



## THE RAEC AND ETS BRANCH ASSOCIATION

### PATRON

Her Royal Highness The Duchess of Gloucester GCVO

### PRESIDENT

Brigadier (Retired) G Morris CBE

### VICE PRESIDENT

Brigadier S Anderson

## TRUSTEES' ANNUAL REPORT 2020

Registered Charity No 231250

THE RAEC & ETS BRANCH ASSOCIATION  
FINANCIAL STATEMENTS  
31ST DECEMBER 2020

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## TRUSTEES' ANNUAL REPORT FOR THE PERIOD 1 JANUARY to 31 DECEMBER 2020

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<b>Charity Name</b>	The RAEC and ETS Branch Association
<b>Registered Charity Number</b>	231250
<b>Charity's Principal Address</b>	AGC Regimental HQ Worthy Down Winchester Hants SO21 2RG
<b>Professional Advisers</b>	<u>Bankers</u> Royal Bank of Scotland (Holts Branch) Lawrie House, Victoria Road Farnborough, Hants GU14 7NR  <u>Investment Managers</u> Investec Wealth & Investment Limited Festival House Jessop Avenue Cheltenham GL50 3SH  <u>Independent Examiners</u> BRC Accountants Winchester Street Andover Hants SP10 2EA

### STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is an Association that was constituted on 24 April 2009 formed from the Royal Army Educational Corps Association established on 5 July 1957.

Prior to this, the Association was known as the Royal Army Educational Corps Society which had been formed in the 1930s.

The administration and activities of the Association are governed by a Governance Manual. The Constitution and Rules, contained within the Governance Manual, were last amended at the Association's Annual General Meeting held on 21 April 2016.

### TRUSTEES

Colonel (Retired) A N King	Chairman	
Colonel MT Ketterer	Trustee	
Colonel (Retired) CJ Caswell	Trustee	
Lieutenant Colonel (Retired) JH Jenkins	Trustee	
Lieutenant Colonel (Retired) D Pittendreigh	Trustee	
Lieutenant Colonel J Painting	Trustee	

The day-to-day administration of the Charity is delegated to the Association Secretary/Treasurer.



## **OBJECTIVES, ACTIVITIES AND ACHIEVEMENTS**

### **BACKGROUND**

A charitable trust, originally known as the Army Educational Corps Charitable Fund, was set up by Trust Deed dated 30 March 1946; it became the Royal Army Educational Corps Charitable Fund after the grant to the Corps of the title "Royal" on 28 November 1946.

The Charitable Fund was absorbed into the Benevolence Fund of the Royal Army Educational Corps Association in the 1950s, such fund being ring-fenced specifically for the charitable activities of the Association. The latter fund was absorbed on 24 April 2009 into the Benevolence Fund of The RAEC and ETS Branch Association. The Association maintains two funds; a Benevolence Fund, a General Fund and ringfenced money for the RAEC Memorial Prize Fund. Activity and performance of these funds are discussed in greater detail later in this report.

In pursuance of its charitable objects, the Charity awards grants of money to purchase or support the funding of appropriate and specific goods, services or facilities.

### **OBJECTS**

The Objects of the Association are: -

1. to provide support, including financial assistance to former members of the Army Educational Corps and the Royal Army Educational Corps ("the antecedent Corps") and their dependents who are in conditions of need, hardship or distress ("the beneficiaries"), such support to take into account assistance from other sources.
2. to provide support, including financial assistance, to serving and former officers of the Educational and Training Services Branch of the Adjutant General's Corps ("the Branch") who are or have been Full Members of the Association and their dependents who are in conditions of need, hardship or distress ("the beneficiaries"), such support to take into account assistance from other sources.
3. to provide support, including financial assistance, to former members of the Women's Royal Army Corps who were permanently employed with the Royal Army Educational Corps who are or have been Full Members of the Association and their dependents who are in conditions of need, hardship or distress ("the beneficiaries"), such support to take into account assistance from other sources.
4. to promote the military efficiency of the Army and specifically the Branch including, but without prejudice to the generality of the foregoing, fostering esprit de corps within the Branch, preserving its traditions and those of the antecedent Corps and maintaining contact between serving and former officers of the Branch and former members of the antecedent Corps.

In pursuance of the Association's Objects, the principal activities of the Association are to undertake various charitable activities.

