

THE HEADLEY COURT CHARITY

**The Trustees' Annual Report and Accounts
For the Year Ended 31 December 2021**

THE HEADLEY COURT CHARITY

TRUSTEES' ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDING 31 DECEMBER 2021

CHAIRMAN'S INTRODUCTION

Having formally resolved to close the Charity and following advice from the Charity Commission, Trustees have agreed to support, through the award of financial grants, a number of armed forces charities whose purposes are comparable with the objects of the Charity, principally rehabilitation, research and wellbeing. The grants awarded in 2021 are listed below. Trustees will continue to disperse the assets of the Charity and to conclude arrangements for the winding up of the Charity, or its merger with a charity with similar objects, in 2023.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Headley Court Charity was established under a Charity Commission Scheme dated 1 April 1968 and subsequently amended by a Charity Commission Schemes dated 17 October 2000, 11 July 2017 and 29 July 2020 and a resolution passed by the Trustees on 31 July 2019. The Charity is governed and managed by a Board of Trustees, who are supported by their Clerk.

OBJECTS

The objects of the Charity are:

- (1) The rehabilitation of serving, reserve and auxiliary members and veterans of the Armed Forces of the United Kingdom (the beneficiaries).
- (2) Research into the medical rehabilitation of serving, reserve, and auxiliary members and veterans of the Armed Forces of the United Kingdom.
- (3) The relief of hardship of the beneficiaries and their families.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The Trustees gave careful consideration to the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities. In particular, the Trustees considered how any grants they make would contribute to the Charity's aims and objectives.

The Trustees' objective for 2021 was to continue the process of closing the charity by making grants to charities with comparable purposes. They achieved this by awarding the following grants:

For Rehabilitation

The RBL Battle Back Centre	£270,000
The Scar Free Foundation	£20,000
The SBS Association	£30,000

For Research

The ADVANCE Study TBI	£1,989,457
The ADVANCE Study Biomarkers	£956,501

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PLANS FOR FUTURE PERIODS

The Trustees' objectives for 2022 are:

- to continue to monitor the progress of the building of the Headley Court Veterans Centre at the Robert Jones and Agnes Hunt Orthopaedic Hospital in Oswestry for which a grant of £6m was awarded in 2020. The grant is payable in instalments of £1m subject to key milestones being reached. By the year-end £3m of the grant had been paid.
- to make grants to charities with comparable purposes.
- to decide if the charity should be wound up in 2023 or merged with a charity with similar objects.

FINANCIAL REVIEW

The Statement of Financial Activities is set out on page 7 and shows a net deficit of £9,093,790 (2020: net deficit of £19,153,488). Income for the year amounted to £140,063 (2020: £111,438). Expenditure on charitable activities amounted to £9,272,173 (2020: £19,265,555). At 31 December 2020 investments held by the Charity were valued at £1,795,920. These investments were encashed on 9 February 2021 and £1,834,240 was received.

RESERVES

The Trustees' reserves policy is to hold in reserve sufficient funds to cover the costs of winding up the Charity.

STAFFING

The Trustees wish to thank the Clerk for her work in 2021.

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REFERENCE AND ADMINISTRATIVE INFORMATION

Name: The Headley Court Charity – also known as the Headley Court Trust.

Registered Charity Number: 256382

Principal Address: C/o 16 Westpoint, 49 Putney Hill, London SW15 6RU

Trustees

Air Vice-Marshal A. J. Stables CBE FRAeS (Chairman)

Mr M. S. Debens

Air Commodore P. J. Hughesdon MA

Air Vice-Marshal C. S. Walton CB QHP

Clerk: Ms K. Kirkland BA (Hons) FRSA

Solicitors: Charles Russell Speechlys LLP
5 Fleet Place
London, EC4M 7RD

Bankers: CAF (Charities Aid Foundation)
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4TA

Investment Managers: St James's Place Wealth Management
St James's Place House,
1 Tetbury Road
Cirencester
Gloucestershire GL7 1FP

CCLA
Senator House
85 Queen Victoria Street
London EC4V 4ET

Independent examiners: Moore Kingston Smith LLP
6th Floor
9 Appold Street
London EC2A 2AP

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

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

This report was approved by the Trustees on 19 July 2022.



Air Vice-Marshal Anthony Stables CBE FRAeS (Chairman)

THE HEADLEY COURT CHARITY

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF HEADLEY COURT CHARITY

I report to the trustees on my examination of the accounts of The Headley Court Charity (the Charity) for the year ended 31 December 2021.

Responsibilities and basis of report

As the charity trustees of the Charity 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 2011 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 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.

Other than the other matter explained below 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.

Other matter – going concern

As further explained in the trustees report and note 1a in the financial statements, the Trustees have decided to wind up the charity and are expecting to apply for it to be removed from the Charity Commission register before the end of 2023. The financial statements have been prepared on a basis other than that of a going concern.

