

**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 2022**

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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 2022.

#### 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 5<sup>th</sup> April 2022(2021 none).

##### Trustees Expenses

There were £414 Trustee expenses in the year (£84 in 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 person in January 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 average score across the portfolio was 2.1, making it an AA rating for the whole portfolio. This was deemed acceptable.

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 Walking with the Wounded but were particularly pleased to be able to focus support generally on Service families through Little Troopers and Forces Wives Challenge, with substantial amounts to each.

#### 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 2022. The total grant spend in the 2021/22 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 5<sup>th</sup> April 2022 the investment portfolio showed an increase on the prior year of 6.8% (2021: decrease of 18.6%).

#### 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 unrestricted reserves held at year end is £1,710,578 (£1,599,427 in 2021).

## 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 if at all possible, the amounts given out to charities should remain a constant for the foreseeable future (a total of £50,000 a year), and that the funds under management should be grown as far as possible. This was reinforced by the performance of the funds which were comfortably over CPI and benchmark. However, the rise of inflation in the US (to 7%), which might affect UK inflation as well, was noted and it was observed that this was above the optimal level.

### 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)

W. D Niekirk



(Trustee)

17<sup>th</sup> January 2023

Date:

**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 2022.

**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 Chartered Accountants & Statutory Auditors  
Woodlands Grange  
Woodlands Lane, Bradley Stoke  
Bristol, BS32 4JY

Date 20 January 2023

The Forces Trust  
Statement of Financial Activities  
For the year ended 5 April 2022

Income	Capital Fund	Centenary Fund	Income Fund	2022	2021
	Notes	£	£	£	£
		Unrestricted	Unrestricted		
Government Stocks		-	-	34	32
Other Fixed Interest Stocks		-	-	1,840	354
Equities		-	-	47,656	43,068
Unit Trusts		-	-	7,670	7,885
		-	-	57,200	51,339
Deposit Interest		-	-	-	-
<b>Total Income</b>		-	-	<b>57,200</b>	<b>51,339</b>

**Expenditure**

**Raising Funds from Charitable Activities**

Investment Management Fees	12,229	-	-	12,229	11,404
Charitable Grants	6	-	-	40,000	40,000
Meeting Expenses	207	-	-	414	84

**Other Expenditure**

Accountancy and Independent Examination Fee	448	-	-	448	1,166
Realised (gain) on investments	2	(27,234)	-	(27,234)	(70,756)
Unrealised (gain) on investments	2	(76,870)	(3,386)	(80,256)	(113,437)
<b>Total Expenditure</b>		<b>(91,220)</b>	<b>(3,386)</b>	<b>(53,951)</b>	<b>(131,539)</b>

<b>Net Income</b>		<b>91,220</b>	<b>3,386</b>	<b>111,151</b>	<b>182,878</b>
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**Transfer between funds**

		-	-	-	-
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<b>Funds at 6 April 2021 Brought Forward</b>		<b>1,463,403</b>	<b>35,939</b>	<b>100,085</b>	<b>1,416,549</b>
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<b>Funds at 6 April 2022 Carried Forward</b>		<b>1,554,623</b>	<b>49,325</b>	<b>1,710,578</b>	<b>1,599,427</b>
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The notes on pages 9 to 12 form part of these Financial Statements

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

Income	Capital Fund	Centenary Fund	Income Fund	2021
	Notes	£	£	£
		Unrestricted	Unrestricted	
Government Stocks		-	-	32
Other Fixed Interest Stocks		-	-	354
Equities		-	-	43,068
Unit Trusts		-	-	7,885
		-	-	51,339
Deposit Interest		-	-	-
<b>Total Income</b>		-	-	<b>51,339</b>

**Expenditure**

**Charitable Activities**

Investment Management Fees	11,404	-	-	11,404
Charitable Grants	-	-	-	40,000
Meeting Expenses	42	-	-	42

**Other Expenditure**

Accountancy and Independent Examination Fee	583	-	-	583
Realised (gain) on investments	(70,756)	-	-	(70,756)
Unrealised (gain) on investments	(113,437)	-	-	(113,437)
<b>Total Expenditure</b>	<b>(172,164)</b>	<b>-</b>	<b>40,625</b>	<b>(131,539)</b>

<b>Net (Expenditure)/Income</b>		<b>172,164</b>	<b>-</b>	<b>182,878</b>
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**Transfer between funds**

		-	-	(15,939)
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<b>Funds at 6 April 2020 Brought Forward</b>		<b>1,291,239</b>	<b>20,000</b>	<b>105,310</b>
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<b>Funds at 6 April 2021 Carried Forward</b>		<b>1,463,403</b>	<b>35,939</b>	<b>100,085</b>
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The notes on pages 9 to 12 form part of these Financial Statements

