

**LLOYD'S PATRIOTIC FUND**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2019**

# **REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

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# **LLOYD'S PATRIOTIC FUND**

(Registered Number 210173)

## **TRUSTEES**

Mr James Kininmonth (Chair) (retired 19.02.2019)  
Mr Ed Butler (Chair) (appointed 19.02.2019)

Mr Simon Beale  
Mr Bruce Carnegie-Brown (ex-officio)  
Mr Timothy Coles (retired 01.01.2019)  
Mr Mark Drummond-Brady (retired 01.10.2018)  
Mr Henry Dyson  
Mr Alexander Findlay  
Sir David Manning, GCMG, CVO (retired 01.06.2019)  
Mr Will Roscoe  
Wendy Rothery, Air Commodore  
Mr Duncan Welham  
Mr Richard Williams MC

## **Secretary**

Ms Michaela Hawkins

## **Investment Managers**

Cazenove Capital Management  
12 Moorgate, London EC2R 6DA

## **Auditors**

Simpson Wreford & Partners  
Suffolk House, George Street, Croydon CR0 0YN

## **Bankers**

National Westminster Bank PLC  
PO Box 12258, 1 Princes Street, London EC2R 8PA

**LLOYD'S, LIME STREET, LONDON, EC3M 7HA**  
020 7327-1000

# **LLOYD'S PATRIOTIC FUND**

## **REPORT OF THE TRUSTEES**

The trustees of Lloyd's Patriotic Fund (the Fund) have pleasure in presenting their report together with the audited financial statements of the Fund for the year ended 30 June 2019.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Frequency of meetings and quorate meetings**

Lloyd's Patriotic Fund (LPF) was established in 1803, constituted by Trust Deed dated 28 May 1875 and is a registered charity subject to the provisions of the Charities Act 2011. The financial statements have been prepared in accordance with the accounting policies set out on pages 19-20 and comply with the Fund's Trust Deed and applicable law.

LPF is also guided by a separate term of reference which cover issues such as number of trustees, frequency of meetings and quorate meetings.

Responsibility for carrying out the objectives of LPF rests with the trustees. The Fund is supported by a Secretariat working under the direction of the Trustees, employed by the Corporation of Lloyd's and supported by the wider Responsible Business team. Delegated authority is given to the Responsible Business team at Lloyd's, Group Finance and Group Treasury to advise and assist, as per the LPF Delegated Authority documentation. With the exception of audit fees, bank charges, insurance and investment management fees which are borne directly by the Fund, all administration costs of the Fund are borne in full by the Corporation of Lloyd's.

The disbursement of the Fund is at the sole discretion of the trustees unless funds have been given for a specific purpose.

#### **Trustees**

There were nine trustees as at 30 June 2019. There were four retirements throughout the year; Mark Drummond-Brady in October 2018, Timothy Coles in January 2019, the Chair, James Kininmonth in February 2019 and Sir David Manning in June 2019. There was one appointment in February 2019, Ed Butler who was appointed to the role as Chair of LPF.

The trustees would like to record their thanks to retiring trustees for their contribution to the work of Lloyd's Patriotic Fund.

According to the governing document, upon the death, retirement or resignation of a trustee or when the number of trustees falls to seven, the trustees are required to appoint new trustees up to a maximum of fourteen. In accordance to the governing document, the Board of Trustees did not fall below seven or exceed fourteen trustees at any one time.

The maximum term of office is nine years and trustees are asked to serve a minimum of three years.

All trustees give their time freely and no trustee remuneration was paid in the year from the funds of LPF. Any reasonable travel expenses were covered for trustees, as a cost borne to the Corporation of Lloyd's.

#### **Governance**

New trustees are appointed by the Board of Trustees, following approval from the Council of Lloyd's.

As a charity established to provide charitable grants on behalf of the Lloyd's market, trustees are drawn from across the Lloyd's market with the aim of representing different market constituencies – underwriters, brokers and members of Lloyd's governing body. Trustees external to the Lloyd's market are also on the board, and a large number of trustees have military experience directly or indirectly.

The Fund also aims to be a diverse board of trustees, representing different voices as outlined in its Recruitment Policy, reviewed every three years. With a formal external recruitment process implemented in June 2019, potential trustees can apply and then the Fund has a Trustee Recruitment subcommittee who formally interview potential candidates and decide who to put forward to the board. The board collectively agree what skills and knowledge gaps exist on the board and recruit candidates based on their experience and expertise, knowledge and interest in the charitable sector.

# **LLOYD'S PATRIOTIC FUND**

## **REPORT OF THE TRUSTEES (continued) STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

### **Governance (continued)**

Consideration is given to relevant experience such as military service as well as knowledge of Lloyd's and the London insurance market and their interest or experience in the military charitable sector.

Potential trustees are invited to meet with the Trustee Recruitment subcommittee (including the Chair and the Responsible Business team). Before agreeing to become a trustee, they will be informed of the Fund's structure, objectives and activities, and their responsibilities as a trustee. A full induction is undertaken for all new trustees that follows good practice and guidance from the Charity Commission. All new trustees are required to sign the LPF's Code of Conduct as part of their onboarding process.

Once appointed, trustees will be supported by the Secretary and the Board of Trustees in any area of induction or training needed. Regular updates are provided at the meetings with regards to governance issues and changes to charity regulations.

All trustees complete a Register of Interests and a skills audit on an annual basis, as well as alerting the Chair and Responsible Business team when there is a new potential conflict of interest.

Trustees meet three times a year as this is sufficient for the size and nature of the organisation. Four trustees present at a meeting shall be quorum. As stated in the original Trust Deed, all matters and questions shall be determined by a majority vote of the trustees present at any meeting, but in the event of a tie, the Chair shall have a second or casting vote.