Date: 6 September 2022

6th Floor
9 Appold Street
London
EC2A 2AP

Moore Kingston Smith LLP

Neil Finlayson

Independent Examiner
For and on behalf of Moore Kingston Smith LLP

THE HEADLEY COURT CHARITY

TRUSTEES' ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDING 31 DECEMBER 2021

Statement of Financial Activities for year ended 31 December 2021

	Notes	2021 £	2020 £
Income and endowments from:			
Donations		198	217
Legacies		139,027	60,000
Bank interest		838	51,221
Total income		<u>140,063</u>	<u>111,438</u>
Expenditure on charitable activities	2	9,272,173	19,265,555
Net gains/(loss) on investments	3	38,320	670
Movement in funds		<u>(9,093,790)</u>	<u>(19,153,448)</u>
Total funds brought forward at 1 January 2021		10,818,107	29,971,555
Total funds carried forward at 31 December 2021 6		<u>1,724,317</u>	<u>10,818,107</u>

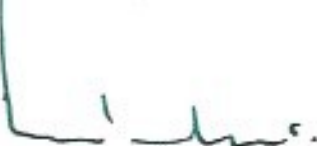
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Balance Sheet as at 31 December 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Investments	4	-	-
CURRENT ASSETS			
Investments	4	-	1,795,250
Cash at Bank		4,729,357	9,026,258
CURRENT LIABILITIES			
Grant Creditors	5	(3,000,000)	-
Accruals	5	(5,040)	(4,071)
NET CURRENT ASSETS/(LIABILITIES)		<u>1,724,317</u>	<u>10,818,107</u>
TOTAL NET ASSETS		<u>1,724,317</u>	<u>10,818,107</u>
Represented by:			
GENERAL FUND:	6	1,724,317	10,818,107
ENDOWMENT FUND:	7	-	-
		<u>1,724,317</u>	<u>10,818,107</u>

Approved by the Trustees on 19 July 2022 and signed on their behalf by:



Air Vice-Marshal A J Stables CBE FRAeS (Chairman)

The notes on pages 9 - 11 form an integral part of these accounts.

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TRUSTEES' ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDING 31 DECEMBER 2021

1. ACCOUNTING POLICIES

- a) **Basis of Accounting:** The financial statements have been prepared under the historical cost convention as modified to include the revaluation of investments. The statement of accounts has been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Charities Act 2011. The Charity constitutes a public benefit entity as defined by FRS102.

Going Concern: The Trustees have decided to wind up the Charity following the sale of the Headley Court estate in May 2019 and distribute all surplus funds to other charities with comparable purposes and therefore consider it inappropriate to prepare the financial statements on a going concern basis.

- b) **Income:** Income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably. Donations are recognised in full in the Statement of Financial Activities in the year in which they are receivable. Bank interest is accounted for on an accruals basis.
- c) **Investments:** Income from investments is credited in the accounts on the date of receipt. Listed investments are stated at market value at the year end. Any gains or losses incurred on the revaluation of investments are recognised in the statement of financial activities.
- d) **Resources Expended:** Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The following accounting policies are applied to the different categories of expenditure:
- **Costs of charitable activity:** These relate to charitable expenditure and the support costs of the Charity. Charitable expenditure is recognised when it is incurred. Support costs are made up of professional fees, administrative and governance costs. Governance costs are incurred to ensure good public accountability and compliance with regulation and good practice.
- e) **Financial instruments:** The charity has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.
- f) **Cash and cash equivalents:** Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.
- g) **Critical accounting estimates and areas of judgements:** In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

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2. EXPENDITURE ON CHARITABLE ACTIVITIES	2021	2020
	£	£
Charitable expenditure	9,255,958	19,256,740
Professional fees	9,772	-
Administrative expenses	6,443	8,815
Total expenditure	9,272,173	19,265,555

3. GAINS/(LOSSES) ON INVESTMENT ASSETS	2021	2020
	£	£
General Fund	38,320	670

4. INVESTMENTS

	01-Jan-21	Additions	Disposal Proceeds	Realised Gains	31-Dec-21
	£	£	£	£	£
General Fund					
UK High Income UT	318,042	-	322,468	4,426	-
International Equity	350,815	-	360,098	9,283	-
North American UT	350,762	-	363,986	13,224	-
Global Equity Income	244,312	-	251,589	7,277	-
Global Class UT	161,706	-	164,579	2,873	-
Equity Income Class	203,566	-	205,025	1,459	-
Allshare Income Class	166,717	-	166,496	(2222)	-
Total	1,795,250	-	1,834,240	38,320	-

All investments were liquidated in the year to 31 December 2021.

5. CREDITORS	2021	2020
	£	£
Grant creditors	3,000,000	-
Professional fees	5,040	4,071
Total	3,005,040	4,071

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6. MOVEMENT OF RESERVES	2021	2020
	£	£
General Fund		
Balance brought forward	10,818,107	29,971,555
Incoming Resources for the year	140,063	111,438
Outgoing Resources for the year	(9,272,173)	(19,265,556)
Net gain/(loss) on investments	38,320	670
Balance carried forward	<u>1,724,317</u>	<u>10,818,107</u>

7. ENDOWMENT FUND

This Fund, previously called the Capital Reserve Fund, is a permanent endowment created from the compulsory purchase of land. The original capital of £317,000 was invested in M&G Charifund units, and during 2009 the investment was transferred to St James's Place. To comply with SORP regulations this investment is now shown at market value and unrealised gains and losses have been added to the Endowment Fund. Income from the investment is credited to the General Fund for the Charity's use.

Following approval from the Charity Commission in 2018, the Trustees agreed to transfer the investments in the Endowment Fund investment into the General Fund, in preparation for the winding up of the Charity.

8. TRUSTEES EXPENSES

Included in administrative expenses are payments reimbursed to 2 (2020: 1) Trustees during the year which amounted to £910 (2020: £194).