

**Service Non-Public Funds Final Accounts,
Managing Trustee's Report, Internal Audit
Board Report and Independent Examiner's Report (SORP 2005 compliant)
Internal Audit Board Scheme**

Army Form N1514
(Rev 11/09)

Unit: **HQ Catterick Garrison**

Address: **Piave Lines, Catterick Garrison North Yorkshire DL9 3LR**

In Respect of the **NORTH EAST TRUST FUND**

Fund/Charity

Charity Commission/Regulator registered number

249067

For the period from: **1 April 2022 to 31 Mar 2023**

Managing Trustee(s) during the period:

From	01-Apr-2022	to	29-Jul-2022	Name	Col N Rhodes
From	29-Jul-2022	to	31-Mar-2023	Name	Col M Palmer

Fund Manager(s) during the period:

From	01-Apr-2022	to	31-Mar-2023	Name	Maj A Allen

Internal Auditor(s) during the period:

From	01-Apr-2022	to	31-Mar-2023	Name	Maj (Retd) G Wright

Associate Auditor(s) during the period: Nil

Associate Auditor	
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Regimental Accountant(s) during the period:

From	01-Apr-2022	to	12-Dec-2022	Name	Mr KJP Clark
From	12-Dec-2022	to	31-Mar-2023	Name	Ms C Salter

Notes to the accounts (Paras 2 to 12 are to be completed by all funds which have a gross income of £100K or over and those funds already registered with the Charity Regulator, all other funds are to complete Paras 6 and 7 and the declarations at Para 12):

1. Principal Accounting Policies

a. Accounting Convention. The financial statements are prepared under the historical cost convention as modified by the inclusion of investments at market value and in accordance with applicable accounting standards. In preparing the financial statements the charity follows best practice as set out in the Statement

b. Incoming Resources. Income is recognised in the period in which the charity is entitled to receipt, and the amount can be measured with reasonable certainty. Grants from other agencies including donations and other income from activities are in furtherance of the charity's objects and are part of the general funds of the charity. A restricted fund is only recognised where this is an agreed and explicit condition of the grant or donor.

c. Intangible Income. Due to the close collaborative relationship and the manner in which the charity's activities compliment those of the Army, intangible income, reflected in time and use of premises is not quantifiable or measurable and so is not recognised in the accounts.

d. Resources Expended and Basis of Allocation of costs. Expenditure is included when incurred or exceptionally where a commitment is made which requires an accrual when payment is to be made in the subsequent accounting period. Similarly, where prepayments are made in recognition of commitments falling due in a subsequent accounting period, the appropriate credit is entered in the accounts and reversed the following year. Grants payable are included in the SOFA when approved by the Managing Trustee. Expenditure is recognised in the period in which it is incurred. The majority of costs are directly attributable to specific activities. Irrecoverable VAT is charged to the annual report and accounts.

e. Governance Costs. Governance costs are the costs of professional advice, holding trustee meetings or committee meetings associated with decision making, any fee for audit or independent examination and any fee incurred in the preparation, statutory filing, printing or copying of the annual report and accounts.

f. Capitalisation and Depreciation of Tangible Fixed Assets. All assets having a purchase value of more than £500 are capitalised. The cost of tangible fixed assets are written off by equal annual instalments over their expected useful lives using the following methods of depreciation:

Furniture, fixtures and equipment	-	Straight Line over a period of 2 - 10 years.
Motor vehicles	-	Straight Line over a period of 2 - 10 years.

Assets with a life of more than one year but with a purchase value of below £500 are included within the inventory but the cost is written off in the year it is incurred and is not depreciated over the useful life of the asset. Where the asset is depreciated over a period of more than 10 years, details of the item and period are to be provided following the notes on page 13.

g. Fixed Asset Investment. Fixed asset investments are included at market value at the balance sheet date. Any gain or loss on revaluation is shown in the Statement of Financial Activities (SOFA) on page 2.

h. Stocks. Purchased stocks are valued at the lower cost or net realisable value making due allowance for any obsolete or slow-moving items.

i. Funds Accounting. Funds held by the charity are:

(1) General Purpose/Unrestricted/Designated Funds. These are funds that can be used in accordance with the charitable objects at the discretion of the Managing Trustee. Designated funds are unrestricted funds which have been allocated/earmarked for a particular purpose by the Managing Trustee and are to be declared in the Managing Trustee's comments in accordance with Para 12 to these notes stating what they are intended to be used for and when.