At the trustee meetings, the trustees agree the broad strategy and areas of activity for the Fund, including consideration of governance, grant giving, charity partnerships, investment, reserve and risk management policies and performance. The day to day administration of grants and the processing and handling of applications prior to consideration by the relevant subcommittee is delegated to the Responsible Business team at Lloyd's. The Charity Partners selection committee of trustees meet annually to review all applications for grants and shortlist applications and recommendations to take forward to trustee meetings.

LPF has a number of subcommittees of which trustees and the Responsible Business team are a part of, and they are chaired by a trustee. These include:

- Trustee Recruitment
- Charity Partner Selection
- Fundraising & Marketing

Lead trustees are allocated to lead on: the Risk Register, LPF's investments and partaking in the Charities Investment Advisory Committee, and acting as lead trustees for our charity partners.

Minutes are taken at each meeting, circulated to trustees along with action points and responsibilities, and kept as a record.

In 2019, LPF took part in The Confederation of Service Charities (COBSEO) governance self assessment tool to improve governance within the military charity sector. LPF scored as "Green" in the reporting tool, meaning that LPF has a robust governance structure within their RAG system (Red, Amber, Green).

### **Risk Management**

The trustees have considered the major risks to which the charity is exposed and reviewed those risks and established systems and procedures to manage those risks. LPF's risk management approach is outlined in their Risk Management policy, reviewed every three years.

The Risk Register outlines the major risks to which the charity is exposed. The Risk Register is reviewed annually and Trustees are also alerted to any new risks.

The trustees' approach to risk management concerning their investment income is outlined in the Financial Review on pages 8 - 9.

As Lloyd's employees, all individuals administering Lloyd's Patriotic Fund are able to raise issues relating

# **LLOYD'S PATRIOTIC FUND**

## **REPORT OF THE TRUSTEES (continued) STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

### **Risk Management (continued)**

to fraud and financial crime in accordance with Lloyd's Speaking Up procedures.

LPF has a Conflicts of Interests policy and procedure which all trustees and new trustees are familiar with and follow. This is reviewed every three years.

LPF also has a Complaints policy which outlines how complaints should be made and escalated within the Fund and delegated authority to the Corporation of Lloyd's. This is reviewed every three years.

## **OBJECTIVES AND ACTIVITIES**

Founded in 1803 to assist the many casualties of the Napoleonic Wars, Lloyd's Patriotic Fund is the oldest military charity of its kind and has been providing support to the Armed Forces Community on behalf of the Lloyd's market for over two hundred years. It continues to fulfil this purpose, using the investment income from its capital fund and donations from individuals and companies in the Lloyd's insurance market.

Lloyd's Patriotic Fund supports serving and ex-service personnel and their families, with a particular focus on those who are disabled or facing poverty, illness and hardship. Lloyd's Patriotic Fund provides long-term support to a number of partner organisations. As a result of an annual donation from the Corporation of Lloyd's, the Fund has made additional grants for special projects to fund innovative projects to respond to the need arising from recent conflicts.

The trustees confirm that they have referred to the advice contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities. LPF's objectives and activities will change in 2019/2020 as the new strategy for LPF is put in place.

The Fund is divided into a number of individual funds established for public benefit to achieve the Fund's strategic priorities:

### **General Fund (1803)**

This Fund provides assistance to officers and men and women of the Royal Navy, the Army, Royal Marines and Royal Air Force or their widows, orphans or dependent relatives who, at the trustees' discretion, are fitting recipients.

### **The Hugh Stewart McCorquodale Memorial Fund (1901)**

A bequest of 1,000 guineas made by Lieutenant Hugh Stewart McCorquodale, killed during the South African War, whereby the use of income is at the discretion of trustees.

### **Edwin Hampson Mackintosh Fund (1916)**

Lieutenant Edwin Hampson Mackintosh, killed on the first day of the Battle of Loos, bequeathed £1,000 with the stipulation that the income is used for the benefit of officers of the Royal Navy or Royal Marines and their dependants.

### **Janson Fund (1918)**

A gift of £10,000 was made by the then Chair, Percy Janson. Trustees designated that the capital or income be used primarily to assist officers of the Royal Navy, the Army and Royal Marines and their dependants in the form of grants towards the education and maintenance of their children.

### **Charles Skey Fund (2013)**

In May 2013, Charles Skey, former trustee and Chair of Lloyd's Patriotic Fund, made a bequest of £1m to Lloyd's Patriotic Fund. Mr Skey expressed the wish that the capital is invested and untouched, and that the income is used for the general charitable purposes of the Fund. All income arising from the fund is expended during the year.

# **LLOYD'S PATRIOTIC FUND**

## **REPORT OF THE TRUSTEES (continued)**

### **ACHIEVEMENTS**

In 2018, the Responsible Business team have formalised and agreed clear policies and procedures in line with the Charity Commission's guidance for excellent governance, which were implemented in January 2019.

In addition, the Fund also updated all data related processes and procedures to ensure compliance with GDPR in 2018. This included: working with our charity partners to ensure they are also compliant; updating our due diligence processes to ensure that they are stringent enough and undertaking a robust data review.

From February 2019 onwards, LPF has undertaken a strategic review and will start the new financial year with a new strategy for the fund, approach to fundraising and grant giving and the way it works with its charity partners. This will be reported on in the 2020 annual report. The process has included consultation with trustees and charity partners, as well as external research, (including the Government's Veterans strategy). Wider input was also sought to formalise a new strategy and approach for July 2019 onwards.

### **Grant Giving**

The Fund has tightened its grant giving criteria to achieve its objectives for the relevant individual funds to support the Armed Forces community. The Fund invites applications from the military and ex-military charity sector each year for an annual donation. Detailed funding criteria and guidance has been defined in line with the objectives of the Lloyd's Patriotic Fund. New application forms and reporting templates have been introduced to provide consistency of information, as approved by trustees in June 2018. Donations are funded for annual partnerships to undertake an agreed project, subject to rigorous due diligence checks and a detailed Funding Agreement. These have all been formalised and implemented in 2018.

