

MRS M H ALLEN TRUST

KNOWN AS

THE FORCES TRUST

(As approved by the Charity Commission)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2021

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THE FORCES TRUST**Registered Charity No. 211529****REFERENCE AND ADMINISTRATIVE INFORMATION****TRUSTEES**

Captain Andrew P.C Niekirk, R Yeo
Lieutenant Colonel William D. Niekirk, R Sigs
Lieutenant General Richard E. Nugee CB CVO CBE
Mr Brooke E.V Bowater
Mr Andrew Alderson

CORRESPONDENCE ADDRESS

Lieutenant General R E Nugee CB CVO CBE
Drews Mill
Devizes
Wiltshire SN10 5LH

BANKERS

Rathbone Investment Management Ltd
Port of Liverpool Building
Pier Head, Liverpool L3 1NW

INVESTMENT MANAGERS

Rathbone Investment Management Ltd
Port of Liverpool Building
Pier Head
Liverpool L3 1NW

INDEPENDENT EXAMINERS

Dunkley's Chartered Accountants & Statutory Auditors
Woodlands Grange
Woodlands Lane
Bradley Stoke, Bristol BS32 4JY

THE FORCES TRUST

TRUSTEES' REPORT

The Trustees present their Report and Financial Statements for year ended 5 April 2021.

REFERENCE AND ADMINISTRATIVE INFORMATION

Details are shown on page 2.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The governing Document is the Will of Mrs Minnie Harriet Allen dated 22 February 1918. Mrs Allen died on 5 February 1924. The Trust is a registered Charity and is exempt from income tax and capital gains tax.

Working Name

The charity is registered as 'The Mrs MH Allen Trust'; the working name of the charity is 'The Forces Trust'.

Appointment of Trustees

The power of appointing new Trustees vests in the Trustees. The chair of trustees is responsible for the induction of any new trustee which involves a briefing on a trustee's responsibilities, the governing document, administrative procedures, the history of the trust and the philosophical approach of the charity. All trustees provide their services as trustees for free.

Key Management Personnel

The trustees consider that they comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis. The trustees receive no remuneration.

Related Party Transaction

There were no related party transactions during the period ending 5th April 2021.

Risk Management

The trustees have considered the risks that the Charity is likely to face in the coming year and have identified two potential areas of risk which are mitigated as indicated:

Risk: Severely reduced income

Loss in value of investments

Key mitigating controls already in place:

If required, payments to grant recipients could be reduced or suspended

Risk: Reputation

Conflicts of interests

Support to controversial causes

Charges of discrimination, unfairness or breach of trust

Failure to make awards in keeping with the ethos, values and objectives of the Trust

Key mitigating controls already in place:

Conflict of interest policy and meeting declarations by attendees

Public statement of themes and guidelines accessible via the Trust's website

THE FORCES TRUST

TRUSTEES' REPORT

OBJECTIVES AND ACTIVITIES IN THE YEAR

Under the terms of the Will the Trustees shall stand possessed of the Trust Fund upon trust to pay or distribute the capital or income for such Naval and/or Military Charities or institutions and in such proportions as they may in their absolute discretion from time to time select.

The Trustees consider possible charitable beneficiaries subject to the restrictions imposed by Mrs M.H. Allen's Will that only Naval and/or Military Charities are able to benefit from the Trust. Generally, the Trustees are more inclined, for the time being, to benefit Service Charities that assist the individual rather than those that support buildings and property.

The Trustees met in January 2021 virtually, although it was suggested that every effort would be made to meet in person in 2022. A detailed discussion took place on the ESG rating of all the stocks in the portfolio and it was agreed that the environmental reporting on each category would follow Rathbones' formal mechanism for reporting, put in place in 2021.

The funds to be distributed were agreed to a total of £40,000 and £10,000 to the Centenary Fund (to be distributed in 2024), to continue to be invested in Fundsmith. The distribution of the Centenary Fund was discussed, and a short list of potential beneficiaries was proposed. The Trustees agreed to continue to fund The Not Forgotten and Mission Motorsport but were particularly pleased to be able to support Scotty's Little Soldiers and the Naval Children's Charity, with a focus on supporting children this year. The Trustees also agreed to support Blind Veterans (UK) through the continuing pandemic, providing online support to those blinded.

PUBLIC BENEFIT

In meeting the objectives, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and consider that all grants made meet this guidance.