(2) Endowment Funds. Endowment funds are those investments and other gifts accepted by the unit, the capital sum or property being held in perpetuity and the income only being available for charitable use.

(3) Restricted Funds. These are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Further explanation of the nature and purpose of each fund is to be included in the notes to the accounts.

j. Heritage Assets. In the course of the unit's history, the charity may have acquired gifts, memorabilia, regalia, silverware, antiques and other historical artefacts in the course of distinguished military service in service of the Crown. The value of these pieces is in large part derived from their close association with

Regimental history which precludes the use of conventional valuation techniques being applied. Whilst the objects of the charity do not specifically include preservation and conservation, the pieces represent an essential element of celebrating the unit's history and foster esprit-de-corps. Consequently the Managing Trustee considers the charity to hold heritage assets both for functional use and as an element of national history on behalf of the nation. Heritage assets acquired prior to 1 Apr 06 are therefore not capitalised on the balance sheet but a description of those assets is disclosed as part of the notes to the accounts. Heritage assets acquired after 1 Apr 06 where the purchase price is known and which exceed £500.00 are included in the balance sheet at acquisition value but are not depreciated.

k. Other Costs. Other costs are those costs not incurred in the undertaking of charitable activity in furtherance of the objects of the charity, i.e. the provision of facilities, recreational programmes or activities in furtherance of military efficiency. They are also costs incurred in the making of grants and donations, in the costs of generating funds, i.e. the costs incurred in trading or fundraising undertaken by the charity, or in governance costs.

2. Grants Made. (if total grants are over 5% of the charity's total expenditure).

The charity made the following grants/donations:

Grants to institutions

Name of institutions	Purpose	Total number of grants given	Total amount of grants paid
Commemorative medal for Garrison primary school children R001	Welfare grant	1	£600.00
Ex Northern Peak	NUOTC	1	£700.00
Cycling Challenge	Sport grant	1	250.00
Ex Alpine White Lion	Exercise	1	100.00
Ex Northern Dolomites Trek	Exercise	1	600.00
Ex Minden Serpent 3	Exercise	1	500.00
Ex Minden Serpent 4	Exercise	1	500.00
Ex Northern Laugavegur Warrior	Exercise	1	600.00
Ex Northern Climb 22	Exercise	1	750.00
Ex Pamiers Freefall	Exercise	1	600.00
Northern Military Kids Choir	Kids Choir	1	600.00
Rusticus Theatre Company	Summer arts funding	1	690.00
Ex Yorkshire Eagle 23	Exercise	1	2200.00
Cricket Camp	Sports grant	1	750.00
Ex Hercynain Traverse	Exercise	1	750.00
Ex Celtic Bayonet	Exercise	1	300.00
Rock Climbing Exped	Sports grant	1	700.00
Ex N Juliche Alps	Sports grant	1	800.00
Ex Minden Ski 23	Exercise	1	2000.00
Running Tours Cyprus	Sports grant	1	500.00
Cross country sports visit	Sports grant	1	400.00
Cross country sports visit	Sports grant	1	300.00
Ex Northern Frozen Piste23	Exercise	1	2400.00
Ex White Night	Exercise	1	150.00

Ex Northern Magpie	Exercise	1	1200.00
Ex Northern Frosted Sword	Exercise	1	1800.00
Ex Northern Mogul 22	Exercise	1	3000.00
Ex Snowbuck 23 - 5 Med	Exercise	1	250.00
Ex Snowbuck 23	Exercise	1	700.00
EX NAB	Exercise	1	700.00
Equipment for JRC	Welfare grant	1	245.00
East Barnby Summer Residential	Welfare grant	1	1074.00
International Families Day	Welfare grant	1	1000.00
Purchase of 4 power stations	Welfare grant	1	1060.00
Party in the Park	Welfare grant	1	4000.00
DST Leconfield	Welfare grant	1	500.00
ITC Falklands Centre	Welfare grant	1	1000.00
Fiji Day Celebrations	Welfare grant	1	1000.00
Garrison Bonfire Night	Welfare grant	1	3650.00
1 REME multi cookers	Welfare grant	1	320.00
4X ACF comd Grant	Welfare grant	1	54002.00
Community Garden 4RA	Welfare grant	1	1000.00
Picnic Benches 4RA	Welfare grant	1	750.00
4Scots Kitchen equipment	Welfare grant	1	1500.00
3RHA Renovation social area	Welfare grant	1	1763.77
3RHA Teambuilding Go Ape	Welfare grant	1	1000.00
Regimental Tvs 3RHA	Welfare grant	1	1000.00
3RHA Paintballing, DJ	Welfare grant	1	1000.00
6 RLC 8x mountain bikes	Sports grant	1	3040.00
		1	
	Total		£104,244.77