### **PROCEDURES AND POLICY FOR GRANT MAKING**

Procedures and policy for grant making is set out in Section 2 to the Governance Manual. The Finance Sub Committee of the Association has overall responsibility for financial matters. All Benevolence funding under Objects 1 to 3 is decided upon by the Trustees at full Trustees Meetings. Applications for grants from the General Fund under Object 4 are routinely considered and decided by the Finance Sub Committee out of committee.

## BENEVOLENCE FUND GRANTS

There is no minimum service requirement that would bar an applicant from receiving Benevolence funding under Objects 1,2 and 3 of the Association's Constitution. Similarly, there is no fixed amount or maximum of each award as need is the determining factor in assessing the amount granted.

Applications for Benevolence grants are normally made through veteran's support agencies, predominantly SSAFA Forces Help and The Officers' Association who carry out the preliminary work in assessing the "need criteria" and grants are paid to such agencies for disbursement on behalf of the Charity. Benevolence grants may also be received directly or through local Association Branches.

We no longer have any benevolence annuities. In 2020 the Association made grants totaling £4,783.95.

These acts of Benevolence have significant impact on the quality of life of the beneficiaries and equally significant impact on the sense of 'esprit de corps' of the serving and retired membership of the Association. They also demonstrate that our benevolence funds are not just to support the old but are there for the whole REAC and ETS 'family'.

As well as making grants from its own funds, the Association again received support from other service charities and the Trustees would like to thank the following organisations for their support:

The Soldiers', Sailors' and Airmen's Family Association Forces Help (SSAFA)  
The Royal British Legion (TRBL)

The Benevolence Fund is maintained at a capital value and growth rate set by the Trustees in the Association's Investment Strategy for use as determined by the Trustees and governed by the Governance Manual.

## GENERAL FUND GRANTS

Grants under Object 4 of the Constitution are payable only to Full, Life, Associate, Honorary and Honorary Associate Life members of the Association. Grants are limited to maximum of £250 per annum per member. Grants may be approved for a range of activities and events:

- a. Sports and Adventurous Training activities and events are self-explanatory. Grants are limited to a maximum of 30% of the personal contribution.
- b. 'Esprit de Corps' is a broader category that can include social, professional and special interest events. These may include Dinners, Lunches and other networking events where grants will normally be limited to a maximum of £10 per member.

During 2020 we approved grants to a total of £2,550 in support of members. Activities ranged from lunches and dinners attended by both serving and retired members of the Association to sports and adventurous training activities in the UK, and worldwide. This was significantly lower than the previous year owing to global restrictions associated with the corona virus pandemic.

The Association's General Fund is used for the day-to-day administrative costs of running the Association plus costs involved in meeting Object 4 of the Constitution. Administrative costs include, for example, costs involved in communications, function support and the publication and distribution of "Torch", the annual Journal of the ETS Branch and the Association. The Trustees' current financial strategy is to grow the capital value of investments in this Fund as set by the in the Association's Investment Strategy as determined by the Trustees and governed by the Governance Manual.



## **RAEC MEMORIAL PRIZE FUND**

A ringfenced amount of money was set up in 2007. This money is the combination of and replacement for three former small prize funds: the Archie Wavell Prize Fund, the CB Baxter Prize Fund and the Queen's Army Schoolmistresses' Prize Fund. In 2006 the funds were transferred to a new Memorial Prize Fund that would continue the principle of the former prize funds.

Existing funds in the RAEC Memorial Prize Fund have been expended on commissioning and casting Minerva prize statues that will serve as prizes to 2030, fulfilling the role of the fund. The fund has therefore been closed. Any future, additional requests for prize funding will be met from the General Fund.

In 2020, Captain Chris Butt left £2000 in his will to provide an annual award to a serving association member. This money will be ring-fenced within the General Fund.

## **MEMBERSHIP**

Full Membership of the Association is open to anyone who served in the Antecedent Corps: those who served or are serving in the current Educational and Training Services Branch, those who served in the Royal Army Educational Corps, and those who served in the Women's Royal Army Corps and were permanently employed with the Royal Army Educational Corps.

The Association currently has a membership of 813 made up of 558 retired members and 255 Full Members currently serving with the Branch. During 2020 retired membership has decreased by 42 and serving membership increased by 28. The retired membership is made up of Full, Life, Honorary, Associate and Honorary Associate Life (widows and widowers of previous Full or Life members).

## **ACTIVITIES**

There are 6 branch areas that provide the local focus for members. Active Branches arrange their own calendar of events and meetings to suit their local needs. The Association headquarters provides support and advice as and when required.

