

THE ARMOURERS & BRASIER

GAUNTLET TRUST

Charity Registration number: 279204

REPORT AND ACCOUNTS

31 March 2021

The Armourers & Brasiers' Gauntlet Trust

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31 March 2021

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The Armourers & Brasiers' Gauntlet Trust

31 March 2021

Charity Registration Number	279204
Founder	The Worshipful Company of Armourers & Brasiers
Trustees	E B Pitt (Chairman) Colonel David Wynne Davies (Resigned 25 June 2020) MJ Goulette NJ Davies Prof. W Bonfield Mr JRH Hale Prof Emma Ream (Appointed 25 June 2020)
Secretary	P Bateman
Chief Executive	A M Clift
Nature of Governing Instrument	Declaration of Trust dated 21 November 1979
Registered Office	Armourers' Hall 81 Coleman Street London EC2R 5BJ
Auditor	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Bankers	National Westminster Bank plc 94 Moorgate London EC2M 6XT C Hoare & Co 37 Fleet Street London
Fund Managers	Rathbone Investment Management Limited 8 Finsbury Circus London EC2M 7AZ

The Armourers & Brasiers' Gauntlet Trust

TRUSTEES' REPORT *Year to 31 March 2021*

The trustees present their statutory report together with the accounts of The Armourers and Brasiers' Gauntlet Trust ('the Trust' or 'the charity') for the year ended 31 March 2021.

The accounts have been prepared in accordance with the accounting policies set out on pages 13 to 15 of the attached accounts and comply with the charity's trust deed, applicable laws and 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).

GOVERNANCE, STRUCTURE AND MANAGEMENT

Governance

The Armourers and Brasiers' Gauntlet Trust is governed by a Declaration of Trust dated 21 November 1979. The Trust is registered under the Charities Act 2011 with Charity Registration Number 279204.

The power to appoint trustees is vested in the Worshipful Company of Armourers & Brasiers and is exercised by resolution of the Court of Assistants of the Worshipful Company. When new trustees are appointed, they are given an introduction to the work of the Trust and provided with the information they need to fulfil their role.

The trustees who served during the year are listed on page 1.

The trustees meet three times annually to review the Trust's finances, to consider applications and to approve grants. Applications for grants should be made via the website (www.armourershall.co.uk/funding-grants). The Chief Executive is responsible for the day to day administration of the Trust. Oversight of grants in support of Materials Science education and research is delegated to an expert sub-committee, the Materials Science Committee, chaired by a trustee who reports at the trustees' meetings. A significant proportion of grants are made on a recurrent basis, and approved as part of annual budget approval. Applications to those grant programmes for which there is an open application process should be made via the website (www.armourershall.co.uk/funding-grants). The Chief Executive is responsible for the day to day administration of the Trust.

Trustees' responsibilities statement

The trustees are responsible for preparing the trustees' report and accounts 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 accounts for each financial year which gave a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these accounts, the trustees are required to:

select suitable accounting policies and then apply them consistently;

- ◆ observe the methods and principles in 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);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy, at any time, the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the charity's trust deed. 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.

TRUSTEES' REPORT

Year to 31 March 2021

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Key management personnel

The key management personnel comprise the Trustees, Secretary to the Trust and the Chief Executive. A charge is made from the Worshipful Company of Armourers and Brasiers to the Trust for the management and administration of the charity. The remuneration of the Chief Executive is determined by the Trustees. The Trustees are not remunerated but may claim expenses. A charge is made from the Worshipful Company of Armourers and Brasiers to the Trust for the management and administration of the charity.

Risk management

The principal risks faced by the Trust lie in the performance of investments; the risk of ineffective grant making; and the capacity of the Trust to maintain the level of grant making in conjunction with corporate partners.

- The trustees consider variability of investment returns on investments to constitute the charity's major financial risk. This is mitigated by retaining expert investment managers and having a diversified investment portfolio. The investment manager reports to the trustees in person once a year but is available for consultation and supplies written reports at their request.
- The operational risk from ineffective grant making is mitigated by:
 - confirming the charitable status and other eligibility criteria agreed by the trustees for the recipients of grants under the small charities programme;
 - retaining trustees of sufficient skill and expertise to chair the Materials Science sub-committee and ensuring that the other members of the Materials Science sub-committee together provide an appropriate range and depth of knowledge of the UK Materials Science sector; and
 - maintaining links at senior level with universities, institutions and military units through which prizes and other grants are awarded.
- The risk of a reduction in the level of grant making in conjunction with our corporate partners is mitigated by careful stewardship of those relationships including annual impact reporting and consultation about the joint programmes at meetings and through other regular contact. The trustees seek opportunities to extend their contacts throughout the UK Materials Science community.