Grants to individuals

Purpose	Total number of grants given	Total amount of grants paid
Lt George Ex Ironman	1	£200.00
Total	1	£200.00

3. Related Party Transactions & Remuneration and Expenses

Whilst the charity has a close working relationship with the Army, there are no transactions with the Army which require disclosure under SORP 2005. The only transactions made by the charity in favour of the unit are wholly attributable to the charitable activities of furthering military efficiency. The Managing Trustee is an officer or equivalent and fulfils the role as trustee in accordance with the applicable laws and regulations. No expenses have been paid to the trustee. In the event that expenses have been paid to the trustee these are disclosed under the Managing Trustee's comments.

4. Analysis of Capital Property

	Fixtures Fittings & Equipment £	Motor Vehicles £	Total £
Balance b/f	0.00	0.00	0.00
Purchases	0.00	0.00	0.00
Sales & W/Os	0.00	0.00	0.00
Depreciation	0.00	0.00	0.00
Balance c/f	0.00	0.00	0.00

5. Total Value of Investments by Category

	Value £
Carrying value (market value at beginning of year)	846,515.00
Add additions to investments at cost (investments purchased)	
Less disposals at carrying value (investments sold)	
Add/(deduct) net gain/(loss) on revaluation (gain/loss at end of accounting period/audit)	-34,308.00
Carrying value (market value) at end of year	839,669.00

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Breakdown of Market Values at Year End

	GPF/ Unrestricted	Restricted	Endowment	Total value	Income During year
Investment properties				0.00	
Investments listed on a recognised stock exchange	£839,669.00			£873,669.00	£321.17
Investments held in unit trusts or other collective investment schemes				0.00	
Investments in subsidiary or connected undertakings and companies				0.00	
Securities not listed on a recognised stock exchange				0.00	
Cash held as part of the investment portfolio				0.00	
Other investments				0.00	
Total	£873,669.00	0.00	0.00	£873,669.00	£321.17

6. List of Debtors

Debtor	Date of Debt	Amount
NIL		
Total		£0.00

* There are no amounts falling due after more than one year (delete as appropriate).

7. List of Creditors

Creditor	Date of Credit	Amount
NIL		
Total		£0.00

* There are no amounts falling due after more than one year (delete as appropriate).

8. Paid Employees

	This year £	Last year £
Gross wages paid		
Employer's National Insurance paid		
Pension Contributions paid		
Total staff costs	0.00	0.00

Give the number of employees who were engaged in each of the following activities:

	This year £	Last year £
Costs of generating funds		
Charitable activities		
Other		
Total	0.00	0.00

No individual employee received a salary of over £60,000.00

9. Governance Costs

	This year £	Last year £
Insurance	202.37	374.12

10. Restricted/Endowment Funds

Give details of the movements of the individual funds summarised in the restricted and endowment column of the Statements of Financial Activities (SOFA).

Fund Name	Fund Bal B/F	Incoming Resources for period	Outgoing Resources for period	¹ Transfers	¹ Gains and losses	Fund Bal C/F
R001 NEATF (GRANTS)	0.00	600.00	27,887.64	29,925.00		2,637.36
R002 NEATF (ACF)	39,709.57	4.37	23,939.23			63,653.17
Employment Fair	1,209.00					1,209.00

¹Net transfers out and net losses are to be entered as negative figures.

A brief explanation as to the nature and purpose of the charity's Restricted Funds is to be provided.

Name of Restricted Fund	Purpose of fund
R001 NEATF (GRANTS)	The promotion of efficiency of the Armed Forces of the Crown by the provision and support of facilities and activities for the efficiency and well-being of Service personnel (NEATF Governing Document dated 3 Sept 18, Part 1).The NEATF is a Service Non-Public Fund. It is maintained to promote the efficiency and wellbeing of units and serving members of the army and their dependents stationed within 4LBCT & HQ NE are of responsibility , by providing funds that are available for their overall benefit (page 8, NEATF Governing Document dated Sept 18).
R002 – NEATF (ACF)	The NEATF receives income from the Army Central Fund (ACF) and this is not to be reinvested . All income attributed from ACF must be distributed to beneficiaries in accordance with ACSO 3206.