Throughout the financial year, LPF has focused on growing relationships with its charity partners, improving application and reporting practices and impact measurement. The effectiveness of the grants and partnerships are monitored through good relationships with the Responsible Business team at Lloyd's, at least one trustee leading on the engagement with our large partners, site visits, project visits, regular meetings and check ins and a satisfactory mid project update and an end of project or annual update report to trustees.

The trustees are pleased with the achievements and performance of the Fund which are outlined below.

### **Annual Partners**

Funded by a £200,000 donation from the Corporation of Lloyd's, Lloyd's Patriotic Fund donated £112,500 to Walking with the Wounded, £48,000 to RFEA the Forces Employment Charity, £31,324 to Combat Stress for July 2018 to June 2019. The achievements in the twelve months of the partnerships are outlined below. The donations made in 2019 to SSAFA, Royal Navy Officers Charity, Royal Navy and Royal Marines Children's Fund and The Gurkha Welfare Trust have been recorded in the 2019 financial statements, whilst the remainder were agreed upon and recognised in the previous year.

### **Walking with the Wounded**

£112,500 was awarded to Walking with the Wounded to scale up Project Nova to a national level. Project Nova provides dedicated support to veterans who have been arrested (or at risk of arrest) to prevent re-offending.

In the twelve month partnership, Project Nova engaged with 854 veterans directly, with more than 2,000 beneficiaries indirectly benefiting. Of the veterans directly engaged across England, 43% were unemployed, 40% reported mental health issues and 15% were homeless.

The grant from LPF funded three team members who operate centrally to coordinate Project Nova. By funding three team members aligned to regions across England, this enabled a more comprehensive and seamless service to veterans, enabling 5,000+ support calls answered during the year. The roles also enabled the team to check in more frequently with the veterans and resolve issues faster when they occur. Additional resource enabled more collaboration with other military charities, more efficient assessments and referrals to other specialist support, and improved feedback services for veterans to share their views and ideas.

Key achievements in the last year include securing four contracts across England and other central funding to enable the continuation of the project with a sustainable funding model as the end goal.

## **LLOYD'S PATRIOTIC FUND**

### **REPORT OF THE TRUSTEES (continued) ACHIEVEMENTS (continued)**

#### **Annual partners (continued)**

Out of all of the veteran cases during the twelve month period, 76% of veterans recorded a big improvement in their personal circumstances, with 12% recording a small improvement. 42 veterans secured housing and 102 found new employment. 38% of the 854 veterans that have been engaged with in the last twelve months have now completed their journey with Project Nova, with the remaining veterans having various needs being addressed.

#### **RFEA the Forces Employment Charity**

£48,000 was awarded to RFEA, the Forces Employment Charity, to pilot a new Families Employment Project to support 50 spouses and family members of serving Armed Forces and ex-service personnel into employment.

During the twelve-month period, 74 women and three men (all spouses and partners of serving military and veterans) used the services of the Families Employment Adviser, funded by LPF. The role was a pilot role based in Plymouth but supporting beneficiaries across the UK. After an initial recruitment and referral set up phase, delivery commenced in January 2019. With a huge demand for the service, the Families Employment Adviser role registered spouses and partners, conducted a needs assessment and then worked with the individual to understand what career path they would like to take, as well as helping to improve their CV, grow confidence, prepare for interviews and guide them through the process. The Families Employment Adviser role also built links with local and national employers to create a pipeline of employers.

49 of the beneficiaries had been unemployed for six months or longer, 22 had debt or housing issues and 13 had health and wellbeing issues. To date, 15 spouses and partners have entered employment, 5 are engaged with vocational training and 30 are actively seeking employment. The remainder are either on hold, closed cases where individuals chose not to pursue employment, or they are not yet needs assessed. The role has received funding to continue the post, and demand grows for the service nationwide.

#### **Combat Stress**

£31,324 was awarded to Combat Stress to fund training and equipment for their new national pilot, sensory modulation. The programme is delivered by occupational therapists to more than 1,500 veterans who suffer from mental health conditions.

In total, 1,324 veterans received support through sensory modulation. This was through:

- A three day sensory intelligence training course that was delivered to all 22 occupational therapists and five assistants, with 60 presentations delivered to clinicians to upskill the staff of Combat Stress on how it fits with trauma care.
- Sensory rooms were created at all treatment centres to allow veterans to develop grounding strategies to improve sleep and calming.
- Mobile sensory suitcases with sensory equipment have been introduced for occupational therapists to use in the community in group and individual sessions.
- Sensory modulation has now been engrained in all treatment centres and treatment strategies, now offering sensory profiling to individuals as part of the service of Combat Stress.

Each veteran was viewed through a 'sensory lens', receiving general sensory modulation support. Veterans received a 1:1 sensory profile assessment with specific recommendations regarding sensory modulation strategies. 100% of these veterans reported that this additional input was insightful, and recommendations made regarding sensory diets and environmental changes had helped them adopt targeted coping strategies to use in daily life, including self-regulation, enhanced ability to participate in trauma therapy, increased skills to manage difficult situations, improved participation in meaningful activities (hobbies, work, home, relationships) and increased satisfaction at work.



## **LLOYD'S PATRIOTIC FUND**

### **REPORT OF THE TRUSTEES (continued) ACHIEVEMENTS (continued)**

#### **Other donations**

Income from the General Fund supports other donation requests. At the June 2018 trustee meeting, it was agreed that the following projects would be supported with one off donations to deliver their projects from July 2018 to June 2019.

