: £1,040,520).

RISK MANAGEMENT

The Trustees at their meeting on 23rd November 2021 reviewed the major risks to which the charity was exposed and were satisfied that procedures had been established to manage these risks. Trustees were reminded of the risk from cyber-crime and advised to ensure that they were up-to-date with any training required.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

REPORT OF THE TRUSTEES (Continued) FOR THE YEAR ENDED 31 DECEMBER 2021

RISK MANAGEMENT - (continued)

The major risk arising from the performance of the investment portfolio and manager has been mitigated by using hedging policies and diversification of asset classes. The Trust receives monthly reports from the investment manager and a regular review of investment policies and performance is undertaken. This is underwritten by a written management agreement.

The Trust retains expert investment managers and the Trust's money is held separately from the Fund Manager's own.

PLANS FOR FUTURE PERIODS

As previously stated, the Trustees see a long-term need to continue grant-making activity in support of the morale of the Armed Services in furtherance of the late Lord Nuffield's endowment and express wishes. The Trustees seek the advice of the Principal Personnel Officers and the Central Funds of the Armed Services on the nature and extent of future grant requirements.

For 2022 the Trustees approved grants of £3,341,966, which included the annual allocations to the Services and Reserves of £972,900 as well as £2,369,066 for Capital projects.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trust is an unincorporated trust founded by the late Lord Nuffield in 1939 and originally operated under the terms of a Trust Deed made on the 14th October 1939. This was superseded by a Charity Commissioners' Scheme that was sealed on 13th February 1997.

The Trust Deed provides for 6 Trustees, 3 of whom should be officers or former officers of the Regular Armed Forces and 3 of whom should be persons who have a special knowledge of commerce, industry or finance. This structure reflects the original wishes of the Trust's founder. Trustees are appointed by the Board of Trustees and normally may serve until the age of 70 but, exceptionally, may serve beyond that age by Special Resolution of the Board of Trustees. There are no sub-committees of the Board. From 19th March 2013, by Special Resolution of the Board, Trustees appointed in the category of officers or former officers of the Regular Armed Forces may serve only for a maximum of 10 years.

New Trustees receive an induction pack which outlines the history, structure, objects and procedures of the Charity. In addition, new Trustees receive copies of the previous year's Minutes of Meetings and Trustee Report and Financial Statements plus Charity Commission publications relevant to their duties with the Trust and their prior experience of Trustee duties.

Trustees receive no remuneration and Trustee travel expenses are reported in the Notes to the Accounts. Potential conflicts of interest are declared at each Trustee meeting and where Trustees have an interest in or association with potential grant recipients they take no part in the grant decision.

The Trustee Board meets twice per year and all matters relating to the Trust's activities are decided by the Board, other than the following delegations:

- a. The day-to-day administration of the Trust, the processing of grant applications and the administration of grants is delegated to the General Secretary within a budget set and monitored by the Board.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

**REPORT OF THE TRUSTEES (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT - (continued)

- b. The processing and approval of Minor Grants and the payment of Major Grants approved by the Board are delegated to the Armed Services (see Grant-making Policy).

The General Secretary is the Trust's sole employee and the Trust is administered from the General Secretary's home. The General Secretary is employed under a contract benchmarked against the REWARD Survey of Charitable Salaries and comparator military salaries and benefits. Triennial reviews are carried out with the remuneration benchmarked against charitable salary surveys and comparator military salaries and benefits.

The current General Secretary decided not to take a Defined Contribution Pension, but instead receives a 12% increase in salary in lieu.

As part of its Grant-making activity, the Trust cooperates with Armed Services' unit charities, the major Central Charitable Funds of the 3 Armed Services and other Armed Services-related charities.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2021

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

The law applicable to charities in England and Wales requires the 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 its incoming resources and application of resources 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 applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping accounting records which 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 applicable Charities (Accounts and Reports) Regulations, 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.

Approved by the Trustees on 30th March 2022 and signed on their behalf by:

The Rt Hon Lord Arbuthnot of Edrom

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF THE NUFFIELD TRUST FOR THE FORCES OF THE CROWN

FOR THE YEAR ENDED 31 DECEMBER 2021

Opinion

We have audited the financial statements of The Nuffield Trust for the Forces of the Crown for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. 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 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 of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

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

INDEPENDENT AUDITORS' REPORT (Continued)

TO THE TRUSTEES OF THE NUFFIELD TRUST FOR THE FORCES OF THE CROWN

FOR THE YEAR ENDED 31 DECEMBER 2021

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires 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 and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 7, the Trustees are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- We identified the laws and regulations relevant to the charity from discussions with the secretary and from our knowledge of grant-making charities in similar sectors. The laws that we consider may have a direct material effect on the financial statements or the operation of the charity include the Charities Act 2011, employment, & data protection.