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES

Objectives and activities

The Declaration of Trust establishing the Trust directs that with the consent of the Court of Assistants of the Worshipful Company of Armourers and Brasiers, the Trust shall support all or any institutions or purposes as the trustees shall from time to time think fit.

The charity meets these objectives by making grants in accordance with the grant making policy below.

TRUSTEES' REPORT
Year to 31 March 2021

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

Grant making policy

The trustees make a large number of individual small grants in support of education, materials science and general charitable purposes. Additionally, the Armourers & Brasiers' Rolls-Royce, the Armourers & Brasiers' AWE, the Armourers & Brasiers' TWI and the Armourers & Brasiers' Materials Processing Institute schemes are run jointly with Rolls-Royce plc, AWE and the Materials Processing Institute respectively to fund students of materials science.

Full lists of the grants made can be found in appendices A to E.

Investment policy

The charity has a portfolio of investments with a market value as at 31 March 2021 of £9,275,776 (2020 - £7,922,576).

Investment powers held by the trustees have been delegated to the fund manager, Rathbone Investment Management Limited. The trustees monitor the performance of the fund manager against the objective of a balance of capital growth and income with a medium level of risk.

The Trustees have decided that for future years the Trust will draw down for expenditure each year a stable amount, likely to be about 2.75% of the capital value, from time to time, of the Invested Funds. This will enable the Trustees to plan expenditure based on a stable income and will also allow the fund managers, Rathbones, greater flexibility to invest so as to generate money for the Trust to spend each year both from dividend income and capital growth.

The trustees are satisfied that their investment policy is being pursued as agreed.

Public benefit

The trustees confirm that they have complied with their duty under Section 11 of the Charities Act 2011. They have considered the public benefit guidance published by the Charity Commission and believe that they have followed its guidance in this area. The trustees' report gives a description of the activities undertaken by the charity during the year in furtherance of its charitable purposes, and the trustees are satisfied that all such activities provide a public benefit.

Review of activities

The objectives, as set out above, were achieved during the current year. Grants of £21,625 (2020 - £75,392) were made to 55 (2020 - 153) individuals and grants of £1,163,742 (2020 - £200,973) were made to institutions

Covid-19 Impact

The financial and industrial turbulence triggered by the Covid-19 pandemic affected the Trust's income from dividends and from industrial partners. The pandemic also constrained the delivery of some of the Trust's longstanding programmes where beneficiary organisations were unable to operate as normal and it was not possible to move their activities online. The Trustees acted promptly to set an emergency budget to support key beneficiaries. Support for the small charity sector was a priority given the unprecedented demand from many service users, alongside the loss of income experienced by many charities from premises rental and other trading activities. The Trustees made a grant of £30,000 to the London Community.

TRUSTEES' REPORT
Year to 31 March 2021

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

Covid-19 Impact (continued)

For its principal charitable objective of supporting education and research Materials Science the Trustees prioritised recognition of the outstanding achievements of young people through the Trust's programme of prizes and awards. Many beneficiaries in this group had completed courses and projects in sudden isolation making their achievements particularly remarkable. The Trustees also completed the Trust's planned legacy project for the 700th Anniversary of the Worshipful Company of Armourers & Brasiers by establishing the Armourers & Brasiers' Chair in Materials Science at Imperial College London. The Trustees welcomed the appointment of Professor Mary Ryan as the first incumbent.

Notwithstanding a drop in investment income, the trustees were able in the main to continue the Trust's normal activities by drawing on reserves

The Trustees have established Covid Recovery Funds to support its beneficiaries in the education sector as they resume normal working.

Investment performance

The investment managers continued to invest in accordance with the trustees' investment policy set out earlier in this report. At the end of the year the charity's portfolio of fixed asset investments comprised 44.9% (2019 - 36.4%) listed UK equities, 4.9% (2019 – 6.4%) UK government stock and fixed interest securities, and 51.2% (2019- 57.2%) overseas equities, alternatives and cash.

The trustees are satisfied with the performance of the investments and remain satisfied that their investment objectives are being met.