#### **Army Families Federation**

A donation of £10,000 was made to the Army Families Federation to continue funding their Foreign and Commonwealth (F&C) project assisting foreign and commonwealth spouses who are victims of domestic abuse, to make visa applications to remain in the UK. The long and complicated application form, and lack of legal aid, has meant that many spouses choose to remain with their partners regardless of their personal safety. The donation funded the project from October 2017 to October 2019, and to date has supported 26 spouses through enhanced support from immigration advisors with legal help to submit an application. 14 applications for indefinite leave have been completed successfully, with three pending cases and nine ongoing cases. This assistance gives spouses independence and security and reduces the financial burden on the individuals as well as other charities.

#### **Stoll**

£51,634 was awarded to Stoll to continue funding the Drug and Alcohol Service for 21 veterans for a further twelve months. Ex-service men and women are supported to reduce substance misuse and keep beneficiaries safe and healthy through specialist one to one interventions around managing addictions. 5 veterans have begun to repair family relationships, 100% have maintained their tenancy, 8 are highly motivated to change their substance misuse behaviour, 4 veterans have moved on, 3 are new to the service, 8 are stable and 4 have improved their health.

#### **Tom Harrisons House**

£28,840 was awarded to Tom Harrison House to launch an expressive arts therapy programme with 50 veterans plus their family members. Due to staff changes, this project is still ongoing with a full report expected in 2020. One performance has taken place, writing classes, taster sessions and photography classes have taken place for more than 33 clients and 18 family members.

#### **Lothian's Veterans' Centre**

£22,000 was awarded to Lothian's Veterans' Centre to fund an outreach project worker to widen the geographical reach of their programmes after seeing a 300% increase in demand for services. 60 new veterans have been supported to access the services provided by Lothian's Veterans' Centre, engaging in social inclusion activities, housing support, benefits, pension and financial management support, employability support and mental health support. In addition, 12 partners or spouses have received direct support or attended social inclusion events.

#### **Music in Hospitals and Care**

£4,800 was awarded to Music in Hospitals and Care to provide live musical sessions to 425 ex-service men and women through 17 concerts in ex-service communities in health care settings. 17 concerts took place across 14 healthcare venues in England and Wales. This project reached approximately 300 ex-service men and women, improving mood and raising the spirits of 96% of those who attended a concert. In addition to this, it was reported that 91% experienced an improved ability to reminisce, 82% demonstrated increased social interaction and 73% experienced reduced levels of stress and anxiety.

The project also benefitted staff members at each venue, with 89% of staff reporting improved morale and 78% an enhanced understanding of and improved relationship with the people in their care.

#### **On-going Partners**

Income from the General Fund supports our ongoing partners SSAFA and The Gurkha Welfare Trust as outlined below. The reported amounts were agreed by the trustees in this period and are included in this year's financial statements.

## **LLOYD'S PATRIOTIC FUND**

### **REPORT OF THE TRUSTEES (continued) ACHIEVEMENTS (continued)**

#### **SSAFA**

Lloyd's Patriotic Fund has been supporting SSAFA, the Armed Forces charity since 1999. Between July 2018 and June 2019, £70,000 was awarded to SSAFA to administer Lloyd's Patriotic Fund welfare grants. The grants assist ex-servicemen and women and their families, in particular those with chronic ailments or living in poverty (beneficiaries who qualify for income support or those on low income). Grants are available for needs such as essential household items and repairs and disability adaptations.

#### **On-going partners (continued)**

In the past twelve months, 298 individuals have been supported, with an average grant of £298. Overall, the main areas of support were for Household Goods (105 cases), Housing Costs (52 cases) and Mobility (40 cases). The majority of beneficiaries were of working age, with the highest represented category being the 30-39 group this year (68), closely followed by 40-49 (59) and 50-59 (51).

SSAFA also administers Lloyd's Patriotic Fund's annuity payments with local caseworkers carrying out assessments of annuitants' annual needs. The three annuitants range from 75-95 years old and are all widows of veterans. Each annuitant received £920, totalling £2,760 donated by trustees for the Annuities payment.

#### **The Gurkha Welfare Trust**

The Trustees made their annual donation of £7,500 towards The Gurkha Welfare Trust's Welfare Pension Scheme to provide much needed economic support to ex-servicemen and widows in Nepal. The Fund has been supporting the Scheme since 1997 with monthly pensions of £82 for Welfare Pensioners. Four are Gurkha veterans and ten are widows, ranging in age from 67-94 years old. Many properties have fallen into disrepair or have been poorly constructed so in June 2018, trustees agreed a further donation of £7,500 to build two safe, earthquake-resistant homes for Gurkha pensioners who lost their homes in the earthquakes that struck Nepal in 2015. These were both completed for two veterans in 2019.

#### **Royal Navy and Royal Marines Children's Fund**

The income from the Hugh Stewart McCorquodale Memorial Fund, Edwin Hampson Mackintosh Fund and Janson Fund is used to support children of military personnel in education. A grant of £5,000 was awarded to the Royal Navy & Royal Marines Children's Fund for children in the guardianship of serving or ex-serving members of the Naval Service who are in need, hardship or distress. The grant went towards the School Fees and Educational Support programme. During the academic year 2018/2019 38 children were supported with school fees and a further 106 with educational support needs through the programme. The majority of the children supported with school fees have complex situations ranging from parental bereavement, disability or illness or sibling disability to complex and disadvantaged home lives that require the child to be in a safe and secure environment.

#### **Royal Navy Officers Charity**

The income from the Hugh Stewart McCorquodale Memorial Fund, Edwin Hampson Mackintosh Fund and Janson Fund is used to support children of military personnel in education. A grant was awarded of £2,500 in June 2018 to the Royal Navy Officers Charity to fund educational bursaries for the children of serving or retired Royal Navy or Royal Marine Officers. The children were all between 5 – 18 years old and the funding went to help buy IT equipment, pay for examination fees and contribute to a field trip.