INDEPENDENT AUDITORS' REPORT (Continued)

TO THE TRUSTEES OF THE NUFFIELD TRUST FOR THE FORCES OF THE CROWN

FOR THE YEAR ENDED 31 DECEMBER 2021

- We ensured that the audit engagement team collectively has the appropriate competence, capabilities and skills to identify non-compliance with the applicable laws and regulations noted above.
- We assessed the extent of compliance with these laws and regulations through enquiries with the secretary and inspecting legal costs.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, and
- considering the internal controls in place to mitigate fraud risks and non-compliance with laws and regulation.

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

- performed analytical procedures to identify unusual or unexpected transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- reviewed a sample of transactions from the clients records for authorisation from the Trustees;
- reviewed the bank statements for evidence of review by the Trustees.

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

- agreeing financial statement disclosures to the underlying supporting documentation;
- reading the minutes as to actual and potential litigation and claims;
- checking for correspondence from the Charity Commission.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters which we are required to address

Your attention is drawn to the fact that the charity has prepared accounts in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

INDEPENDENT AUDITORS' REPORT (Continued)

**TO THE TRUSTEES OF
THE NUFFIELD TRUST FOR THE FORCES OF THE CROWN**

FOR THE YEAR ENDED 31 DECEMBER 2021

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 auditors' report and for no other purposes. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Pitt Godden & Taylor LLP
Chartered Accountants
Statutory Auditor**

30th March 2022

**Unit 3 Ambrose House
Meteor Court
Barnett Way
Barnwood
Gloucester
GL4 3GG**

Pitt Godden & Taylor LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

		Unrestricted Funds	Unrestricted Funds
	Note	2021 £	2020 £
INCOME			
- Investment income	2	500,291	87,141
Total income		500,291	87,141
EXPENDITURE			
Costs of raising funds:			
- Investment management costs	3	78,958	21,884
Expenditure on charitable activities:			
- Grants made	4	3,320,182	2,115,135
Total expenditure		3,399,140	2,137,019
Net (expenditure) before gains on investments		(2,898,849)	(2,049,878)
Net gain on investment assets	8	5,376,955	1,188,862
NET MOVEMENT IN FUNDS		2,478,106	(861,016)
Reconciliation of funds			
Total funds brought forward		46,920,509	47,781,525
Total funds carried forward		49,398,615	46,920,509

All amounts relate to continuing operations.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

**BALANCE SHEET
AS AT 31 DECEMBER 2021**

		Unrestricted funds	Unrestricted funds
	Note	2021 £	2020 £
FIXED ASSETS			
Tangible fixed assets	7	855	1,141
Investments	8	<u>49,253,271</u>	<u>47,742,696</u>
		49,254,126	47,743,837
CURRENT ASSETS			
Debtors	9	5,078	4,975
Cash at bank and in hand		<u>3,514,343</u>	<u>1,035,545</u>
TOTAL CURRENT ASSETS		3,519,421	1,040,520
LIABILITIES			
Creditors falling due within one year	10	<u>(3,374,932)</u>	<u>(1,863,848)</u>
NET CURRENT ASSETS/(LIABILITIES)		144,489	(823,328)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>49,398,615</u>	<u>46,920,509</u>
The funds of the charity			
Unrestricted income funds		<u>49,398,615</u>	<u>46,920,509</u>
TOTAL CHARITY FUNDS		<u>49,398,615</u>	<u>46,920,509</u>

Approved by the Board of Trustees for issue on 30th March 2022 and signed on its behalf by:

The Rt Hon Lord Arbuthnot of Edrom
Chairman

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 31 DECEMBER 2021

	Note	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Net cash used in operating activities	13	(1,887,873)	(2,399,254)
<i>Cash flows from investing activities:</i>			
Interest and dividends received		500,291	87,141
Proceeds from sales of investments		44,590,939	22,997,206
Purchase of investments		(40,724,559)	(21,821,000)
Net cash provided by investing activities		<u>4,366,671</u>	<u>1,263,347</u>
Change in cash and cash equivalents in the year		2,478,798	(1,135,907)
Cash and cash equivalent brought forward		<u>1,035,545</u>	<u>2,171,452</u>
Cash and cash equivalents carried forward		<u><u>3,514,343</u></u>	<u><u>1,035,545</u></u>

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of investments at market value, and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared in order to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent provided to provide a 'true and fair' view. The departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019.