The Association and the Branch jointly publish the journal "Torch" annually which is distributed to all members and other subscribers. The journal includes articles about the Branch, articles from serving and retired members, technical educational articles, Association branch matters, news of future events and generally keeps members in touch with each other. It also keeps the serving members informed about the traditions of Army education with the inclusion of articles from the retired members who served in the antecedent Corps.

To provide the opportunity for serving and retired members to meet and network, the Association organises an annual luncheon. This is held at various locations on a rotational basis within local Branch areas so that it gives every opportunity for local, often ageing members to attend a main event without having to travel too far. Since its inception, the luncheon has been held at various locations throughout the UK and in Germany.

In June of each year, "Education Sunday" is held worldwide (i.e. wherever the Branch is serving) to celebrate the establishment of the Army Educational Corps on 15 June 1920. The event commences with a church service followed by a luncheon. The events are organised by the Branch alongside the Association and is very much considered to be a family day, with serving and retired members of the AEC, RAEC and ETS together with their families encouraged to attend.

The challenge to the Association is to maintain this profile and to shift the balance of membership towards a higher proportion of serving members. This is vital to the long-term viability of the Association.

In November, serving and retired officers traditionally attend Remembrance ceremonies worldwide. Association members specifically attend the Field of Remembrance, Westminster Abbey in remembrance of the AEC personnel who lost their lives in the Second World War.



## **FINANCIAL REVIEW, INVESTMENTS AND RESERVES**

The financial activities are summarised in the Accounts included in this report and should be read in conjunction with the Notes on the last page.

With world equity markets still under pressure, the market values of both the General Fund and Benevolence Fund throughout 2020 were reflective of the volatile market conditions and the effect of the coronavirus pandemic. However, it is worth a note that both portfolios have shown an increase in real value.

The Investment Strategy requires balanced growth and income from both investment portfolios. During 2020 the Benevolence Fund portfolio increased from the previous year and as at 31 December 2020 the fund has a value of £560,568 and the General Fund portfolio has a value of £207,585

The Trustees are kept updated on a regular basis by the Association's Brokers as to global financial markets and the state of the two investment portfolios so that appropriate decisions can be taken swiftly should the need arise.

### **BENEVOLENCE FUND**

To enable it to meet its charitable objects, this fund derives its income from its investment portfolio.

Greater effort continues to be made to reach those in need of benevolence. Assistance is sought from the Association branches and individual members to identify cases of need and in 2020 the Association continued its programme of advertising in "Torch" and other charitable directories.

The Trustees envisage that future payments for benevolence may increase. A larger proportion of membership are reaching senior years during a time when world markets are far from stable. Ever-rising costs could lead to the inability of some members to meet their financial commitments.

### **GENERAL FUND**

Income is derived from membership subscriptions and donations, gift aid and from investment income.

The Trustees annually review the level of subscriptions to ensure these meet the requirements of the Fund. At the AGM in April 2018 an increase of £2 to Full Membership fees to £20 per year was agreed.

The Association's head office also continued its quest for maximum efficiency by seeking ways of introducing new and cost-effective systems. In this respect, maximum use is made of the Internet/email system for keeping members updated.

### **INVESTMENT STRATEGY**

The Trustees, with the guidance of the Association's Brokers, continue to be cautious with investment strategy, aiming for a balance between income and growth in both the Benevolence Fund and the General Fund investment portfolios.

The amendment of the Constitution in April 2016 was principally in order to enable more flexible management of the Association and its assets so that the Association has broader appeal and utility to serving members of the Branch and thus encourage increased Full Membership. This in turn increases both the lifespan of the Association and its relevance and utility as a charity in the Armed Services sector.

### **RESERVES POLICY**

The Trustees agreed policy is that the Benevolence Fund is to hold sufficient assets in an immediate access current account to cover immediate benevolence requirements. The Benevolence Current Account is thus given an annual starting balance of £15,000. The General Fund current account is to hold sufficient assets to meet the provisions of Object 4 and to meet the administrative costs of running the Association. The General Fund current account is given an annual starting balance of £25,000. Excess income is invested in the Benevolence and General investment funds as detailed in the Investment Strategy.

This policy is reviewed annually by the Trustees and recommendations for any changes made to the Annual General Meeting. In 2020, excess funds in the General Fund Current Account (over 25,000) were not re-invested as there were 2 significant Branch Centenary events planned. Covid unfortunately prevented the events taking place; the trustees will review the Current Account funding levels at their next meeting.