The Armourers & Brasiers' Gauntlet Trust

TRUSTEES' REPORT
Year to 31 March 2021

FINANCIAL REVIEW

Results for the year

A summary of the year's results can be found on page 10 of the report and accounts.

During the year the trustees received £87,948 (2020 - £78,431) under gift aid from individuals. Investments produced income of £190,770 (2020 - £252,480 and interest on cash deposits and other income of £427 (2020 - £2,475) was received.

During the year £25,000 (2020 - £25,000) was received from Rolls-Royce plc, £25,000 (2020 - £25,000), from AWE, £0 (2020 - £25,000), from TWI, £0 (2020 £10,000), from Tata Steel £0 (2020 £1,000) and £30,000 (2020 - £30,000) from the Materials Processing Institute. A total of £45,686 (2020 - £137,552) has been donated by the trustees for the benefit of students in materials science.

The total income for the year was £366,695 (2020 - £1,285,026) and the trustees, in accordance with the objects of the trust, have made grants of £1,185,367 (2020- £286,477). In addition, £1,000,000 has been awarded to Imperial College London towards the creation of The Armourers & Brasiers Chair in Materials Science.

Reserves policy

The Trustees' policy is to distribute all investment dividend and partnership income, and to distribute members' annual donations insofar as dividend income does not cover budgeted expenditure for the year. Other donations are accumulated and added to invested funds.

The trustees are of the opinion that the current level of unrestricted reserves provides sufficient flexibility to cover temporary shortfalls in income due to timing differences in income flows.

Financial position

The balance sheet shows total funds of £9,411,490 (2020 - £8,451,420) comprising expendable endowment funds of £9,223,762 (2020 - £7,926,513), restricted funds of £20,100 (2020 - £857,000) and unrestricted funds (free reserves) of £167,628 (2020 - £297,907). The trustees consider that this level of free reserves matches the parameters set out in the charity's reserves policy above and they, therefore, consider free reserves to be adequate but not excessive.

FUTURE PLANS

The trustees do not anticipate any significant changes to the charity or its activities over the next two to five years. It is their intention to meet the following objectives:

- To monitor the investment performance so that if at all possible, it achieves the criteria set by them so that there are sufficient funds to meet their grant giving policies.
- To continue to make grants at a similar level.
- To maintain regular contact with donors and beneficiaries to support informed decision-making and strategy development for the charity.
- To continue to make grants in line with income, in the context of the anticipated impact of the Covid-19 pandemic.

Approved by the trustees on

10th June 2021

Trustee

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The Armourers & Brasiers' Gauntlet Trust

INDEPENDENT AUDITOR'S REPORT

Year to 31 March 2021

Opinion

We have audited the financial statements of The Armourers and Brasiers' Gauntlet Trust for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the cash flow statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustee with respect to going concern are described in the relevant sections of this report.

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the Trustee's Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

Year to 31 March 2021

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustee for the financial statements

As explained more fully in the Trustee's responsibilities statement set out on page 2, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory framework applicable to registered charities, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and other factors such as taxation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to manual accounting journals. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities; and
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions.

The Armourers & Brasiers' Gauntlet Trust

INDEPENDENT AUDITOR'S REPORT (continued)

Year to 31 March 2021

Auditor's responsibilities for the audit of the financial statements (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustee, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustee those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP

Haysmacintyre LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 2 July 2021

haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The Armourers & Brasiers' Gauntlet Trust

STATEMENT OF FINANCIAL ACTIVITIES

Year to 31 March 2021

	Notes	General Fund £	Expendable Endowment Fund £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
Income from:						
Donations and gifts	1	8,467	75,031	92,000	175,498	1,022,071
Investment income	2	190,770	-	-	190,770	252,480
Interest received		427	-	-	427	2,475
Charitable activities	3	-	-	-	-	8,000
Total Income		199,664	75,031	92,000	366,695	1,285,026
Expenditure on:						
Raising funds:	4	-	29,746	-	29,746	26,024
Charitable activities	5	329,943	-	928,900	1,258,843	374,087
Total Expenditure		329,943	29,746	928,900	1,288,589	400,111
Net Income before gains on investments		(130,279)	45,285	(836,900)	(921,894)	884,915
Net gains/(losses) on investments	10	-	1,881,964	-	1,881,964	(1,000,999)
NET MOVEMENT IN FUNDS		(130,279)	1,927,249	(836,900)	960,070	(116,084)
FUND BALANCES BROUGHT FORWARD		297,907	7,296,513	857,000	8,451,420	8,567,504
FUND BALANCES CARRIED FORWARD		167,628	9,223,762	20,100	9,411,490	8,451,420

All recognised gains and losses are included in the above statement of financial activities.