FINANCIAL REVIEW

The results for the year are shown on page 7. The charitable grants listed on page 12 were allocated during the year and were paid in the year to 5 April 2021. The total grant spend in the 2020/21 accounts is £40,000. As this is in line with the agreed annual distribution of income, the Trustees remain satisfied with the state of the Trust's affairs. At 5th April 2021 the investment portfolio showed an increase on the prior year of 18.6% (2020: decrease of 10.9%).

Reserves Policy

The Trustees have resolved that, since there was no provision made in the Will of Mrs M.H. Allen for a permanent endowment fund to be established, they are able to regard the whole of their investment portfolio together with divested Capital cash as expendable endowment for the purposes of the Trust. The Capital Fund disclosed in the Financial Statements has resulted from the original bequest together with reinvested gains and surpluses less capital costs. The Trustees usually expend the majority of the income arising year on year. The reserves policy was amended in January 2019 to increase the income available to be able to increase funds to be dispersed, to about a maximum of £50,000 a year.

THE FORCES TRUST

TRUSTEES' REPORT

Investment Policy

The investment policy had been reviewed and will be amended in line with a modified reserves policy and following advice from the Trust's investment managers.

Professional Advisers and Bankers

Following the appointment of Rathbones Investment Management Ltd in June 2013, Rathbones continue to act as the trust's investment managers and bankers.

FUTURE PLANS

In line with the Revised Investment Policy, the Trustees determined that an increased level of Reserves should be achieved in order to increase substantially the amount that can be distributed in line with the Objects of the Charity. In the short term (2 years) this would be through a combination of a slightly reduced annual expenditure to acceptable levels, in order to meet the targets within the investment policy. The policy would be reviewed for the performance and direction on a regular basis.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Law applicable to charities in England and Wales requires the Trustees to prepare Financial Statements for each financial year which gives a true and fair view of the Trust's financial activities during the year and of its financial position at the end of the year. In preparing Financial Statements giving a true and fair view, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the policies are in accordance with applicable accounting standards;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Trust and which enable them to ensure that the Financial Statements comply with the applicable law. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and irregularities.

R.E. Nugee		(Trustee)
A.P C Niekirk		(Trustee)
W. D Niekirk		(Trustee)
B.E.V Bowater		(Trustee)

Date: 14.01.22

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MRS M H ALLEN TRUST, OPERATION UNDER THE NAME "THE FORCES TRUST"

I report to the charity trustees on my examination of the accounts of Mrs M H Allen Trust, operating under the name 'The Forces Trust' ("the Trust") for the year ended 5 April 2021.

RESPONSIBILITIES AND BASIS OF REPORT

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

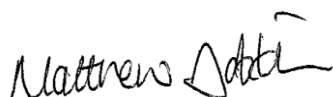
I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

INDEPENDENT EXAMINER'S STATEMENT

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Matthew Dobbins FCA
Dunkley's
Woodlands Grange
Woodlands Lane
Bradley Stoke
Bristol
BS32 4JY

Date:19/01/2022.....

The Forces Trust
Statement of Financial Activities
For the year ended 5 April 2021

The Forces Trust
Comparative Statement of Financial Activities
For the year ended 5 April 2020

Income	Notes	Capital Fund		Centenary Fund		Income Fund		2020	
		£		£		£		£	
		Unrestricted		Unrestricted		Unrestricted		Unrestricted	
Government Stocks		-	-	32	32	-	-	31	31
Other Fixed Interest Stocks		-	-	354	354	-	-	5,962	5,962
Equities		-	-	43,068	43,068	-	-	34,137	34,137
Unit Trusts		-	-	7,885	7,885	-	-	6,755	6,755
Deposit Interest		-	-	51,339	51,339	-	-	46,885	46,885
Total Income		-	-	51,339	51,339	-	-	47,076	47,076
Expenditure									
Raising Funds from Charitable Activities									
Investment Management Fees		11,404	-	-	11,404	11,005	-	-	11,005
Charitable Grants	6	-	-	40,000	40,000	-	-	40,000	40,000
Meeting Expenses		42	-	42	84	113	-	113	226
Other Expenditure									
Accountancy and Independent Examination Fee		583	-	583	1,166	622	-	622	1,244
Realised (gains) on investments	2	(70,756)	-	-	(70,756)	(90,245)	-	-	(90,245)
Unrealised (gains) / losses on investments	2	(113,437)	-	-	(113,437)	236,463	-	-	236,463
Total Expenditure		(172,164)	-	40,625	(131,539)	157,958	-	40,735	198,693
Net Income/(Expenditure)		172,164	-	10,714	182,878	(157,958)	-	6,341	(151,617)
Transfer between funds									
		-	15,939	(15,939)	-	-	10,000	(10,000)	-
Funds at 6 April 2020 Brought Forward		1,291,239	20,000	105,310	1,416,549	1,449,197	10,000	108,969	1,568,166
Funds at 6 April 2021 Carried Forward		1,463,403	35,939	100,085	1,599,427	1,291,239	20,000	105,310	1,416,549