## **FINANCIAL REVIEW**

#### **Funding Sources and Reserves Policy**

The revenue of the Fund is generated from investment income and legacies and donations from individuals and companies.

The General Fund of Lloyd's Patriotic Fund receives an annual donation of £200,000 from the Council of Lloyd's to support the grant giving programme. In December 2018, the Council of Lloyd's committed £200,000 to the Fund for a further three years (2019-2021) to continue its charitable work. At the end of June 2019, an amount of £152,531 remained to be carried forward to 2019/2020.

# LLOYD'S PATRIOTIC FUND

## REPORT OF THE TRUSTEES (continued) FINANCIAL REVIEW (continued)

### Funding Sources and Reserves Policy (continued)

The charity aims to maintain the real capital value of its investments in its reserves, whilst fully expending its donation and investment derived income in pursuit of its aims and objectives. As part of the new strategy, trustees have been in discussion about their level of reserves and reviewing their reserves policy. A minimum reserve level will be confirmed for LPF going forward in the October 2019 trustee meeting.

### Investment policy and management

The invested funds of Lloyd's Patriotic Fund are held in funds managed by Cazenove Capital Management, whereby the costs of the investment management are borne directly by the Fund and amount to £13,713 (2018: £14,658). The cash element and any surplus funds from the General Fund and sub funds are placed with Morgan Stanley Funds PLC (Gartmore). Fees are deducted based on the whole portfolio on a daily average market value at a rate of 0.35% subject to VAT. There are also underlying fund management charges which are deducted from investment income or capital.

Investments are reviewed on a regular basis during the year by the relevant lead Trustee and monitored by the Board of Trustees to ensure that they are meeting the Trustees' long term objectives of maximising income available for charitable purposes whilst protecting the capital value of the fund.

Bi-annual review meetings are held with the Fund's advisory investment manager, Cazenove Capital Management as part of the Charities Investment Advisory Committee, as well as additional meetings with the lead trustees for LPF's investments.

A report on the investments by Cazenove Capital Management is included on pages 13 to 14.

### Summary of investment changes and capital movement

The asset mix as at 30 June 2019 for the consolidated Patriotic Fund is 43.38% UK Equities, 8.66% Global Equities, and 13.73% UK Property Funds. Part of the portfolio is the Charles Skey Fund which is entirely invested in equities and makes up 34.23% of the portfolio.

The overall gross annual investment income amounted to £141,679 (2018: £133,157).

The excess of income over expenditure for the year amounted to £276,272 and the deployment of this amount together with the disposition of the Fund at the beginning and end of the year is shown in the following table:

	Market value 01.07.18 £	Deployment of incoming resources £	Purchase / (sale) of Investments £	Unrealised (loss)/gain on Investments £	Realised gain on Investments £	Market value 30.06.19 £	%
UK Equity Fund	2,825,649	-	-	(114,015)	-	2,711,634	70.97
Overseas Equity Fund	281,850	-	-	20,766	-	302,616	7.86
UK Property Fund	473,067	-	-	6,480	-	479,547	12.61
	3,580,566	-	-	(86,769)	-	3,493,797	91.44
Net current assets	50,661	276,272	-	-	-	326,933	8.56
	3,631,227	276,272	-	(86,769)	-	3,820,730	100.00

# **LLOYD'S PATRIOTIC FUND**

## **REPORT OF THE TRUSTEES (continued) FINANCIAL REVIEW (continued)**

### **Ethical Policies**

The trustees reviewed their level of exposure to ethically sensitive investments in 2017 and agreed that the total sector exposure to ethically sensitive stocks should remain under 10%. The exposure level to ethically sensitive investments continues to be low and investment managers continue to engage with companies to encourage them to manage their ESG impact. This exposure rating is being reviewed in 2019/2020 by the lead trustees for LPF's investments, who also sit on the Charities Investment Advisory Committee with full input from the board.

### **Commitments and Liabilities**

Lloyd's Patriotic Fund has made a commitment to spend the annual donation from the Council of Lloyd's on charitable partnerships that achieve the strategy of LPF. The selected charity partners will be announced in November 2019, after a fair and open application process in line with the new strategy of LPF for 2019/2020.

The committed expenditure amounts to £200,000 per year for three years. Additional annual grant giving will be considered for small £10,000 donations but this has not been committed at this point.

### **PLANS FOR FUTURE PERIODS**

The plans for the financial year 2019-2020 include:

- Recruiting new trustees to join the Board through a fair and open recruitment process open to anyone working the Lloyd's market and externally.
- Growing LPF's cash reserves to provide additional security to the Board.
- Increasing support from the Lloyd's market through company and individual donations and improving the marketing of LPF.
- Implementing the new LPF strategy and selecting charity partners for three years to help achieve this.
- The new charity partnerships will include engagement opportunities for the Lloyd's market to support the charities beyond the grant; e.g. fundraising, volunteering, awareness raising.
- Making additional donations of circa £10,000 to small military charities in the coming year, in addition to the £200,000 spend per year for three years from the Council of Lloyd's.
- Delivering robust trustee training to all trustees and improving the governance of LPF as identified by COBSEO's reporting tool.

### **Public Benefit**

The Trustees take full account of the published Charity Commission general guidance on public benefit and are satisfied that the aims of the charity are carried out wholly in pursuit of its charitable aims for the public benefit. Lloyd's Patriotic Fund's grant-making is of measurable benefit to individuals. Applications can be made by all military and ex-military charities that support serving and ex-service armed forces personnel and their dependants who are in need.

### **Acknowledgement**

The trustees wish to record their sincere thanks to members of the Corporation of Lloyd's staff who assist with the administration of the financial statements of the Fund, and to the Corporation of Lloyd's which bears the majority of administration costs.

