

Charity number: 305152

Surrey Army Cadet Force Association

Unaudited

Trustees' report and financial statements

For the year ended 31 December 2020

Surrey Army Cadet Force Association

**Reference and administrative details of the charity, its trustees and advisers
For the year ended 31 December 2020**

Trustees

Rev. Canon N P Nicholson DL
Colonel (Ret'd) D K G Cox OBE
Brigadier (Ret'd) G E Bartlett MBE DL
M J Gerrard QPM DL
Brigadier (Ret'd) P A D Evans OBE DL
Colonel (Ret'd) P T Crowley

Charity registered number

305152

Registered office

15 Carfax, Horsham, West Sussex, RH12 1DY

Accountants

Kreston Reeves LLP, Springfield House, Springfield Road, Horsham, West Sussex, RH12 2RG

Bankers

Barclays Bank, 2 Carfax, Horsham, West Sussex, RH12 1DN

Solicitors

DMH Stallard incorporating Rawlison Butler, 15 Carfax, Horsham, West Sussex, RH12 1DY

Surrey Army Cadet Force Association

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Surrey Army Cadet Force Association

Trustees' report

For the year ended 31 December 2020

The Trustees present their annual report together with the financial statements for the year 1 January 2020 to 31 December 2020. The trustees have adopted the provisions of 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) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Charities Act 2011.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trust was created by a Declaration of Trust dated 1 October 1971 as amended by the Resolutions of the trustees dated 17 November 1986 and 21 April 1996.

The trustees are invited to join the Board of trustees after appropriate consultation with the Committee and other interested parties.

The trustees who acted during the year are stated in the reference and administrative details information page at the front of the financial statements.

The administration of the trust is controlled by the trustees. The trustees have delegated to a Committee (Rev. Canon N P Nicholson; Major S Hopkin; and three other members) the tasks, among others, of vetting and prioritising requests for funds that come from Surrey Army Cadet Force. The officers and members of the Committee shall be elected by ballot from the members of the Association at the Annual General Meeting.

OBJECTIVES AND ACTIVITIES

The Trust was established for the furtherance of education and the training and development of young people through their leisure-time activities so as to develop their physical, mental and spiritual capacities so that they may grow to full maturity as individuals and members of society and that their conditions of life may be improved.

The trustees continue to apply the income derived from the invested funds to meet the objectives laid down in the Declaration of Trust through the payment of grants. Preference is given to the cadets serving in the Surrey Army Cadet Force and their associated activities but if funds are available the trustees will consider applications from other youth orientated organisations with similar aims.

ACHIEVEMENTS, PERFORMANCE AND FINANCIAL REVIEW

The accounting period of the Association ends on 31 December of each year. The Association continues to maintain substantial funds mainly due to the generous bequest of the late Major Richard Maydwell.

At 31 December 2020 the fund balance stood at £2,005,568 of which £1,700,068 is a permanent endowment. During the year, having obtained the approval of the Charity Commission, the Trustees sold a bungalow, which was part of the Maydwell legacy, for £420,000, realising a substantial gain. This had been conveyed to the Trustees in March 1996. The occupier of the property had, under the terms of the Will, a free life tenancy which accounted for the apparently low asset value. Nevertheless, the trustees had a duty of care to the occupier and repairs have to be undertaken as and when necessary.

Grants to cadets and for their associated activities amounted to £15,360, while grants to other youth organisations amounted to £500.

The Association has expended a significant amount in the year out of unrestricted funds and intends to continue doing this as long as funds are available. Governance costs were £2,957.

During the year the Association had realised and unrealised gains of £416,759 on its investments.

The trustees will continue to make the adjustments necessary, whether to grant approvals or to investment policy, to ensure that funds are sufficient to meet expenditure. They have reiterated their wish to see the allocation of monies to assist as many cadets and cadet activities as possible whilst at the same time looking for any other worthy organisations to support where they fall within the objectives of the charity.

Surrey Army Cadet Force Association

**Trustees' report (continued)
For the year ended 31 December 2020**

RESERVES

The trustees have resolved upon a policy for dealing with reserve funds as follows:-

1. The level of reserves available for meeting the expenditure of the Association was £305,500 as at 31 December 2020.
2. The Association has a permanent endowment, the income from which is used to meet general unrestricted expenditure.
3. The trustees consider it prudent never to let the available reserves fall below the level of one year's income.

GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the charity will continue in operational existence for the foreseeable future. Therefore, they consider it appropriate to prepare the financial statements on a going concern basis.

PUBLIC BENEFIT REPORTING

The trustees have had due regard to the Charity Commission guidance on public benefit whilst setting the objects and activities of the charity. Details of the public benefit provided by the Association are set out earlier in this report.

RISK ASSESSMENT

The trustees review financial and other risks where appropriate and have established procedures to ensure that all transactions, activities and projects are properly authorised.