The notes on pages 9 to 12 form part of these Financial Statements

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The Forces Trust
Balance Sheet
At 5 April 2021

	Note	Capital Fund £	Income Fund £	2021 £	2020 £
Investments	2	<u>1,425,443</u>	<u>135,450</u>	<u>1,560,893</u>	<u>1,350,659</u>
Current Assets					
Cash at Bank	3	41,422	1,150	42,572	69,461
Creditors	4	3,462	576	4,038	3,571
Net Current Assets		<u>37,960</u>	<u>574</u>	<u>38,534</u>	<u>65,890</u>
		<u>1,463,403</u>	<u>136,024</u>	<u>1,599,427</u>	<u>1,416,549</u>
Representing:					
Capital Fund					
Investment fund		1,463,403	-	1,463,403	1,291,239
Income Funds					
Centenary		-	35,939	35,939	20,000
Income		-	100,085	100,085	105,310
Fund Balances	7	<u>1,463,403</u>	<u>136,024</u>	<u>1,599,427</u>	<u>1,416,549</u>

All Funds are unrestricted

The notes on pages 9 to 12 form part of these Financial Statements.

Approved by the Trustees on: 14th Jan 2022

A.P.C Niekirk

W.D Niekirk

R.E Nugee

B.E.V Bowater

THE FORCES TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021

1. ACCOUNTING POLICIES

Accounting convention

These accounts have been prepared for the year to 5th April 2021.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared 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) (Charities SORP FRS 102) issued on 1 January 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011. The date of transition to the Charities SORP FRS 102 was 1 April 2016. The charity constitutes a public benefit entity as defined by FRS 102. The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the trustees to make significant judgements and estimates. The principal item in the accounts where a judgement or an estimate has been made is in respect to estimating future income and expenditure flows to enable the Trustees to assess the impact of the Covid-19 pandemic on the charity's financial position and going concern (see below).

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements and in light of the recent Covid-19 pandemic. While the Trust's income may be impacted, the Trust is able to exercise a significant degree of control over its expenditure. The Trustees will continue to keep both income and expenditure under review.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Income

All income is included on the Statement of Financial Activities when the charity is legally entitled to the income, it is probable that it will be received and the amount can be quantified with reasonable accuracy.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Governance and administration costs are apportioned equally between the capital and income funds, investment management fees are allocated wholly to the capital fund and grants awarded are allocated wholly to income funds. Grant expenditure - a constructive obligation for grants payable exists once it has been communicated to the recipient. Upon the obligation existing, where payment is probable and can be measured reliably, the entire grant is accounted for in the Statement of

THE FORCES TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021

Financial Activities, less any amounts that rely upon the recipient meeting performance-related conditions.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Investments

Quoted investments have been valued at market value at the Balance Sheet date. Unrealised and realised investment gains and losses are shown net in the Statement of Financial Activities. Realised gains and losses are calculated by reference to the original cost and the sale proceeds.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund accounting

The Trustees have resolved that, since there was no provision made in the Will of Mrs M.H. Allen for a permanent endowment fund to be established, they are able to regard the whole of their investment portfolio together with divested Capital cash as expendable endowment for the purposes of the Trust. The Capital Fund disclosed in the Financial Statements has resulted from the original bequest together with reinvested gains and surpluses less capital costs. It was agreed in January 2019 that the Trust would set up a Designated Fund under the title of the Centenary Fund, to be invested and reported on as a separate part of the overall investments so that in 2024, the centenary of the death of Mrs M H Allen, a much larger than normal fund would be available to disperse. £10,000 is to be set aside this year, with the intent to set aside £10,000 a year for 5 years, enabling a lump sum of £50,000+ or a total of about £100,000 to be dispersed as a mark of the centenary. In the year to 5 April 2021 a further £10,000 was transferred to the Centenary fund, held in the Fundsmith LLP Investment Fund; with income gains, the balance on the fund now stands at £35,939.