The trustees are grateful to the Corporation of Lloyd's for their agreement to provide Lloyd's Patriotic Fund with an annual donation from the Council of Lloyd's, on behalf of the Lloyd's market.

The Trustees are grateful to the individuals and companies who supported the Fund with donations which amounted to £240,291 during the year.

The Trustees also wish to acknowledge the assistance given by charitable service organisations in the assessment of need and in particular to SSAFA Forces Help, which assists with the payment of welfare grants and annuities.

## **LLOYD'S PATRIOTIC FUND**

### **REPORT OF THE TRUSTEES (continued) PLANS FOR FUTURE PERIODS (continued)**

Approved by the Board of Trustees on 25.02.2020 and signed on its behalf by: -

*Ed Butler*  
*Chair*

*Trustee*

## **LLOYD'S PATRIOTIC FUND**

### **STATEMENT OF THE TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

#### **Trustees' responsibilities statement**

The trustees are responsible for preparing the Trustees' 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 & 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 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 operation.

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, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the 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.

## LLOYD'S PATRIOTIC FUND

### REPORT OF THE INVESTMENT MANAGER TO THE TRUSTEES OF LLOYD'S PATRIOTIC FUND

YEAR ENDED 30 JUNE 2019

#### Overview

##### Investment Objective

The portfolio is designed to maximise income whilst protecting the real value of capital over the medium to long term. The portfolio is managed on an advisory basis with Cazenove Capital. Ltd providing investment advice on an ad hoc basis, custody, reporting and administration services. The portfolio uses a broad range of investments and may allocate a high proportion of its assets to equity, or equity-like, investments in pursuing its aims. Whilst the majority of the portfolio is invested in readily tradable assets, illiquid assets are considered part of the investable universe and the portfolio may have some exposure. Cash, fixed income and other defensive assets will normally account for only a small part of the portfolio.

##### Portfolio Summary

Description	Market Value £	Portfolio %
Equities	3,014,250	86.1%
<b>UK</b>	<b>2,711,634</b>	<b>77.5%</b>
Aberdeen UK All Shs Tra-B-Net-GBP	1,379,919	39.4%
Schroder Income –S-GBP-Inc	662,024	18.9%
Trojan Income Fund –S-GBP-Inc	669,691	19.1%
<b>Global</b>	<b>302,616</b>	<b>8.6%</b>
Vanguard FTSE All-Wrld ETF-GBP-Dis	302,661	8.6%
Alternatives	479,547	13.7%
<b>Property</b>	<b>479,547</b>	<b>13.7%</b>
COIF Charities Property – Inc	479,547	13.7%
<b>Cash</b>	<b>6,937</b>	<b>0.2%</b>
<b>Total</b>	<b>3,500,734</b>	<b>100.0%</b>

source, Cazenove Capital as at 30.06.19.

## LLOYD'S PATRIOTIC FUND

### REPORT OF THE INVESTMENT MANAGER TO THE TRUSTEES OF LLOYD'S PATRIOTIC FUND (continued)

#### Fund Performance (total returns) 12 months to 30<sup>th</sup> June 2019

Equities		1 Year
<b>UK</b>		
Fund	Aberdeen UK All Share Tracker	-0.1%
Fund	Schroder Income Fund	-4.7%
Fund	Trojan Income Fund	+4.4%
<i>Benchmark</i>	<i>FTSE All Share Index</i>	<i>0.6%</i>
<b>Overseas</b>		
Fund	Vanguard FTSE All World	9.5%
<b>Property</b>		
Fund	COIF Charities Property Fund	+5.6%

Performance is quoted in £ net of underlying fund fees.

#### Market Outlook

Stock markets around the world performed strongly in June, more than making up for the turbulence they experienced earlier in the year. Global equities are once again close to all-time highs supported by indications of easier monetary policy from major central banks and, more recently, signs of easing tensions between the US and China. Bond markets also benefited from the expectation of looser monetary policy, with yields falling in many regions. In mid-June \$12.5 trillion of bonds were trading on negative yields.

The prime reasons for this are threefold: Firstly, though still positive, global growth is slowing. We recently trimmed our forecasts for global GDP growth in 2020 to 2.6%. In an environment of slowing growth, markets are more vulnerable to unexpected tariffs, diplomatic conflicts and political unrest.

Secondly, markets could be dislodged by shifts in expectations for interest rates and inflation. The US central bank is now widely expected to cut interest rates in the coming months. However, the Fed may see less need to cut interest rates if it judges that the risks of a US-China trade dispute have dissipated. Similarly, signs of higher inflation – which we expect to materialize over the course of the second half – could reduce the Fed's willingness to lower rates. Both scenarios are likely to be negative for equity and bond markets.

Finally, this year's resurgence in share prices means valuations are now again above long-term averages. The MSCI World Index trades at 16 times expected earnings, compared to an average over the past 15 years of 15 times. This does not mean that share prices will necessarily fall, but it may reduce the appeal of buying at current prices.

We remain invested in equities given the prospects for generating inflation + type returns over the longer-term. Though markets are currently calm, we are prepared for higher levels of volatility. We continue to like the income-generating characteristics of commercial property.



## **LLOYD'S PATRIOTIC FUND**

### **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF LLOYD'S PATRIOTIC FUND**

We have audited the financial statements of Lloyd's Patriotic Fund (the 'charity') for the year ended 30 June 2019 which comprise Statement of Financial Activities, the Balance Sheet and 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 30 June 2019, and of its incoming resources and application of resources, 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 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. 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.