R003 – Employment Fair	To cover the costs associated with providing the bi-annual Catterick Garrison Employment and Support Fair.

11. Heritage Assets

Heritage assets that are owned by the charity but purchased/acquired prior to 1 Apr 06 are not included in the charity's capital property value (see note 1.j). A list/description of these assets is below:

NIL

12. Declarations

All of the charity's commitments are provided for in the accounts.

No guarantees have been given to third parties.

The charity has not received any loans that are outstanding at the year-end and secured on assets.

The charity has not granted any loans to institutions or companies connected with the charity.

The charity did not make any ex-gratia payments during the year.

Sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with the restrictions imposed.

The financial activities, assets and liabilities of all the charity's branches or sections have been included.

The trustees have not changed the year end date or the length of the charity's financial year.

The charity has no designated funds (if there are designated funds the reason for designation and when each designated fund is intended to be used by is to be stated in the Managing Trustee's report).

All the charity's operations are continuing operations and there were no operations discontinued or acquired during the year.

No funds (unrestricted, designated, restricted or endowment) are in deficit at the balance sheet date.

The charity has no intangible assets.

There were no inter-fund loans outstanding at the balance sheet date.

None of the charity's functional fixed assets have been re-valued during the year and the charity does not have a policy of revaluation of these assets.

The charity has no subsidiary companies.

The charity has no material fixed assets which have not been capitalised and included in the balance sheet.

No internal transfers have occurred out of restricted/endowment funds. In the event that a transfer has taken place, full details of the reason for the transfer are disclosed in the Managing Trustee's comments.

All investments held are investment assets in the UK unless otherwise stated.

Note: Where any of the declarations are not correct they are to be crossed out and details provided in the Managing Trustee's comments.

Additional comments:

The invasion of Ukraine and the legacy of CV-19 impacted financial returns on a global scale. The growth for NEATF INVESTEC funds has been exceptionally low at 3.22% as of 31 Mar 2023. Inflation peaking at 11% and currently 10.1%, which places the trustees in a difficult non-conformist situation when tasked to achieve CPI / RPI returns in growth as a minimum standard. There is now an urgent need, beyond the hasty meeting between me as military fund manager and managing trustee, to arrange an investment restructuring meeting with Adam Baillie, our NEATF INVEST rep and all trustees to change the risk from medium to high so that the invested money can achieve the required growth. I am disappointed in the investment selection that Adam for INVESTEC is taking, as an example on page 7 of 21 NEATF March 2023 report shows £21,000 achieving a return of 0.125% giving £7.56 return. Compared to Rio Tinto stock, which is held see page 8, achieving approx. 8% return, £2,290.00 dividend for the year. The trustees are now encouraged to exercise greater scrutiny and consider the option to switch funds to another provider such as M&G Prudential, change the investment risk with INVESTEC, or even divided the fund between two or more investment managers, so 50 % M&G, 50% INVESTEC, as possible examples to consider.

Date

26 May 23

Signature

A. Allen

Name

Maj A Allen

Appointment

Fund Manager

Managing Trustee's Annual Report and Comments:

Unit: **HQ Catterick Garrison**

Address: **Piave Lines, Catterick Garrison North Yorkshire DL9 3LR**

In Respect of the **NORTH EAST TRUST FUND**

Charity Commission/Regulator registered number **249067**

Description of the charity's trusts

This should include:

- a. Details, including date if known of the charity's governing document (e.g. trust deed, will, constitution etc); and
- b. A brief explanation of the charity's objects.

Where applicable, you may choose to give details of any specific investment powers of the charity.

Governing Document (e.g. Trust Deed, Constitution)	Governing Document dated 03rd September 2018
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Objects of the Charity	The promotion of efficiency of the Armed Forces of the Crown by the provision and support of facilities and activities for the efficiency and well-being of service personnel.
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Explain briefly how trustees are elected or appointed and details of any induction and trustee training attended.

Trustee selection method	On appointment of Deputy Commander 4 Inf Bde & HQ NE
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Trustee induction and training

Service Funds E-Learning and Handover Takeover

Explain about what the charity is trying to do and how it is going about it. You are only required to provide a brief summary of the main activities and achievements of the charity during the year in relation to its objects.

Summary of main activities in relation to the Charity's objects	Raise monies through investment to benefit the soldier's welfare Funds within the North East.
Summary of main achievements of the Charity during the year	Bi-Annual allocation of Funds to York & Catterick Garrison.

Provide a brief review of the financial position of the charity. This should include the principal types of income.