**The Forces Trust  
Balance Sheet  
At 5 April 2022**

	Note	Capital Fund £	Income Fund £	2022 £	2021 £
<b>Investments</b>	2	<u>1,523,612</u>	<u>154,205</u>	<u>1,677,817</u>	<u>1,560,893</u>
<b>Current Assets</b>					
Cash at Bank	3	31,011	3,100	34,111	42,572
<b>Creditors</b>	4	-	1,350	1,350	4,038
<b>Net Current Assets</b>		<u>31,011</u>	<u>1,750</u>	<u>32,761</u>	<u>38,534</u>
		<u>1,554,623</u>	<u>155,955</u>	<u>1,710,578</u>	<u>1,599,427</u>
<b>Representing:</b>					
<b>Capital Fund</b>					
Investment fund		1,554,623	-	1,554,623	1,463,403
<b>Income Funds</b>					
Centenary		-	49,325	49,325	35,939
Income		-	106,630	106,630	100,085
<b>Fund Balances</b>	7	<u>1,554,623</u>	<u>155,955</u>	<u>1,710,578</u>	<u>1,599,427</u>

All Funds are unrestricted

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

Approved by the Trustees on:

17 January 2023

W.D Nickirk



R.E Nugge





**THE FORCES TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 5 APRIL 2022**

**1. ACCOUNTING POLICIES**

**Accounting convention**

These accounts have been prepared for the year to 5<sup>th</sup> April 2022.

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 in 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011. 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 and subsequent global events 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 and subsequent global events. 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 2022**

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 2022 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 £49,325.

**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.

**The Forces Trust**  
**Notes to the Financial Statements**  
**For the year ended 5 April 2022**

<b>2. Investments</b>	<b>2022</b>		<b>2021</b>	
	£	£	£	£
Market Value 6 April 2021		1,560,893		1,350,659
Cost of Investments acquired	149,765		326,390	
Proceeds of Investments sold	<u>(140,331)</u>		<u>(300,349)</u>	
		9,434		26,041
Net cash invested/(disinvested)		1,570,327		1,376,700
Realised gains in the year	27,234		70,756	
Unrealised gains/(losses) in the year	<u>80,256</u>		<u>113,437</u>	
		107,490		184,193
Market Value 5 April 2022		<u>1,677,817</u>		<u>1,560,893</u>

<b>3. Cash Balances</b>	<b>Capital Fund</b>	<b>Income Fund</b>	<b>2022 Total</b>	<b>2021</b>
	£	£	£	£
Brokers' Accounts	31,011	3,100	34,111	42,572
	<u>31,011</u>	<u>3,100</u>	<u>34,111</u>	
Brokers' Accounts 2021	41,422	1,150	42,572	

<b>4. Creditors</b>	<b>Capital Fund</b>	<b>Income Fund</b>	<b>2022 Total</b>	<b>2021</b>
	£	£	£	£
Accountancy and Independent Examiners Fee	675	675	1,350	1,152
Investment Manager's Fees	-	-	-	2,886
	<u>675</u>	<u>675</u>	<u>1,350</u>	<u>4,038</u>
Creditors 2021	3,462	576	4,038	

## The Forces Trust

## Notes to the Financial Statements

For the year ended 5 April 2022

6. Charitable Grants	Charity Number	2022 £	2021 £
Blind Veterans UK	216227	-	4,500
Forces Wives Challenge	11976449	10,000	-
Wings for Warriors	1148093	6,000	-
Little Troopers	1149258	10,000	-
Mission Motorsport - Race, Retain, Recover	1146159	-	15,000
Naval Children's Charity	1160182	-	4,500
Walking with the wounded	1153497	8,000	-
Scotty's Little Soldiers	1170528	-	10,000
The Not Forgotten Association	1150541	6,000	6,000
		<u>40,000</u>	<u>40,000</u>

## The Forces Trust

## Notes to the Financial Statements

For the year ended 5 April 2022

7. Funds	Capital Fund £	Centenary Fund £	Income Fund £	2022 Total £
Funds at 6 April 2021 Brought Forward	1,463,403	35,939	100,085	1,599,427
Income	-	-	57,200	57,200
Expenditure	(12,884)	-	(40,655)	(53,539)
Realised /Unrealised Gains on Investments	104,104	3,386	-	107,490
Transfer between funds	-	10,000	(10,000)	-
Funds at 5 April 2022 Carried Forward	<u>1,554,623</u>	<u>49,325</u>	<u>106,630</u>	<u>1,710,578</u>

8. Net Assets of the Funds	Capital Fund £	Centenary Fund £	Income Fund £	2022 Total £
Investments	1,523,612	49,325	104,880	1,677,817
Current Assets	31,011	-	1,750	32,761
Funds at 5 April 2022 Carried Forward	<u>1,554,623</u>	<u>49,325</u>	<u>106,630</u>	<u>1,710,578</u>

	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 6 April 2021 Brought Forward	<u>1,463,403</u>	<u>35,939</u>	<u>100,085</u>	<u>1,599,427</u>