The charity constitutes a public benefit entity as defined by FRS 102.

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

The financial statements are presented in Sterling which is the functional currency of the Charity. The figures are rounded to the nearest £.

The Charity is a Trust registered with the Charity Commission for England and Wales. The principal place of business is Magdala, Mill Lane, Titchfield, Hampshire PO15 5RD.

Income recognition

All income is recognised once the charity has entitlement to the income. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon the notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment manager of the dividend yield of the investment portfolio.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to the expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Overheads and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year on a basis consistent with use of the resources. The irrecoverable element of VAT is included with the item of expenses to which it relates.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES (continued)

Expenditure recognition

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

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

Governance costs comprise the costs of running the Charity, including strategic planning for its future development, external audit and all costs of complying with constitutional and statutory requirements, such as costs of Trustees' meetings and for preparing statutory financial statements and satisfying public accountability.

Administrative costs have generally been split on a 50:50 basis between support and governance costs to reflect the time spent by the General Secretary on each activity. All support and governance costs have been allocated to the main grant giving activity.

Charitable activities

The expenditure on charitable activities includes grants made, governance costs, and support costs.

Tangible fixed assets and depreciation

All assets costing more than £100 are capitalised and valued at historical cost. Depreciation is calculated to write off the cost less estimated residual value of tangible assets over their estimated useful lives at 25% reducing balance.

Investments

Investments comprise listed investments and are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price. All gains or losses on investments sold during the year are taken to the statement of financial activities as they arise. Realised gains and losses are calculated as the difference between sales proceeds and their opening carrying value or purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised gains and losses are combined in the Statement of Financial Activities.

The Charity does not acquire put options, derivatives, or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions.

Cash held by the investment managers is disclosed within cash at bank and in hand.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2021

1 ACCOUNTING POLICIES (continued)

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date, or if appropriate at the forward contract rate. Non-monetary assets denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of acquisition of the assets. Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction, or at the contracted rate if the transaction is covered by a forward exchange contract. All revaluation differences and realised foreign exchange differences are taken to the SOFA.

2 INVESTMENT INCOME

Investment income, representing income from UK and overseas assets, derive from:

	2021	2020
	£	£
Listed investments	500,104	84,889
Bank interest	187	2,252
	<u>500,291</u>	<u>87,141</u>

All income relates to unrestricted funds.

3 INVESTMENT MANAGEMENT COSTS

The investment management costs represent the fees chargeable to the portfolio by the investment managers during the year. These fees are offset by rebates of the management charges made on certain Blackrock in-house funds in year.

The investment management fee for certain BlackRock in-house funds are deducted internally on a daily basis within the price of the fund. These internal fees are offset against the Trust's Annual Management Fee calculation.

Consequently, the overall investment management costs are not recorded separately in these financial statements.

Notional investment management costs based on the percentage fee charges on the portfolio's average value in 2021 would amount to £222,887 (2020: £193,512) before the rebated offsets described above.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2021**

4 ANALYSIS OF CHARITABLE EXPENDITURE

The charity undertakes its charitable activities through grant making to the armed services.

	Grants funded activity £	Support and Governance costs £	Total £	Total 2020 £
Armed services	<u>3,243,740</u>	<u>76,442</u>	<u>3,320,182</u>	<u>2,115,135</u>

All expenditure relates to unrestricted funds. (2020 analysis: Grant funded activity - £2,046,900, Support and Governance costs - £68,235).

5 GRANTS

Grants comprise of allocations, awarded to the Services and other institutions, and capital & special grants (as described in the Grant Making Policy in the Report of the Trustees) and are analysed as follows:

	2021	2020
	£	£
Allocations:		
- Royal Navy	176,460	171,716
- Army	521,624	523,780
- Royal Air Force	164,816	167,404
- Reserve Forces	110,000	110,000
- Reserve Forces - adjustments to grants	(118,226)	(15,000)
Capital Grants:		
- Triservice	226,700	-
- Royal Navy	255,000	600,000
- Royal Air Force	432,366	264,000
- Army	1,300,000	200,000
- Boleh Trust	40,000	25,000
- Union Jack Club	85,000	-
- Operation Christmas Box	50,000	-
	<u>3,243,740</u>	<u>2,046,900</u>

Grants approved are included in the financial statements. To the extent that such grants are not fully expended, surpluses are credited to grant expenditure following completion or cancellation of the project which for the year amounted to £118,226 (2020 - £15,000).