All of the charity's activities derived from continuing operations during the above two financial periods.

The accompanying notes form part of the financial statements.

The Armourers & Brasiers' Gauntlet Trust

BALANCE SHEET

Year to 31 March 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Fixed asset investments	10	9,275,776	7,922,576
CURRENT ASSETS			
Stock		8,243	9,603
Debtors	11	50,684	61,494
Cash at bank and in hand		146,509	624,345
		<u>205,437</u>	<u>695,442</u>
CREDITORS			
Amounts falling due within one year	12	(69,723)	(166,598)
NET CURRENT ASSETS		<u>135,714</u>	<u>528,844</u>
TOTAL NET ASSETS		<u>9,411,490</u>	<u>8,451,420</u>
FUNDS AND RESERVES			
Expendable endowment fund	13	9,223,762	7,296,513
Restricted funds		20,100	857,000
Unrestricted funds			
Designated fund		19,331	150,000
General fund		148,297	147,907
		<u>9,411,490</u>	<u>8,451,420</u>

The accompanying notes form part of the financial statements.

Approved and authorised for issue by the trustees on

2021 and signed on their behalf by:

Trustee



10th June 2021

The Armourers & Brasiers' Gauntlet Trust

STATEMENT OF CASHFLOWS

	2021	2020
	Total funds	Total funds
	£	£
Cash flows from operating activities (see note below)		
Net cash used in operating activities	(1,197,796)	665,646
Cash flows from investing activities		
Investment income received	191,197	285,870
Purchase of investments	(2,486,002)	(1,571,613)
Proceeds from sale of investments	2,104,691	1,682,340
(Increase)/decrease in investment cash	910,075	(935,803)
Net cash provided by investing activities	719,961	(539,206)
Change in cash and cash equivalents in year	(477,835)	126,440
Cash and cash equivalents at the beginning of the year	624,345	497,905
Cash and cash equivalents at the end of the year	146,510	624,345

Note: reconciliation of net income to cash flows from operating activities

	2021	2020
	Total funds	Total funds
	£	£
Net income per the Statement of Financial Activities	960,070	(116,084)
Add: decrease in stock / deduct increase in stock	1,360	2,317
Add: investment losses / deduct: investment gains	(1,881,964)	1,000,999
Deduct: investment income receivable	(191,197)	(254,955)
Deduct: increase in debtors/add: decrease in debtors	10,810	(39,988)
Add: increase in creditors/ deduct: decrease in creditors	(96,875)	73,357
Cash flows from operating activities	(1,197,796)	665,646

No reconciliation of net debt has been provided as the charity has no borrowings.

The accompanying notes form part of the financial statements.

The Armourers & Brasiers' Gauntlet Trust

NOTES TO THE ACCOUNTS

Year to 31 March 2021

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 31 March 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) (SORP), Section 1A of 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 accounts may require the trustees and management to make significant judgements and estimates.

There are no items in the accounts where such judgements and estimates have been made.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

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. With regard to the next accounting period, the year ending 31 March 2021, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations and gifts, investment income and income from charitable activities.

The Armourers & Brasiers' Gauntlet Trust

NOTES TO THE ACCOUNTS

Year to 31 March 2021

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from charitable activities consists of income received from the Armourers and Brasiers' Cambridge Forum. The income is recognised when receivable and the amount can be measured reliably by the charity; this is normally in the period the event takes place.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment 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.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- a. Expenditure on raising funds comprises fees paid to investment managers in connection with the management of the charity's listed investments.
- b. Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include charitable grants, the costs of the Armourers and Brasiers' Cambridge Forum and support and governance costs.
- c. Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued. Grants where the beneficiary has not been informed or has to fulfil performance conditions before the grant is released are not accrued for but are disclosed as financial commitments in the notes to the accounts.
- d. Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment. Support costs also include governance costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

All expenditure is stated inclusive of irrecoverable VAT.

NOTES TO THE ACCOUNTS

Year to 31 March 2021

Fixed asset investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Stocks

Stocks are stated at the lower of cost and net realisable value.