Financial Review	The loss on Investments is to be discussed at the next Trustees meeting which the broker will attend to fully explain the Fund performance.
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The Managing Trustee should give in their report a description of the following policies:

- a. For the selection of investments for the charity.
- b. For determining the level of income reserves held, stating and explaining the level of reserves held.
- c. Where grants are made by the charity, the selection of individuals and institutions who are to receive grants out of the assets of the charity.

Financial reserves policy	
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Investments selection policy and performance of those investments.	The broker has the trustees authority to select investments within the parameters laid down in Service Fund Regulations.
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Provide the name of all trustees/the Managing Trustee(s) during the report year.

Managing Trustee's name/trustees' names	Col M Palmer
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Serious Incidents	There have been no serious incidents
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Public Benefit Statement	<p>This fund provides public benefit by assisting service personnel to more effectively perform their roles within the Armed Forces of the Crown. It does this by providing and supporting sporting and adventure training activities:</p> <p style="padding-left: 40px;">This assistance enables service personnel to face the challenges and danger associated with military service by developing and maintaining <i>teamwork; skills; fitness; confidence, character, spirit and attitude; and morale*</i>. As a result, the fund promotes the efficiency of the Armed Forces of the Crown by enhancing the British Army's capability to undertake the roles demanded of it including the defence of the United Kingdom and its interests.</p> <p>(I confirm that I have paid due regard to the Charity Commission of England and Wales's guidance on public benefit when deciding what activities the charity should undertake.)</p>
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Additional comments (include any declarations which were not correct (Pg 6/7)):

The fund has been managed effectively this year and the investment changes we are making have my backing.

Date: 31 Aug 23

Signature 

Name Col M Palmer

Appointment DComd 4 LBCT

Date: _____

Signature _____

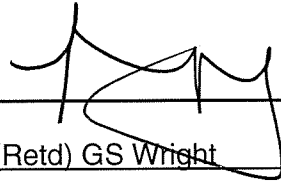
Name Maj (Retd) GS Wright

Appointment GAO

Internal Auditor's/Audit Board Report

1. I have examined the books of account and records from which the final accounts were prepared and have obtained all the information and explanations that were necessary for the purpose of my internal audit.
2. I certify that end of period checks have been conducted in accordance with Service Funds Regulations.
3. Subject to the observations given below I am satisfied that proper books of account have been kept and that the final accounts give a true and fair view of the results of transactions over the period and of the state of the Fund's affairs as at the date of the balance sheet. Subject also to my observations I am satisfied that cash and bank balances and stocks on hand have been properly checked at prescribed intervals and that adequate insurance exists.
4. I have stamped and signed the original books of account and the original records I have checked. All vouchers relating to this account period have been cancelled.
5. I have made the following observations whilst carrying out the internal audit:
 - a. Previous observations have been actioned.
 - b. Investments have reduced in value due to the ongoing financial market conditions.
 - c. No further comments.

Date: 11 Sep 13

Signature 
Name Maj (Retd) GS Wright
Appointment GAO

Comd/SO2 SPS – Independent Examiner’s Report on the Accounts, and Comments

Respective Responsibilities of Trustees and Examiner

The Charity’s Trustees are responsible for the preparation of the accounts. The Charity’s Trustees consider that an audit is not required for this year (under section 43(2) of the Charities Act 1993 (the Act) and that an independent examination is needed.

It is my responsibility to:

- a. Examine the accounts (under section 43(3)(a) of the Act).
- b. Follow the procedures laid down in the General Directions given by the Charity Commissioners (under section 43(7)(b) of the Act).
- c. State whether particular matters have come to my attention.

Basis of Independent Examiner’s Statement

My examination was carried out in accordance with General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the accounts.

Independent Examiner’s Statement

In connection with my examination, no matter has come to my attention (other than that disclosed overleaf*):

- a. Which gives me reasonable cause to believe that in any material respect the requirements:
 - (1) To keep accounting records in accordance with section 41 of the 1993 Act:
 - (2) To prepare accounts which accord with the accounting records and comply with the accounting requirements of the Act:have not been met.
- b. To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

* Delete as applicable.

Comd/SO2 SPS – Independent Examiner’s Report on the Accounts, and Comments

Disclosure Section (Only to be completed if the examiner needs to highlight material problems/discrepancies)

Give here brief details of any items that the examiner wishes to disclose

Comd/SO2 SPS Comments

Independent Examiner’s Signature _____

Name _____

Date: _____

Appointment _____