This report was approved by the Trustees, on *20 MAY 2021* and signed on their behalf by:



.....
Rev. Canon N P Nicholson DL
Trustee

Surrey Army Cadet Force Association

**Independent examiner's report
For the year ended 31 December 2020**

Independent examiner's report to the Trustees of Surrey Army Cadet Force Association (the 'charity')

I report to the charity Trustees on my examination of the accounts of the charity for the year ended 31 December 2020 as set out on pages 4 to 11.

Responsibilities and basis of report

As the Trustees of the charity, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 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 2011 Act.

Independent examiner's statement

I have completed my examination. I can confirm that no 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 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



G Hunt FCA

Kreston Reeves LLP
Chartered Accountants
Springfield House
Springfield Road
Horsham
West Sussex
RH12 2RG

24 May 2021

Surrey Army Cadet Force Association

**Statement of financial activities
For the year ended 31 December 2020**

	Note	Unrestricted funds 2020 £	Permanent endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Investments		32,215	-	32,215	39,295
Other Income		<u>1,611</u>	-	<u>1,611</u>	<u>44</u>
Total income and endowments		<u>33,826</u>	<u>-</u>	<u>33,826</u>	<u>39,339</u>
Expenditure on:					
Cost of raising funds	2	19,394	-	19,394	13,598
Charitable activities:					
Grants payable to SACF		15,360	-	15,360	23,236
Grants payable to other organisations		500	-	500	2,003
Support and governance costs	2	<u>3,015</u>	-	<u>3,015</u>	<u>3,739</u>
Total expenditure		<u>38,269</u>	<u>-</u>	<u>38,269</u>	<u>42,576</u>
Net expenditure before investment gains		(4,443)	-	(4,443)	(3,237)
Realised and unrealised gains on investments		<u>39,055</u>	<u>377,704</u>	<u>416,759</u>	<u>141,881</u>
Net income for the year		34,612	377,704	412,316	138,644
Net movement in funds		34,612	377,704	412,316	138,644
Reconciliation of funds:					
Total funds brought forward		<u>270,888</u>	<u>1,322,364</u>	<u>1,593,252</u>	<u>1,454,608</u>
Total funds carried forward		<u>305,500</u>	<u>1,700,068</u>	<u>2,005,568</u>	<u>1,593,252</u>


The notes on pages 6 to 11 form part of these financial statements.

Surrey Army Cadet Force Association


**Balance sheet
As at 31 December 2020**

	Note	£	2020 £	£	2019 £
Fixed assets					
Investment property - Waitituna	3		-		29,400
Investments	4		<u>1,704,394</u>		<u>1,477,980</u>
			1,704,394		1,507,380
Current assets					
Other debtors and accrued income	6	6,721		7,799	
Cash at bank and in hand		<u>299,786</u>		<u>82,524</u>	
		306,507		90,323	
Creditors: amounts falling due within one year		<u>(5,333)</u>		<u>(4,451)</u>	
Net current assets			<u>301,174</u>		<u>85,872</u>
Net assets			<u>2,005,568</u>		<u>1,593,252</u>
Charity Funds					
Permanent endowment funds	7		1,700,068		1,322,364
Unrestricted funds	7		<u>305,500</u>		<u>270,888</u>
Total funds			<u>2,005,568</u>		<u>1,593,252</u>

The financial statements were approved by the Trustees on *20 May 2021* and signed on their behalf, by:



 Rev. Canon R P Nicholson DL



 Colonel D K G Cox OBE

The notes on pages 6 to 11 form part of these financial statements.

Surrey Army Cadet Force Association

Notes to the financial statements For the year ended 31 December 2020

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) (second edition - October 2019) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. 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 Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The Charity does not include a cash flow statement on the grounds that it is a small charity.

Surrey Army Cadet Force Association constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in Sterling and rounded to the nearest £.

1.2 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

1.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Costs of Raising Funds are costs incurred in managing the fixed asset investment portfolio and the investment property until the date of sale.

Grants payable are included in the Statement of Financial Activities when approved for payment by the trustees. Grants payable are payments made to third parties in the furtherance of the charitable objectives. Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the Statement of Financial Activities once the recipient of the grant has provided the specific service or output. Grants payable without performance conditions are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity. Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Surrey Army Cadet Force Association

Notes to the financial statements For the year ended 31 December 2020

1. Accounting policies (continued)

1.4 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'realised and unrealised gains on investments' in the Statement of Financial Activities.

1.5 Interest receivable

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.

1.6 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.7 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.8 Freehold Investment Property

The freehold investment property was sold during the year. It was previously included at Trustees' valuation which took into account the life tenancy granted to the occupant. The surplus on sale of the property is included in the heading 'realised and unrealised gains on investments' in the Statement of Financial Activities.

1.9 Financial instruments

The charity only has financial assets and financial 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.

Surrey Army Cadet Force Association

Notes to the financial statements For the year ended 31 December 2020

1. Accounting policies (continued)

1.10 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Income from the permanent endowment is available for use at the discretion of the Trustees in furtherance of the general objectives of the charity. Investment gains and losses and changes in market value of assets comprising the endowment are accumulated as part of the endowment to maintain its long-term capital value.