# **LLOYD'S PATRIOTIC FUND**

## **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:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees 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 trustees are 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 trustees 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**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

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](http://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 trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Simpson Wreford & Partners  
Statutory Auditor  
Suffolk House  
George Street  
Croydon  
CR0 0YN

Date

Simpson Wreford & Partners is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

# LLOYD'S PATRIOTIC FUND

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 30 JUNE 2019

INCOME AND EXPENDITURE	Note	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds		2019	2018
					Restricted Funds	Unrestricted Funds		
		General Fund £	Janson Fund £	Mackintosh Income 30 £	Mackintosh Fund 35 £	McCorquodale Fund £	Skey Fund £	Total £
INCOME:								
Donations and legacies	2	240,291	-	-	-	-	-	240,291
Investment income	3	83,245	3,715	5,111	-	1,730	47,878	141,679
Total income		323,536	3,715	5,111	-	1,730	47,878	381,970
EXPENDITURE								
Cost of raising funds:								
Investment management fees		(8,015)	(359)	(488)	-	(167)	(4,684)	(13,713)
Charitable activities:								
Donations and grants payable	4	(80,260)	(3,000)	(3,000)	-	(1,500)	-	(87,760)
Administrative expenses		(29)	-	-	-	-	-	(29)
Audit fees		(2,280)	-	-	-	-	-	(2,280)
Insurance		(1,916)	-	-	-	-	-	(1,916)
Total expenditure		(92,500)	(3,359)	(3,488)	-	(1,667)	(4,684)	(105,698)
Net income/(expenditure) and net movement in funds before gains and losses on investments		231,036	356	1,623	-	63	43,194	276,272
Net gains/(losses) on investments	5	(32,877)	(925)	-	(2,052)	(699)	(50,216)	(86,769)
NET MOVEMENT IN FUNDS		198,159	(569)	1,623	(2,052)	(636)	(7,022)	189,503
Reconciliation of Funds:								
Total funds brought forward		2,117,343	94,463	8,349	122,025	44,024	1,245,023	3,631,227
Total funds carried forward		2,315,502	93,894	9,972	119,973	43,388	1,238,001	3,820,730

The notes on pages 19 to 24 form part of these financial statements.

# LLOYD'S PATRIOTIC FUND

## BALANCE SHEET AT 30 JUNE 2019

		Endowment Funds							
		Unrestricted Funds	Designated Funds	Restricted Funds	Restricted Funds	Unrestricted Funds	Unrestricted Funds		
Note		General Fund £	Janson Fund £	Mackintosh Income £	Mackintosh Fund £	McCorquodale Fund £	Skey Fund £	2019 Total £	2018 Total £
INVESTMENTS									
At Market Valuation	5	2,041,123	93,297	-	120,103	43,214	1,196,061	3,493,797	3,580,566
CURRENT ASSETS									
Debtors	6	10,452	343	464	-	165	-	11,423	11,172
Short term deposits		22,964	-	-	-	-	-	22,964	81,964
Cash at bank		245,241	344	9,497	-	53	43,085	298,220	322,369
		278,657	687	9,961	-	218	43,085	332,607	415,505
CURRENT LIABILITIES									
Creditors falling due within one year	7	(4,278)	(90)	11	(129)	(43)	(1,146)	(5,675)	(364,844)
		(4,278)	(90)	11	(129)	(43)	(1,146)	(5,675)	(364,844)
NET CURRENT ASSETS		274,379	597	9,972	(129)	175	41,939	326,933	50,661
NET ASSETS		2,315,502	93,894	9,972	119,973	43,388	1,238,001	3,820,730	3,631,227
FUNDS		2,315,502	93,894	9,972	119,973	43,388	1,238,001	3,820,730	3,631,227

Approved and authorised for issue by the Board of Trustees on 25.02.2020 and signed on its behalf by

*Ed Butler*  
Chair

*Trustee*

The notes on pages 19 to 24 form part of these financial statements.

# **LLOYD'S PATRIOTIC FUND**

## **NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2019**

### **1 ACCOUNTING POLICIES A) BASIS OF ACCOUNTING**

The charity constitutes a public benefit entity as defined by FRS 102. In preparing the financial statements the fund follows best practice as laid down in the Statement of Recommended Practice "Accounting and Reporting by Charities" (Charities SORP FRS 102) in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011. They are drawn up on the historical accounting basis except that investments held as fixed assets are carried at market value.

### **B) DONATIONS AND LEGACIES**

Donations and legacies are included in the statement of financial activities when receivable.

### **C) INVESTMENT INCOME**

Dividends from equity investments are taken into account on the due date of payment; all other income is included by reference to the amount due in respect of the accounting period.

Investment income in relation to the permanent endowment funds of Skey and McCorquodale are not restricted in use, and are therefore transferred and included within the unrestricted income of the General fund. Investment income in relation to the Mackintosh endowment fund is restricted in nature, and is therefore transferred and included within a restricted fund.

### **D) GAINS AND LOSSES ON DISPOSAL OF INVESTMENTS**

Gains or losses on disposals in the year are calculated by reference to the carrying value of the holding as at the date of sale.

### **E) GRANTS**

Grants are accounted for by reference to the amount paid in respect of the accounting period. In relation to this annual report and reporting practices, grants are recognised at the point in which they are approved by trustees (e.g. at the meeting in which the decision was made, rather than the date in which grants were received by the charities).

### **F) ADMINISTRATION EXPENSES**

The costs of the administration of the Fund are borne in full by the Corporation of Lloyd's with the exception of investment management fees, audit fees and bank charges. No remuneration was paid to the Trustees from Lloyd's Patriotic Fund, nor were any Trustees expenses reimbursed to them from the Fund. Reasonable travel expenses for trustees were reimbursed from the Corporation of Lloyd's.

### **G) INVESTMENTS**

Investments are stated at their market value at the date of the balance sheet, this being the mid-point of the quotations on the Stock Exchange Daily Official List. Gains and losses on investments are taken directly to the Statement of Financial Activities.