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.

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.

Funds structure

Expendable endowment fund

Endowment funds comprise monies which must be held as capital. Where the trustees have a power of discretion to convert endowed capital into income, the fund is known as an expendable endowment. Income arising from the expendable endowment is applied for general charitable purposes.

Restricted funds

The restricted funds relate to funds which have been received and their use restricted to a specific purpose, or grants and donations subject to donor imposed conditions.

General fund

The general fund, being unrestricted funds, represents those monies which are freely available for application towards achieving any charitable purpose that falls within the objects of the charity.

The Armourers & Brasiers' Gauntlet Trust

NOTES TO THE ACCOUNTS

Year to 31 March 2021

1 DONATIONS AND GIFTS

	<i>General Fund £</i>	<i>Expendable Endowment Fund £</i>	<i>Restricted Funds £</i>	<i>2021 Total Funds £</i>
Tata Steel plc	-	-	30,000	30,000
Morgan Advanced Materials	-	-	25,000	25,000
The Materials Processing Institute	-	-	25,000	25,000
Donations from individuals	917	75,031	12,000	87,948
Other donations	7,550	-	-	7,550
2021 Total funds	8,467	75,031	92,000	175,498

PRIOR YEAR

	<i>General Fund £</i>	<i>Expendable Endowment Fund £</i>	<i>Restricted Funds £</i>	<i>2020 Total Funds £</i>
Tata Steel plc	-	-	1,000	1,000
Morgan Advanced Materials	-	-	-	-
The Materials Processing Institute	-	-	30,000	30,000
Rolls-Royce plc	-	-	25,000	25,000
AWE	-	-	25,000	25,000
TWI	-	-	10,000	10,000
Donations from individuals	-	78,431	-	78,431
Other donations	2,640	-	850,000	852,640
2020 Total funds	2,640	78,431	941,000	1,022,071

2 Income from Investments

	<i>2021 Unrestricted funds £</i>	<i>2020 Unrestricted funds £</i>
UK equities	190,770	222,241
UK government stock and fixed interest securities	-	30,239
Interest on Cash Deposits and Other Income	427	2,475
	191,197	254,955

3. Income from Charitable Activities

	<i>2021 Unrestricted funds £</i>	<i>2020 Unrestricted funds £</i>
Armourers & Brasiers' Cambridge Forum	-	8,000

The Armourers & Brasiers' Gauntlet Trust

NOTES TO THE ACCOUNTS

Year to 31 March 2021

4. Expenditure on raising funds

	2021 Expendable endowment fund £	2020 Expendable endowment fund £
Investment management fees	<u>29,746</u>	<u>26,024</u>

5. Expenditure on Charitable Activities

	Unrestricted Funds	Restricted Funds	2021 Total Funds £
Grants payable (note 6) Armourers & Brasiers' Cambridge Forum Support Costs (note 7)	256,467	928,900	1,185,367
	<u>73,476</u>	<u>-</u>	<u>73,476</u>
2021 Total Funds	<u>329,943</u>	<u>928,900</u>	<u>1,258,843</u>

PRIOR YEAR 2020

	Unrestricted Funds	Restricted Funds	2020 Total Funds £
Grants payable (note 6) Armourers & Brasiers' Cambridge Forum Support Costs (note 7)	195,477	91,000	286,477
	8,000	-	8,000
	<u>79,610</u>	<u>-</u>	<u>79,610</u>
2020 Total Funds	<u>283,087</u>	<u>91,000</u>	<u>374,087</u>

6 Grants Payable

	2021 Total Funds £	2020 Total Funds £
Armourers & Brasiers' Tata Steel Scheme	-	15,073
Armourers & Brasiers' Rolls-Royce Scheme	15,750	36,000
Armourers & Brasiers' Materials Processing Institute Scheme	33,000	34,320
Armourers & Brasiers' AWE Scheme	21,150	30,000
Armourers & Brasiers' TWI Scheme	-	12,000
Charitable grants towards materials science	47,686	101,159
Other charitable grants	67,781	57,925
Imperial College London – Armourers and Brasiers Chair in Materials Science	<u>1,000,000</u>	<u>-</u>
Further details are provided in appendices A-G	<u>1,185,367</u>	<u>286,477</u>