The total number of capital and special grants actually paid during the year by the Trust and by each of the recipient Services or Institutions from within their allocations, from the allocation made in November 2020 are summarised:-

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

5 GRANTS - continued

	2021 No	2020 No
Boleh Trust	1	1
Interservice	1	1
Capital grant - Royal Navy	1	-
Capital grant - Royal Air Force	1	-
Royal Navy	68	58
Army	81	71
Royal Air Force	26	34
Ulysses Trust	28	2
	<u>207</u>	<u>167</u>

The detailed information for 2021 is set out in 'Special/capital grants and grants awarded from services allocations 2020', attached to these financial statements from page 25 onwards.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

6 SUPPORT COSTS AND GOVERNANCE COSTS

	Support costs 2021 £	Governance costs 2021 £	Total allocated 2021 £	Support costs 2020 £	Governance costs 2020 £	Total allocated 2020 £
Salaries (inc health insurance and Death in Service costs)	30,415	30,414	60,829	27,857	27,858	55,715
Employer's NI	1,553	1,553	3,106	1,205	1,205	2,410
Chairmans fund	1,239	1,240	2,479	-	-	-
Audit fees	-	4,800	4,800	-	4,800	4,800
Membership fee	-	280	280	-	373	373
Printing and stationery	603	602	1,205	817	817	1,634
Telephone	405	405	810	372	372	744
Insurance	-	170	170	-	265	265
Postage	162	163	325	117	118	235
Travelling and subsistence expenses	718	718	1,436	509	509	1,018
Website costs	252	252	504	194	194	388
Depreciation - office equipment	143	143	286	190	191	381
Bank charges	106	106	212	106	106	212
Computer upgrades	-	-	-	30	30	60
	35,596	40,846	76,442	31,397	36,838	68,235

Expenses of £680 were reimbursed to Trustees during 2021 (2020 - reimbursements of £nil). No remuneration is paid to Trustees. The Trust had one employee (2020: one) during the year. This employee received employee benefits of more than £60,000 but less than £69,999.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

7 TANGIBLE FIXED ASSETS

	Fixtures and Fittings £
Cost	
At 1 January 2021	12,736
Additions	-
	<hr/>
At 31 December 2021	12,736
Depreciation	
At 1 January 2021	11,595
Depreciation charge	286
	<hr/>
At 31 December 2021	11,881
Net book value	
At 31 December 2021	<u>855</u>
At 31 December 2020	<u>1,141</u>

8 INVESTMENTS

Fixed asset investments, which are held to provide an investment return, represent securities listed on recognised stock exchanges, with the exception of unit trust investments.

All investments are carried at their fair value,. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

	2021 £	2020 £
Market value at 1 January 2021	47,742,696	47,730,040
Acquisitions	40,724,559	21,821,000
Sale proceeds	(44,590,939)	(22,997,206)
Net change in market value	<u>5,376,955</u>	<u>1,188,862</u>
Market value at 31 December 2021	<u>49,253,271</u>	<u>47,742,696</u>
	<hr/>	<hr/>
Investments are analysed as follows:	£	£
UK investments	32,194,347	35,079,206
Overseas investments	<u>17,058,924</u>	<u>12,663,490</u>
	<u>49,253,271</u>	<u>47,742,696</u>
	<hr/>	<hr/>

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

8 INVESTMENTS (Continued)

	2021 £	2020 £
UK equities	18,788,740	27,507,011
Overseas equities	17,058,924	8,195,417
Other	7,390,377	6,755,417
UK fixed interest	6,015,230	5,284,851
	<u>49,253,271</u>	<u>47,742,696</u>

The historical cost of the investments at 31 December 2021 amounts to £45,169,482 (2020: £40,061,484).

The main risk to the Trust from financial instruments lies in the combination of uncertain investment markets and volatility in yield.

The Trustees have instructed their investment managers to invest the portfolio to maximise the long-term total return, whilst having regard to the level of risk stated below.

The Trustees have recognised that investing funds for real, long-term returns requires significant investment in equities and other assets which may involve an element of risk and that the asset values can and will fall at times. During 2021 following a review of the Strategic Asset Allocation, the Trust's portfolio was reverted back to income share classes from accumulation share classes.

The investment manager undertakes prudent investment suitable for a charitable trust in a broad investment portfolio to spread risk.

The investments made must only be in well-diversified readily-realizable investments which fall within categories permitted by the charity commission regulations or operational guidance and to such a degree as is permitted by regulations. This will reduce liquidity risk. The Trust does not hold investments in markets subject to exchange controls or trading restrictions.

The Trustees have set a Performance Objective and Composite Benchmark against which the investment managers will be compared. Additionally the Trustees compare the performance over rolling 3 year periods to the ARC Charity Indices. The capital value will be compared to a benchmark figure adjusted for inflation and any withdrawals.