Further details of each fund are disclosed in note 8.

2. Other costs

	Cost of raising funds £	Support and governance costs £	Total 2020 £	Total 2019 £
Bank charges and sundry	-	58	58	22
Accountancy fees (Governance cost)	-	2,468	2,468	3,224
Investment management fees	12,623	-	12,623	12,970
Property Costs - Waitituna	6,771	-	6,771	628
Independent examiner's fee (Governance cost)	-	400	400	400
Trustees' meeting (Governance cost)	-	89	89	93
	<u>19,394</u>	<u>3,015</u>	<u>22,409</u>	<u>17,337</u>
Total 2019	<u>13,598</u>	<u>3,739</u>	<u>17,337</u>	

Total governance costs for the year amounted to £2,957 (2019: £3,717).

Surrey Army Cadet Force Association

**Notes to the financial statements
For the year ended 31 December 2020**

3. Investment property

	Freehold investment property £
Valuation	
At 1 January 2020	29,400
Disposals	<u>(29,400)</u>
At 31 December 2020	<u><u>-</u></u>

The 2019 valuation was made by the Trustees, on an open market value for existing use basis.

4. Fixed asset investments

	Fixed Asset Investment £
Market value	
At 1 January 2020	1,477,980
Additions	756,929
Disposals	(556,674)
Revaluation - gains on investments	<u>26,159</u>
At 31 December 2020	<u><u>1,704,394</u></u>

5. Taxation

The charity is a registered charity and its income falls under the various exemptions available to registered charities.

6. Other debtors and accrued income

	2020 £	2019 £
Accrued income	<u><u>6,721</u></u>	<u><u>7,799</u></u>

Surrey Army Cadet Force Association

**Notes to the financial statements
For the year ended 31 December 2020**

7. Statement of funds

Statement of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Transfer £	Balance at 31 December 2020 £
Designated funds						
Cadet 150	<u>197,328</u>	-	-	2,537	(31,391)	<u>168,474</u>
General funds						
General Funds	<u>73,560</u>	<u>33,826</u>	<u>(38,269)</u>	<u>36,518</u>	<u>31,391</u>	<u>137,026</u>
Total Unrestricted funds	<u>270,888</u>	<u>33,826</u>	<u>(38,269)</u>	<u>39,055</u>	-	<u>305,500</u>
Endowment funds						
Permanent Endowment funds	<u>1,322,364</u>	-	-	377,704	-	<u>1,700,068</u>
Total of funds	<u>1,593,252</u>	<u>33,826</u>	<u>(38,269)</u>	<u>416,759</u>	-	<u>2,005,568</u>

Statement of funds - prior year

	Balance at 1 January 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2019 £
Cadet 150	183,811	-	-	13,517	197,328
General Funds	58,524	39,339	(42,576)	18,273	73,560
Permanent endowment funds	1,212,273	-	-	110,091	1,322,364
Total of funds	<u>1,454,608</u>	<u>39,339</u>	<u>(42,576)</u>	<u>141,881</u>	<u>1,593,252</u>

Surrey Army Cadet Force Association

Notes to the financial statements For the year ended 31 December 2020

8. Analysis of net assets between funds

Analysis of net assets between funds – current year

	Unrestricted funds	Permanent endowment funds	Total funds
	2020	2020	2020
	£	£	£
Fixed asset investments	273,044	1,431,350	1,704,394
Current assets	37,789	268,718	306,507
Creditors due within one year	(5,333)	-	(5,333)
	<u>305,500</u>	<u>1,700,068</u>	<u>2,005,568</u>

Analysis of net assets between funds – prior year

	Unrestricted funds	Permanent endowment funds	Total funds
	2019	2019	2019
	£	£	£
Fixed asset investments	236,772	1,241,208	1,477,980
Investment property	-	29,400	29,400
Current assets	38,567	51,756	90,323
Creditors due within one year	(4,451)	-	(4,451)
	<u>270,888</u>	<u>1,322,364</u>	<u>1,593,252</u>

The unrestricted funds comprise the Cadet 150 fund and general unrestricted funds.

The Cadet 150 fund, a designated fund, was set up by the trustees for funds donated, collected and promised to celebrate the 150th anniversary of the Cadet Forces. The funds under this designation are earmarked for the sole benefit of the cadets of Surrey Army Cadet Force but any grants are to be made in accordance with the objects of the Surrey Army Cadet Force Association.

During the year the trustees transferred £31,391 from the Cadet 150 fund to General funds.

The capital of the permanent endowment is required to be maintained but the income from the endowment is available to fund the general objectives of the charity.

9. Trustees' remuneration and expenses, employees and related party transactions

One trustee received reimbursed expenses in the year of £5,417 (2019 - £nil). No trustees received any remuneration in the year (2019 - £nil).

The charity had no employees in the year or prior year.

There have been no related party transactions in the current or prior year.