The Armourers & Brasiers' Gauntlet Trust

NOTES TO THE ACCOUNTS

Year to 31 March 2021

6 Grants Payable (continued)

The charity makes grants in accordance with its grant making policy set out in the trustees' report. The grants made by the charity in the year are listed in appendices A to G attached to these accounts. During the year 55 (2020 - 141) grants totalling £21,625 (2020 - £67,917) were paid to individuals. This included prizes to high achieving students at 18 universities; Grants to 32 institutions totalling £1,163,742 included £19,750 to 5 small charities and £30,000 to The City Bridge Trust which helped co-ordinate fundraising in the City of London during the pandemic as part of London Community Response. During the year the Gauntlet Trust made a major grant of £1,000,000 to Imperial College London. This donation is being used to establish the Armourers & Brasiers' Chair in Materials Science.

7 Support Costs

	2021 Total Funds £	2020 Total Funds £
Administration charge from the Worshipful Company of Armourers & Brasiers	13,759	13,157
Staff Costs	50,605	48,874
Office expenses	2,512	11,027
Auditors Remuneration for Audit Services	6,600	6,552
	<u>73,476</u>	<u>79,610</u>

8 Staff Costs and remuneration of trustees and key management personnel

The charity employed 1 member of staff (2020 - one). Total staff costs were: gross pay £39,405 (2020 - £38,216), employer's national insurance £4,257 (2020 - £4,083), pensions £5,821 (2020 - £5,156) and life insurance £1,122 (2020 - £950).

No trustee received any remuneration or reimbursed expenses in respect of their services as a trustee during the year (2020 - £nil).

9 TAXATION

The Armourers and Brasiers' Gauntlet Trust is a registered charity and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities as they fall within the exemptions available to registered charities.

10 FIXED ASSET INVESTMENTS

Movements in fixed asset investments during the year were as follows:	2021 £	2020 £
Market value at 1 April 2020	6,870,954	7,982,680
Additions at cost	2,486,002	1,571,613
Disposal proceeds	(2,104,691)	(1,682,340)
Net gains/(losses) in the year	<u>1,881,964</u>	<u>(1,000,999)</u>
Market value at 31 March 2021	9,134,229	6,870,954
Cash held by investment managers	<u>141,547</u>	<u>1,051,622</u>
	<u>9,275,776</u>	<u>7,922,576</u>
Cost of fixed asset investments at 31 March 2021	<u>6,648,532</u>	<u>6,648,532</u>

NOTES TO THE ACCOUNTS

Year to 31 March 2021

10 FIXED ASSET INVESTMENTS (CONTINUED)

Fixed asset investments held at 31 March comprised the following:

	2021	2020
	£	£
Listed investments		
Fixed Interest Securities	451,433	507,994
Investment Companies	788,667	960,936
UK Equities	4,168,128	2,881,897
Overseas Equities	3,726,550	2,520,127
	<u>9,134,229</u>	<u>6,870,954</u>

All listed investments were dealt on a recognised stock exchange.

11 DEBTORS

	2021	2020
	£	£
Tax recoverable on investment income	594	1,920
Investment income receivable	33,659	19,276
Other debtors and prepayments	16,431	40,298
	<u>50,684</u>	<u>61,494</u>

12 CREDITORS

	2021	2020
	£	£
Worshipful Company of Armourers & Brasiers	-	84,569
Accruals and Deferred income	24,350	48,175
Grant Creditors	44,250	24,000
Other Creditors	1,123	9,854
	<u>69,723</u>	<u>166,598</u>

13 EXPENDABLE ENDOWMENT FUNDS

The expendable endowment fund comprises donations to the charity to be held as capital, including any resultant realised or unrealised movement on investments.

The Armourers & Brasiers' Gauntlet Trust

NOTES TO THE ACCOUNTS

Year to 31 March 2021

14. Restricted Funds

	At 1 April 2020 £	Income £	Expenditure £	As At 31 March 2021 £
Materials Processing Institute Scheme	-	30,000	(30,000)	-
Rolls-Royce Scheme	7,000	25,000	(15,750)	16,250
AWE Scheme	-	25,000	(21,150)	3,850
TWI Scheme	-	-	-	-
The Peter & Nicki Mason Fund	-	12,000	(12,000)	-
The Worshipful Company of Armourer and Brasiers	850,000	-	(850,000)	-
	<u>857,000</u>	<u>92,000</u>	<u>(928,900)</u>	<u>20,100</u>