9 DEBTORS

	2021 £	2020 £
Prepayments and accrued income	<u>5,078</u>	<u>4,975</u>
	<u>5,078</u>	<u>4,975</u>

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2021**

10 CREDITORS - amounts falling due within one year	2021	2020
	£	£
Grants payable	3,341,966	1,845,126
Social security and other taxes	4,562	1,756
Accruals	<u>28,404</u>	<u>16,966</u>
	<u>3,374,932</u>	<u>1,863,848</u>
		Charitable Commitments Accrued £
Movements in provisions and funding commitments for grants during the year		
Grant commitments at the start of the year		1,845,126
New grant commitments charged to the SOFA in year		3,223,740
Grants paid during the year		<u>(1,726,900)</u>
Amount of grant commitments recognised as at 31 December 2021		<u>3,341,966</u>

11 TAXATION

The Trust is a registered charity and therefore is not subject to taxation.

12 RELATED PARTY TRANSACTIONS

A grant of £110,000 was allocated to The Ulysses Trust of which Sir Mark Mans is a Vice Patron for 2022. The grant agreed for 2021 was reduced by £118,226 due to the Trust being unable to complete some of its activities due to the Covid-19 pandemic.

A grant of £85,000 was allocated to the Union Jack Club. Sir David Steel is president and Chairman of the Union Jack Club. Sir David Steel is also patron of The Boleh Trust, which was allocated a grant of £40,000.

NUFFIELD TRUST FOR THE FORCES OF THE CROWN

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

13 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net movement in funds	2,478,106	(861,016)
Add back depreciation charge	286	381
Deduct interest income shown in investing activities	(500,291)	(87,141)
(Gain) on investments	(5,376,955)	(1,188,862)
Decrease/(increase) in debtors	(103)	84,972
Increase/(decrease) in creditors	1,511,084	(347,588)
Net cash used in operating activities	(1,887,873)	(2,399,254)

14 CATEGORIES OF FINANCIAL ASSETS & LIABILITIES

	2021 £	2020 £
Carrying amount of financial assets		
Financial assets that are debt instruments measured at amortised cost	-	-
Financial assets that are equity instruments measured at fair value through the statement of financial activities	49,253,271	47,742,696
Carrying amount of financial liabilities		
Financial liabilities measured at amortised cost	3,374,932	1,863,848

SPECIAL/CAPITAL GRANTS AND GRANTS AWARDED FROM SERVICES' ALLOCATIONS 2021

UNIT	PROJECT	COST (£)
SBS Association	Resilience Centre	600,000.00
RAF Brize Norton	Junior Ranks Welfare Club – Refurbishment	264,000.00

ROYAL NAVY

HMS Scott	Entertainment system replacement	700.00
HMS Astute	First refurbishment of HMS Astute Senior rates mess in over 10 years, since build and commissioning.	3,200.00
Portsmouth Naval Gliding Centre	Essential Aircraft and Equipment Shelter at new operating base, AAC Middle Wallop	10,000.00
HMS Raleigh	Refurbishment of WOs SRs and SNCOs Mess	5,000.00
HMS Hurworth	REFURBISHMENT OF ALL RECREATIONAL AREAS WITHIN HMS HURWORTH	5,000.00
Commando Training Centre Royal Marines	Boxing Frame Rig (Ring) 7m by 3m	1,996.99
Episkopi Garrison	Unit Welfare Vehicle - NT Trl Service Bid	537.55
UKMCC Bahrain	All ranks Bar entertainment / Audio equipment / 65' TV	3,269.14
30 Commando Information & Exploitation Group Royal Marines	SRS - Deployable Physical Training Equipment	2,939.50
HMS Tyne	Entertainment Equipment	2,161.00
HMS Ledbury	Mess Improvements for the Wardroom	500.00
Royal Navy Paddlesports Association	RNPA Grassroots Kit Application - Kayaking & Canoes	2,417.50
Southampton URNU	Replace defective Mess Deck TV	380.00
HMS Kent	HMS KENT CSG 21 Deployment Support	3,000.00
Submarine Support Group	Submarine Support Group 1st Floor Senior Rates Mess Refurbishment	2,512.18
HMS Argyll	PO Mess - Audio Visual Upgrade.	450.00
HMS Sultan	Communal Area Revamp for Medics at HMS Sultan	1,000.00
Royal Navy Esports Association	Purchase of Computers to support Welfare Gaming rooms	3,705.60
Admiralty House	Rest Area Upgrade	1,120.00
HMS Northumberland	Wholeship Cinema	1,735.00
Commando Training Centre Royal Marines	Vessel "Catfish" replacement	5,000.00
HMS Somerset	Audio & Visual Equipment	5,000.00
Royal Navy & Royal Marines Cycling Association	Kit to Support Female Participation in Navy Cycling	1,900.00
Royal Navy Maritime Autonomous System Trials Team	Kitchen & BBQ Facilities	400.00
42 Commando Royal Marines	Furnishing Contact House (MQ Unit Number 1)	2,500.00