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

Trustees are appointed by an Annual General Meeting and serve for a period of three years. They are either retired officers who served with the Royal Army Educational Corps or officers currently serving with or retired from the Branch. Consequently, they all have the necessary skills and experience to promote the activities of the Charity. They are empowered, under the provisions of the Association's Governance Manual, to manage the affairs of the Charity and to deal with all the monies and investments in furtherance of the foregoing Objects.

Charity Law requires Trustees to prepare financial statements for each financial year which give a true and fair view of the of the Charity and of its net movement in funds for that period. In preparing those financial statements, the Trustees are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgments and estimates that are reasonable and prudent;
- c) Prepare the financial statements on a 'going concern' basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the requirements of the Charity Act 2011. 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.

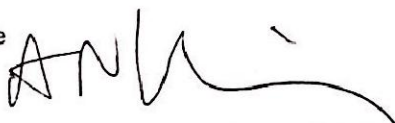
### INDEPENDENT EXAMINER

The Trustees will appoint suitably qualified accountants to undertake the independent examination of the Association's accounts in the following year. This year it was again BRC Accountants.

### DECLARATION

The Trustees declare that they have approved the Trustees' Report above.  
Signed on behalf of the Charity Trustees:

Signature



Full Name Andrew Nicholas (Colonel, Retired)

Position Chairman of Trustees, The RAEC and ETS Branch Association

Date

27 October 2021



# **Independent Examiner's Report to the Trustees of The RAEC and ETS Branch Association**

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31<sup>st</sup> December 2020 which are set out on pages 8 to 10.

## **Responsibilities and basis of report**

As the charity's trustees 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 charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the 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 charity as required by section 130 of the Act; or
2. the accounts do not accord with those records.

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.



J Taylor FCCA  
BRC Accountants  
Chartered Accountants  
Aldwych House  
Winchester Street  
Andover  
Hampshire. SP10 2EA

2<sup>nd</sup> November 2021

## THE RAEC AND ETS BRANCH ASSOCIATION

## COMBINED

RECEIPTS & PAYMENT ACCOUNT  
For the period 1 January – 31 December 2020

RECEIPTS	Unrestricted Funds	Restricted Funds	Current Period 2020	Previous Period 2019
<u>VOLUNTARY INCOME</u>				
Membership Subscriptions - Current Year	£13,341.00		£13,341.00	£13,293.00
Donations	£308.00		£308.00	£405.93
Repayment of advanced funds	£350.00		£350.00	£3,291.35
Refund of advance payment	£3,900.00		£3,900.00	-
<u>INVESTMENT INCOME</u>				
Investment Portfolio - Dividends and Interest	£4,905.77		£4,905.77	£23,812.23
<u>OTHER INCOMING RESOURCES</u>				
Gift Aid	-		-	£4,236.63
Shop - Stock Sales Profit	£40.00		40.00	£601.00
Annual Luncheon Income	-		-	£1,505.00
Float from Conference returned from petty cash to bank	-		-	£120.00
AGM Income	-		-	£285.00
Partial Refund of grant	£586.00		576.00	£480.00
Refund of grant from Gen to Ben Fund	-		-	£360.00
Refund postage	-		-	£28.34
IT Refund from Microsoft	£1.45		1.45	
Minerva 100 (Eltham)	£3,425.00		3,425.00	£0.00
Minerva 100 (Festival)	£1,220.00		1,230.00	£50.00
Prize - Chris Butt Memorial (ringfenced money)		2,000.00	2,000.00	-
<b>Total Income</b>	<b>£28,077.22</b>	<b>£2,000.00</b>	<b>£30,077.22</b>	<b>£48,458.48</b>



THE RAEC AND ETS BRANCH ASSOCIATION  
COMBINED FUNDS  
RECEIPTS & PAYMENT ACCOUNT  
For the period 1 January - 31 December 2020