### **H) ALLOCATION BETWEEN FUNDS**

The Charles Skey Fund has its own portfolio of investments which are subject to capital gains and losses and generate investment income. Investment income and capital gains and losses on investments are allocated to the remaining individual funds in proportion to their share of the Fund account balance at the beginning of the year.

# LLOYD'S PATRIOTIC FUND

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2019 (continued)

### 1 ACCOUNTING POLICIES (CONTINUED)

#### I) TAXATION

The Fund is established as an exempt approved charity for taxation purposes.

#### J) DEBTORS

Debtors are recognised at the settlement amount due.

#### K) SHORT TERM DEPOSITS

Short term deposits include short term highly liquid investments with a short maturity of three months or less from the date of acquisition.

#### L) CREDITORS

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount.

#### M) FINANCIAL INSTRUMENTS

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at amortised cost or as specified in the preceding accounting policies. As there are currently no long term financial instruments, the transaction value and settlement value will be the same.

### 2 DONATIONS AND LEGACIES

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Donation from the Corporation of Lloyd's	<b>200,000</b>	<b>200,000</b>
General donations	<b>40,291</b>	<b>86,286</b>
	<b>240,291</b>	<b>286,286</b>

# LLOYD'S PATRIOTIC FUND

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2019 (continued)

### 3 INVESTMENT INCOME

	2019 £	2018 £
Dividends – UK equities	108,689	101,309
Dividends – overseas equities	6,294	5,304
Dividends – property fund	26,082	26,080
Interest – UK fixed interest investments	614	464
	<b>141,679</b>	<b>133,157</b>

In 2019 of the investment income, £5,111 (2018: £4,630) was attributable to restricted income funds, with the balance of £136,568 (2018: £128,527) adding to unrestricted funds

### 4 ANALYSIS OF CHARITABLE EXPENDITURE

	2019 £	2018 £
Walking with the Wounded	-	112,500
Soldiers, Sailors, Airmen and Families Association	72,760	75,520
Combat Stress	-	31,324
Stoll	-	51,634
Royal Navy & Royal Marines Childrens	5,000	-
RNOC	2,500	-
Gurkha Welfare Trust	7,500	14,500
Veterans Aid	-	50,000
RFEA	-	48,000
Tom Harrison House	-	28,840
Lothian's Veterans Centre	-	22,000
Army Family Federation	-	10,000
Other donations	-	10,050
	<b>87,760</b>	<b>454,368</b>

# LLOYD'S PATRIOTIC FUND

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2019 (continued)

### 5 QUOTED INVESTMENTS

	2019 £	2018 £
Market value at 1 July	3,580,566	3,427,192
Realised investment gain	-	-
Net unrealised gain for the year	(86,769)	153,374
Market value at 30 June	<u>3,493,797</u>	<u>3,580,566</u>

Description	2019		2018	
	Book Value £	Market Value £	Book Value £	Market Value £
UK Fixed Property Fund	408,153	479,547	408,153	473,067
Overseas Equity Fund	230,634	302,616	230,634	281,850
Aberdeen SWIP Foundation Growth Fund (GBP Equity)	1,128,046	1,379,919	1,128,046	1,434,926
Schroder Income Fund	552,522	662,024	552,522	721,067
Trojan Income Fund	548,275	669,691	548,275	669,656

### 6 DEBTORS

	2019 £	2018 £
Investment income	8,649	8,379
Gartmore interest receivable	14	33
Donations receivable	-	-
Ordinary grant prepayment	2,760	2,760
	<u>11,423</u>	<u>11,172</u>



## LLOYD'S PATRIOTIC FUND

### NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2019 (continued)

#### 7 CREDITORS

	2019 £	2018 £
Investment management fee	3,395	3,716
Donations payable	-	358,848
Audit fee	2,280	2,280
	<b>5,675</b>	<b>364,844</b>

#### 8 DISCLOSURE OF RELATED PARTY TRANSACTIONS & TRUSTEE REMUNERATION

The trustees receive no remuneration and no expenses were reimbursed within the financial year from Lloyd's Patriotic Fund (2018 – none). Reasonable travel expenses for trustees were reimbursed from the Corporation of Lloyd's.

There were no related party transactions in the year (2018 – none).

#### 9 FUNDING COMMITMENTS

Lloyd's Patriotic Fund has made a commitment to spend the £200,000 per year for three years from the Council of Lloyd's to fund a number of partners. These will be selected through a fair and open application process between July and October 2019.

# LLOYD'S PATRIOTIC FUND

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2019 (continued)

### 10 FUNDS

#### **Unrestricted funds**

The General Fund comprises all unrestricted monies which may be used towards meeting the charitable objectives of the Lloyd's Patriotic Fund at the discretion of the Trustees.

#### **Designated funds**

The Janson Fund was created in 1918 by a gift of £10,000 from the then Chairman, Percy Janson. Trustees designated that the capital or income be used primarily to assist officers of the Royal Navy, the Army and Royal Marines and their dependants in the form of grants towards the education and maintenance of their children.

#### **Restricted endowment funds**

The Mackintosh Fund is a restricted fund arising from a bequest of £1,000 made by Lieutenant Edwin Hampson Mackintosh in 1916. The income derived from the fund is to be used for the benefit of officers of the Royal Navy or Royal Marines and their dependants.

#### **Unrestricted endowment funds**

The McCorquodale Fund was set up in 1901 with a bequest of 1,000 guineas made by Lieutenant Hugh Stewart McCorquodale. The capital value of this fund is to be maintained and the income is to be used at the discretion of Trustees.

The Skey Fund was set up in 2013 with a bequest of £1m from Charles Skey, former Trustee and Chairman of Lloyd's Patriotic Fund. Mr Skey stipulated that the capital should be invested and untouched, and that the income is used for the general charitable purposes of the charity. All income arising from the fund is expended during the year.