HMS Spey	Refurbishment of 3 messes	10,000.00
HMS Trenchant	Junior Rates Mess Improvements - Wolfe Building	1,788.50
HMS Scott	Whole ship cinema and sound system	1,249.00
Royal Naval School of Flight Deck Operations	RNSFDO communal breakout/rest area	1,972.94
HMS Drake	HMS DRAKE Jago's Bar Refurbishment	3,000.00
47 Commando Raiding Group	5 Bike Lockers	1,584.00
1st Mine Countermeasures Squadron	TV for MCM1 squadron divisional office	199.99
Commando Training Centre Royal Marines	NEW CORPS AMENITY CARAVAN	10,000.00
Maritime Information Exploitation Group HQ	Creation of Outdoor Space	1,250.00
HMS Ambush	HMS AMBUSH Mess Improvements	2,827.00
HMS Drake	HMS DRAKE WOs, SRs & SNCOs Mess Bar refurbishment.	10,000.00
820 Naval Air Squadron	820 NAS Crew Room Spaces	798.00
Commando Training Centre Royal Marines	AWNINGS FOR THE PATIO	1,127.00
HMS Nelson	Health and Wellbeing Suite	817.61
HMS Wildfire	Combined Recreational Space Refurbishment	3,931.27
HMS Astute	On Board Media System	1,500.00
Manchester URNU/ HMS Biter	Rec room refurbishment	1,805.97
Defence Diving School	Ratings staff room and kitchen revamp	1,390.00
University Royal Naval Unit Belfast	Establishment of the new University Royal Naval Unit in Belfast Northern Ireland	1,500.00
HMS Ledbury	Mess improvements	3,049.00
HMNB Clyde	MCM1, Project WILTON communal room.	1,500.00
Southern Diving Group	Southern Diving Unit Two (SDU2) - Media System	620.00
Autonomous Mine Hunting Squadron	Rest Room Refurbishment	1,240.00
HMS Mersey	HMS MERSEY Junior Rate's Mess Improvement	1,350.00
HMS Duncan	Wardroom Tech	850.00
Joint Force Command NATO Naples	Repurpose the JFC Naples UK community facility domestic kitchen for enhanced use by the UK Community.	3,757.00
SURFLOT E	SURFLOT support hub	2,372.00
HMS Sultan	764 Squadron Instructors Crew Room	4,200.00
HMS Westminster	Welfare Television Replacement Bid	1,437.00
Recruitment and Attraction	Rest Area Improvements	2,000.00
814 Naval Air Squadron	MCT Welfare Package - Habitability Items	2,300.00
HMS Cambria	Improvement of mess and recreational spaces within HMS Cambria	1,300.00
HMS Vigilant (Submarine not Crew)	Wardroom AV Equipment	1,443.64
Portsmouth Naval Gliding Centre	PNGC - glider support vehicle storage/maintenance shelter - purchase and erect	5,000.00
HMS Albion	Petty Officers Mess improvements	4,000.00
HMS Dauntless	Provision of TVs for JRs mess & WE Mess	1,100.00

HMS Prince of Wales	HMS PRINCE OF WALES Climbing Wall	7,000.00
HMS Victorious (Submarine not Crew)	Multi-Mess Multi-Media System.	1,775.97
HMS Vigilant (Submarine not Crew)	Uplift of media equipment within the Senlor rates onboard.	1,325.88
HMS Lancaster	Ships' Office Improvements - Rest Area	438.00
HMS Tamar	Sickbay Patient Improvement Project	1,174.32
HMS Drake	RNPHQ(W) Bar equipment	1,800.00
RNAS Yeovilton	JR's Bar Refurb	10,000.00