Prior year 2020

	At 1 April 2019 £	Income £	Expenditure £	As At 31 March 2020 £
Tata Steel Scheme	-	1,000	(1,000)	-
Materials Processing Institute Scheme	-	30,000	(30,000)	-
Rolls-Royce Scheme	7,000	25,000	(25,000)	7,000
AWE Scheme	-	25,000	(25,000)	-
TWI Scheme	-	10,000	(10,000)	-
The Worshipful Company of Armourer and Brasiers	-	850,000	-	850,000
	<u>7,000</u>	<u>941,000</u>	<u>(91,000)</u>	<u>857,000</u>

The restricted funds from corporate partners are for grants and awards which meet the requirements of the relevant schemes. The restricted grant from the Worshipful Company of Armourers and Brasiers is to fund a chair in material science at a leading university.

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Expendable Endowment £	Total 2021 £
Fund balances at 31 March 2021 are represented by:				
Fixed asset investments	31,914	20,100	9,223,762	9,275,776
Current assets	205,437	-	-	205,437
Creditors: amounts falling due within one year	(69,723)	-	-	(69,723)
Total net assets	<u>167,628</u>	<u>20,100</u>	<u>9,223,762</u>	<u>9,411,490</u>

The Armourers & Brasiers' Gauntlet Trust

NOTES TO THE ACCOUNTS

Year to 31 March 2021

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS (Continued) **PRIOR YEAR 2020**

	Unrestricted Funds £	Restricted Funds £	Expendable Endowment £	Total 2020 £
Fund balances at 31 March 2020 are represented by:				
Fixed asset investments	457,505	857,000	6,608,071	7,922,576
Current assets	7,000	-	688,442	695,442
Creditors: amounts falling due within one year	(166,598)	-	-	(166,598)
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	<u>297,907</u>	<u>857,000</u>	<u>7,296,513</u>	<u>8,451,420</u>

16. RELATED PARTY TRANSACTIONS

The trustees are members of The Worshipful Company of Armourers & Brasiers, therefore the Worshipful Company is considered to be a related party. Transactions with the Worshipful Company are disclosed in the appropriate notes to the accounts.

Donations from trustees during the year totalled £4,050 (2020 - £5,113).

CHARITABLE GRANTS

ARMOURERS & BRASIERS' ROLLS ROYCE SCHEME

Year to 31 March 2021

EDUCATION	2021 £	2021 £
School Level:		
Royal Armouries schools' project	1,000	1,000
Undergraduate Level:		
First year university prizes (2 at £250)		
Birmingham	750	
Cambridge (Not awarded 2020/21)	-	
Imperial College, London	500	
Manchester	500	
Oxford (Not awarded 2020/21)	-	
Swansea	500	
		2,250
University of Sheffield Industrial Training Project	7,500	7,500
Research Student Level:		
Conference and placement travel grants		
Armourers & Brasiers' Cambridge Forum	1,000	
		1,000
Post-Doctoral Level:		
Armourers' Rolls-Royce Fellowship	4,000	4,000
<i>Sub-total: amount charge to restricted fund in 2021</i>		15,750
Transferred to Covid Recovery Fund to be spent in 2021/22		
Rolls-Royce Funds	9,250	
A&B Funds	11,000	
		20,250
		36,000

CHARITABLE GRANTS

ARMOURERS & BRASIERS' AWE SCHEME

Year to 31 March 2021

EDUCATION	2021 £	2021 £
School Level:		
Schools Outreach	3,000	
Teacher's CPD	2,000	
		5,000
Undergraduate Level:		
Cambridge 1 st Class Degrees	500	
On site Summer Placements & Summer Placement Support	4,000	
Metallurgy awards/bursaries	400	
Undergraduate Bursaries (3 x £1,000)	3,000	
Oxford Summer Metallurgy Tour	2,000	
		9,900
Research Student Level:		
Conference travel grants		
Armourers & Brasiers' Cambridge Forum	1,000	
Recognising excellence awards	250	
University of Cambridge Student Opportunity Fund (DMSM)	5,000	
		6,250
<i>Sub-total: amount charge to restricted fund in 2021</i>		21,150
Transferred to Covid Recovery Fund to be spent in 2021/22		
Conference travel grants	8,850	
AWE Contribution	3,850	
A&B Contribution	5,000	
	8,850	8,850
		30,000