PAYMENTS	Unrestricted Funds	Restricted Funds	Current Period 2020	Previous Period 2019
<b>BENEVOLENCE &amp; WELFARE</b>				
Benevolence Grants and Annuities	£1,783.95		£1,783.95	£7,375.58
Welfare gift	£5.78		£5.78	£58.50
<b>MEMBERSHIP &amp; SOCIAL ACTIVITIES</b>				
Annual Luncheon	-		-	£2,585.15
AGM Costs including subsidy	-		-	£1,075.33
Membership payments received by bank	£1,170.00		£1,170.00	£1,010.00
Grants	£2,550.00		£2,550.00	£14,468.72
Grants to Cos	£1,000.00		£1,000.00	-
Expend on Cos activities	£842.03		£842.03	-
Refund of advance payments from individuals	£3,300.00		£3,300.00	-
Refund of payment made in error by individual	£50.00		£50.00	-
Trophies Purchase & engraving	-		-	£33.00
Events Costs	£201.06		£201.06	£234.10
Petty Cash (withdrawn for Post at conference)	-		-	£120.00
Advance of funds for event or activity (to be recouped from individuals)	-		-	£4,199.77
Refund Minerva 100 (Ethans) to individuals	£55.00		£55.00	-
Minerva 100	£2,713.82		£2,713.82	£1,000.00
<b>WELFARE ACTIVITIES</b>				
Floral Tributes (Remembrance Wreaths)	-		-	£55.50
Field of Remembrance	£98.70		£98.70	£81.00
<b>COMMUNICATIONS &amp; PUBLICATIONS</b>				
Postal Costs (including stamps)	£31.95		£31.95	£315.94
Postal Costs - "Torch" Mailing	£1,404.02		£1,404.02	£1,429.80
"Torch" - Production	£4,409.00		£4,409.00	£3,919.00
<b>GOVERNANCE</b>				
Independent Financial Examination Costs	£1,020.30		£1,020.30	£1,020.00
Direct Debit Solutions (now Moorepay)	£1,005.74		£1,005.74	£669.02
Committee Mtd Expenses	£4.33		£4.33	£55.53
Trustees & Other Representatives Travel Expenses	£248.09		£248.09	£1,419.92
Investment management Fees	£6,788.25		£6,788.25	£6,896.74
<b>GRANTS &amp; DONATIONS</b>				
Prize - RAEC Memorial (undisbursed money)	1,989.51	£1,065.49	£3,055.00	£298.00
<b>GENERAL ADMINISTRATION</b>				
Office Costs				£39.99
IT Costs	£69.60		£69.60	-
SHOP Expenditure	£101.40		£101.40	£3,182.08
Printing of cards (Marriage & Birth)	193.20		£131.20	-
<b>Total Expenditure</b>	<b>£34,084.55</b>	<b>£1,065.49</b>	<b>£35,150.04</b>	<b>£51,542.67</b>
<b>Bank Balance as at 1 Jan 2020</b>			<b>£45,951.27</b>	
<b>Receipts during year</b>			<b>£30,077.22</b>	
<b>Payments during year</b>			<b>£35,150.04</b>	
<b>Bank Balance as at 31 December</b>			<b>£40,878.45</b>	

Split is £34,972.07 in General and £5,905.38 in Benevolence Accounts

## THE RAEC AND ETS BRANCH ASSOCIATION

## COMBINED FUNDS

STATEMENT OF ASSETS & LIABILITIES  
(as at 31 December 2020)

	Current Period 2020	Previous Period 2019
<b><u>FIXED ASSETS</u></b>		
Investments at Market Value	768,153.00	749,884.00
<b>Total Fixed Assets</b>	<b><u>768,153.00</u></b>	<b><u>749,884.00</u></b>
<b><u>CURRENT ASSETS</u></b>		
Bank Current Account		
Unrestricted	38,878.45	44,885.78
Restricted	2,000.00	1,065.49
<b>Total Current Assets</b>	<b><u>40,878.45</u></b>	<b><u>45,951.27</u></b>
<b>TOTAL ASSETS</b>	<b><u>809,031.45</u></b>	<b><u>795,835.27</u></b>
<b>Total Assets Minus Total Liabilities</b>	<b><u>809,031.45</u></b>	<b><u>795,835.27</u></b>
<b>Funds</b>		
Unrestricted Funds:		
General Investment Funds	240,557.07	237,607.45
Designated Funds: Benevolent Investment Fund	566,474.38	557,162.33
<b>Total Unrestricted Funds</b>	<b><u>807,031.45</u></b>	<b><u>794,769.78</u></b>
Restricted Funds:		
RAEC Memorial Prize Fund	0.00	1,065.49
Chris Butt Memorial Fund	2,000.00	0.00
	<b><u>2,000.00</u></b>	<b><u>1,065.49</u></b>