Total: 68 Units

ARMY

R MON RE	Purchase MTBs	3,600
HQ 51X	Purchase MTBs	3,600
102 Bn REME	Purchase MTBs	3,600
105 Regt RA	Purchase Snowboards	3,000
Strategic Command	Purchase iPads for SP In Quarantine at DA	4,200
HQ SW	Purchase MTBs	3,600
7 RIFLES	Purchase MTBs	3,600
AISTC (S)	Replace Kitesurf Equipment	3,877
AISTC (S)	Purchase 2000 Dinghy	7,404
AISTC (S)	Purchase Wetsuits	5,058
AISTC (S)	Purchase Windsurf Vehicle	15,000
AISTC (S)	Replace Intermediate Windsurf Equipment	11,320
AISTC (S)	Replace Start Windsurf Equipment	8,313
AISTC (S)	Replace Foil Windsurf Equipment	6,603
AISTC (S)	Purchase Windsurf Equipment	3,171
AAC SA	Purchase Windsurf Foil Equipment	7,500
AMS Windsurfing Club	Purchase Windsurf Equipment	7,500
RAYC	Purchase Windsurf Equipment	7,500
REYC (Offshore)	Purchase Replacement Mainsail for TROJAN	6,412
REME Kart Team	Purchase Equipment for Kart Team	6,912
ORC (A)	Purchase Equipment for Rowing Boat	11,957
RCDM	Purchase MTBs	3,951
AGC Snowboard Team	Purchase Snowboards	3,609
32 Engr Regt	Purchase MTBs	3,600
AHPA	Purchase Two Sets of Paragliding Wings	3,975
AISTC(S)	Purchase Events Trailer	5,076
AISTC(S)	Purchase 3 Outboard Motors	1,541
AISTC(S)	Purchase 10 VHF Handheld Radios	1,911
5 SCOTS	Purchase MTBs	3,600
KRH	Purchase MTBs	3,600
116 Pro Coy	Purchase MTBs	3,600
RAF Akrotiri	Refurbish Bowl & Families Club	15,000
9 Regt RLC	Snowboard	3,000
25 Regt RLC	Minibus	20,000
1 CG	Purchase MTBs	3,600
14 Sig Regt	Purchase MTBs	3,600

5 Regt RA	Purchase MTBs	3,600
1 R Anglian	Minibus	20,000
QRH	Purchase MTBs	3,600
Int Corps	Snowboard	3,000
14 Regt RA	Snowboard	3,000
RAF Akrotiri	Purchase Aircraft	7,000
PRU East	TVs for Accom Block	5,000
Dhekella Gn	Sunshade over Volleyball Court	15,000
Chicksands Clay Target Club	Purchase 4 Clay Target Traps	11,130
AISTC (S)	Purchase 2000 Dinghy	8,837
RACYC	Purchase Eqpt for White Knight 7	11,250
RLCSA	Purchase Windsurfing Eqpt	7,635
AISTC (S)	Purchase Windsurfing Eqpt	11,297
RAYC	Purchase Kitesurfing Eqpt	11,985
Epi Water Sports Centre	Purchase Kitesurfing Eqpt	9,700
RAYC	Maintenance St Barbara V and Bombardier III	9,000
HDSA	Replace Foresails Gladeye IV	13,747
AISTC (S)	Purchase Wetsuits	4,178
AISTC (S)	Replace Unserviceable Boat Trailers	9,047
AISTC (S)	Purchase 2 Safety boats	8,877
AISTC (S)	Purchase Kitesurfing Eqpt	8,559
Army Rowing	Purchase 6 Training Sculling Boats	8,743
Army Rowing	Purchase Racing Pair Boat	8,574
Army Rowing	Purchase Coaching Launch	7,706
AHPA	Purchase 3 Paragliders	6,033
ASCR	Purchase Eqpt to Support Team	5,125
Infantry Hockey Team	Purchase Strips and Balls	1,275
QDG	Purchase MTBs	5,200
208 FH	Purchase MTBs	5,200
14 RA	Purchase Telemark Eqpt	4,200
2 RGR	Purchase Telemark Eqpt	4,200
10 QOGLR	Purchase Snowboard Eqpt	3,500
Infantry Sailing Assn	Purchase Replacement Foresall	4,500
BATSUB	Purchase Furnishings for Angry Pirate	10,000
BATSUB	Purchase Outboard Motor for PRI Vessel	8,000
30 Sig Regt	Purchase MTBs	5,200
9 Para RHA	Minibus	25,000
13 Air Assault Sp Regt	Purchase MTBs	5,200
RAF Digby	Purchase Furniture for E-Sports Room	1,934
RA Snowboarding Assn	Purchase Equipment for RA Snowboarding	3,500
12 RA	Purchase Snowboard Eqpt	3,500
5 RA	Purchase Snowboard Eqpt	3,500
1 Sig Regt	Purchase MTBs	5,200
Brunei Garrison	Purchase MTBs	5,200
BGN	Purchase MTBs	5,200