CHARITABLE GRANTS

ARMOURERS & BRASIER'S MATERIALS PROCESSING INSTITUTE SCHEME

Year to 31 March 2021

EDUCATION	2021 £	2021 £
Research Student Level:		
Millman Scholarship	16,000	
Post graduate research symposium	15,400	
Symposium Prizes	600	
		32,000
Research Community		
Armourers & Brasiers' Cambridge Forum 2022		1,000
		<u>33,000</u>

£30,000 of the above related to restricted funds from MPI. The balance is the Company contribution

CHARITABLE GRANTS

CHARITABLE GRANTS TOWARDS MATERIAL SCIENCE

Year to 31 March 2021

EDUCATION	2021 £	2021 £
School Level:		
6th Form Materials Prizes	1,450	
SATRO - the problem solving challenge	1,000	
IOM3 Magic of Materials Summer School		
Royal Armouries materials project	1,000	
University school links	3,000	6,450
Undergraduate Level:		
Industrial experience awards and travel	9,000	
Sheffield Hallam University forensic engineering scholarships		
4 x 600	2,400	
Swansea University entry sponsorship 2 x 500	1,000	
Summer Placement Support	1,925	
University Medals & Awards For Excellence:		
Aston	250	
Bath	250	
Birmingham	250	
Cambridge x 2	500	
Cranfield x 2	300	
Imperial College London x 3	375	
Lancaster	250	
Loughborough x 2	500	
Manchester Materials Science Centre	250	
Nottingham	250	
Oxford	250	
Queen Mary University London	250	
Royal College of Art	500	
Sheffield	250	
Sheffield Hallam	250	
Southampton	250	
Swansea	250	
University College London	250	
Alumni Evening Prize	34	
Medals (23 @£25 each)	575	20,359
Research Student Level:		
Oxford bursary	2,000	2,000
Post Doctoral Level:		
Cambridge post-doctoral awards		
Distinguished visiting Fellow Scheme	2,500	2,500

CHARITABLE GRANTS

CHARITABLE GRANTS TOWARDS MATERIAL SCIENCE

Year to 31 March 2021

Professional Institutions:		
Institute of Materials -Young persons' lecture competition	900	
Livery schools link	125	
Royal Society Medal & Award	2,505	
Robert Perrin Medal	847	4,377
Cutlers' Company, Hallamshire:		
Sheffield scheme awards		-
Thr Peter & Nicki Mason Fund (restricted)		
Summer placements	10,000	
Other activities	2,000	12,000
<i>Sub-total: amount charge to expenditure in 2020-21</i>		<i>47,686</i>
Transfer to Covid Recovery Fund		10,331
		<u>58,017</u>

CHARITABLE GRANTS

OTHER AWARDS & GRANTS

Year to 31 March 2021

AWARDS & GRANTS	2021	2021
COMMUNITY & ARMED FORCES	£	£
Prizes		
Medals		
Royal Navy		
- Britannia Royal Naval College		
- Faslane Flotilla		
- Armourers	250	
- Armoury	250	
- Junior Weapon Engineering Officer	250	
Royal Air Force - RAF Cosford Engineer Officer		
- 8 Squadron	250	
REME - Artificer Weapons Course		
Royal Army Chaplains Department	250	
Royal Armourer Corps (Binoculars 2019 & 2020)	1,814	
		3,064
Cost of medals		
<u>Grants</u>		
First Aid Nursing Yeomanry	500	
VC & GC Association	500	
Alexander Forsyth award & medal	550	
Royal British Legion	500	
Sheriffs' & Recorder's Fund	500	2,550
CHILDREN, YOUTH & EDUCATION		
Cadet units	2,000	
The Ulysses Trust	2,000	4,000
MEDICAL & HEALTH		
The Richard House Hospice	2,000	2,000
THE ARTS		
Guildhall School of Music & Drama - Brass Prize	1,000	
West Dean College - Armour Studentship	1,000	2,000
CHRISTIAN MISSION		
St Margaret Lothbury	1,000	
St Paul's Cathedral	500	
United Guilds service		1,500
GAUNTLET TRUST SUPPER	4,250	
LORD MAYOR'S APPEAL	2,000	
		6,250
OCCASIONAL GRANTS		21,364
St Cuthbert's Centre	12,500	
City Bridge Trust	30,000	
Livery Kitchens Initiative	3,000	
St Margaret Lothbury retiring collection	917	46,417
TOTAL OTHER CHARITABLE GRANTS		67,781