Statement of cash flows

The financial statements do not include a statement of cash flows because the charity is exempt from the requirement to prepare such a statement under the Charities SORP FRS 102 Update Bulletin 1.

The Forces Trust
Notes to the Financial Statements
For the year ended 5 April 2021

2. Investments	2021		2020	
	£	£	£	£
Market Value 6 April 2020		1,350,659		1,515,744
Cost of Investments acquired	326,390		422,296	
Proceeds of Investments sold	<u>(300,349)</u>		<u>(441,163)</u>	
		<u>26,041</u>		<u>(18,867)</u>
Net cash invested/(disinvested)		1,376,699		1,496,877
Realised gains in the year	70,756		90,245	
Unrealised gains/(losses) in the year	<u>113,437</u>		<u>(236,463)</u>	
		<u>184,193</u>		<u>(146,218)</u>
Market Value 5 April 2021		<u>1,560,893</u>		<u>1,350,659</u>

The Forces Trust
Notes to the Financial Statements
For the year ended 5 April 2021

3. Cash Balances	Capital Fund	Income Fund	2021 Total	2020
	£	£	£	£
Brokers' Accounts	41,422	1,150	42,572	69,461
	<u>41,422</u>	<u>1,150</u>	<u>42,572</u>	
Brokers' Accounts 2020	<u>67,637</u>	<u>1,824</u>	<u>69,461</u>	

4. Creditors	Capital Fund	Income Fund	2021 Total	2020
	£	£	£	£
Accountancy and Independent Examiners Fee	576	576	1,152	1,140
Investment Manager's Fees	<u>2,886</u>	<u>-</u>	<u>2,886</u>	<u>2,431</u>
	<u>3,462</u>	<u>576</u>	<u>4,038</u>	<u>3,571</u>
Creditors 2020	<u>3,001</u>	<u>570</u>	<u>3,571</u>	

5. Trustees

Trustee reimbursement for out of pocket expenses was £84 (2020 - £226)
No trustees were paid any remuneration or receive any benefit from the charity.

The Forces Trust

Notes to the Financial Statements

For the year ended 5 April 2021

6. Charitable Grants	Charity Number	2021 £	2020 £
Blind Veterans UK	216227	4,500	-
Erskine	SC006609	-	5,000
First Light Trust	1149496	-	5,000
Mission Motorsport - Race, Retain, Recover	1146159	15,000	15,000
Naval Children's Charity	1160182	4,500	-
Sandes	250718	-	9,000
Scotty's Little Soldiers	1170528	10,000	-
The Not Forgotten Association	1150541	6,000	6,000
		<u>40,000</u>	<u>40,000</u>

7. Funds	Capital Fund £	Centenary Fund £	Income Fund £	2021 Total £
Funds at 6 April 2020 Brought Forward	1,291,239	20,000	105,310	1,416,549
Income	-	-	51,339	51,339
Expenditure	(12,029)	-	(40,625)	(52,654)
Realised and Unrealised Gains on Investments	184,193	-	-	184,193
Transfer between funds	-	15,939	(15,939)	-
Funds at 5 April 2021 Carried Forward	<u>1,463,403</u>	<u>35,939</u>	<u>100,085</u>	<u>1,599,427</u>

8. Net Assets of the Funds	Capital Fund £	Centenary Fund £	Income Fund £	2021 Total £
Investments	1,425,443	35,939	99,511	1,560,893
Current Assets	37,960	-	574	38,534
Funds at 5 April 2021 Carried Forward	<u>1,463,403</u>	<u>35,939</u>	<u>100,085</u>	<u>1,599,427</u>

	Capital Fund £	Centenary Fund £	Income Fund £	2020 Total £
Investments	1,226,603	20,000	104,056	1,350,659
Current Assets	64,636	-	1,254	65,890
Funds at 6 April 2020 Brought Forward	<u>1,291,239</u>	<u>20,000</u>	<u>105,310</u>	<u>1,416,549</u>