Total: 81 Units

RAF

RAF Cranwell	Christmas Support to SP	250.00
RAF Brize Norton	Wellbeing and Wellness Garden (Army contribution (£1k) towards project).	13,620.00
RAF Brize Norton	Parachute Engineering Sqn- Sports Equipment and Games for a deployments "Go Bag".	901.50
Episkopi Garrison	Replacement Minibus (£16,216.22). Tri-service contribution; Army - £9,407.20, RN - £537.55 and RAF Contribution £6,271.47. (MAJOR GRANT)	6,271.47
Aldergrove	502 Sqn - Pool table maintenance kit and large games	405.00
Southwick Park	Defence School of Policing and Guarding (DSPG)- Set up a Resilience Room (Army contribution £465)	285.00
RAF Leeming	Gazebos for outside JRs SLA Blocks areas	10,000.00
RAF Portreath	Combined Mess Patio Furniture (Remote Radar Head)	765.00
Op Biloxi - Romania, Via RAF Brize Norton	Purchase of outdoor welfare items (BBQs, benches, parasols, darts board, sound system and board games) for Op Biloxi personnel. In conjunction with grants already made by RAFCF and Publicly funded items.	2,500.00
RAF Honington	JRs Welfare Facility - E-Gaming and ents equipment. Total project cost in excess of £11k with remainder from Stn LIG funds. Requested £4,478 but rounded down to £4k as items such as pictures and other small items excluded.	4,000.00
RAF Akrotiri	Bowling Alley & Fams Club (MAJOR GRANT)	21,500.00
RAF Marham	Officers Mess - Welfare items - BBQ, Patio Table & Chairs, Bar Stools, Pool Table, Wood baskets	2,200.00
RAF Cranwell	Daedalus Officers Mess - Outside space Garden refurbishment project	13,000.00
RAF Akrotiri	Aircraft replacement - Sale of 2 seat aircraft and purchase of 4 seat aircraft to increase club capacity (£19k). Joint service contribution; RAF 12K, Army £7K. (MAJOR GRANT)	12,000.00
RAF Brize Norton	E-Gaming facility RAF Brize Norton - club furniture and decoration	9,000.00
RAF Honington	Support for Outdoor Social Hub canopy cover - Portfolio Project - NAAFI £20k, RAF Ben Fund £5k - NT £2,384	2,384.40
RAF Valley	Provision of equipment for RAF Valley motor club - Tyre changer & wheel balancer, MIG welder, pressure washer.	3,292.14
RAF Digby	Provision of desks and chairs to RAF Digby Gaming welfare facility, jointly funded with the Army Nuffield Trust. £6,447.01 (RAF £4,512.90, Army £1,934.11)	4,512.90
RAF Equitation - Northolt Saddle Club	Renewal of Facilities	10,514.00
RAF Gliding	Contribution to new Gliding & Soaring transport equipment	6,000.00
Archery	Archery Targets	5,321.36
Power Kiting	Wing Foils	12,390.00
Tennis	Equipment	2,320.00
BLSA	Contribution to bobsled	12,000.00

Archery	Equipment	5,851.50
Hang & Paragliding	Equipment	10,598.29

Total: 30 Units

RESERVES (ULYSSES TRUST) – ADVENTUROUS TRAINING & EXPEDITIONS

SHEFFIELD UOTC & YORKSHIRE ATR	1,300.00
2344 (LONGBENTON) SQN ATC	121.00
HQ AIR CADETS	1,340.00
2344 (LONGBENTON) SQN ATC	51.00
EAST MIDLANDS UOTC	880.00
EAST MIDLANDS UOTC	930.00
OXFORD UOTC	2,000.00
65 ENGINEER REGT + OTHER AR UNITS	550.00
HQ RAFAC	208.00
14 X RNR UNITS	1,000.00
23 PARA ENG REGT. 3RSME	5,000.00
RESERVISTS. 2SECTOR. LONDON WING ATC	178.00
URNU UNITS	170.00
NORFOLK & SUFFOLK WING ATC	250.00
HMS DALRIADA (RNR)	150.00
579 FD SQN 101 ENG REGT	2,300.00
7 RIFLES	5,600.00
3 MI Bn	1,000.00
BRITANNIA ROYAL NAVAL COLLEGE	4,000.00
253 (NI) MED REGT	2,500.00
EAST MIDLANDS UOTC	1,250.00
E SQN SNIY	4,400.00
NRHQ RA	1,500.00
ARMY STAFF LEADERSHIP COLLEGE	1,200.00
ROSSALL SCHOOL CCF	920.00
6 RIFLES	800.00
CEUOTC	1,050.00
HCV A&S (HQ RA)	3,000.00

Total: 28 Units

Grand Total: 207 Units