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PERMANENT UNDER-SECRETARY OF STATE
SIR CLIVE WHITMORE KCB CVO

PUS/J87/431
9/31/F

5 May 1987

Dear Nigel,

THE SOUTH ATLANTIC FUND (SAF)

- 1. In order to keep you abreast of developments concerning the SAF I thought you might like to have a copy of its report for 1984-86.
- 2. The report is a straightforward record of the SAF's operation over that period, whilst paragraphs 8-10 cover recent decisions as to its future of which you are already aware from my earlier letters.
- 3. Copies of the report are being distributed to all beneficiaries, the Press, charities and welfare organisations associated with the fund, Service Commands and the Parliamentary libraries.

Yours ever,

Clive Whitmore.

N L Wicks Esq CBE
PPS/Prime Minister
10 Downing Street
London SW1



**SOUTH ATLANTIC
FUND**

**ANNUAL REPORT
1984-86**



THE SOUTH ATLANTIC FUND

(Registered under the Charities Act 1960, Registered No 285161
and governed by a Deed of Trust dated 15 July 1982)

Office

Room 8325 Main Building, Ministry of Defence
Whitehall, London SW1A 2HB

PATRON

His Royal Highness The Prince of Wales KG, KT, GCB, AK, QSO, ADC

TRUSTEES

(as at 1 March 1987)

Admiral Sir Richard Fitch KCB (Chairman)

General Sir David Mostyn KCB, CBE

Mr J N H Belloch CB

Air Marshal Sir Anthony Skingsley KCB

Mr J M Stewart

Rear Admiral A M Norman

Major General J D G Pank

Air Vice Marshal D W Hann

Mr R L L Facer

Secretary

Commander K M Steven OBE RN (Retd)

Custodian Trustee

The United Services Trustee

Auditors

Ernst and Whinney CA

Investment Adviser

Mercury Rowan Mullens Ltd

THE SOUTH ATLANTIC FUND (Report covering period 1 November 1983 – 1 March 1987)

Origin and Trust Deed

1. The Fund was constituted in 1982, in response to spontaneous donations received from the general public, for the benefit of those who suffered as a result of the Falklands Conflict, and for the welfare of those who continued to work in the arduous conditions of the South Atlantic.
2. The Trust Deed (extracts of which are attached) governs the activities of the Fund. This specifies that grants should be paid to Service and other charities to enable them to relieve the needs of members of the Armed Forces, associated personnel and their dependants insofar as such needs arose or may arise, by virtue of the operations and work relating to the administration of the Falkland Islands.
3. Although Argentine forces surrendered at Stanley on 14 June 1982, no diplomatic settlement or peace treaty has yet been achieved. British Forces therefore remain in and around the islands at a high degree of operational readiness. As much public money has been allocated for works services and improvement of garrison life following the re-capture of the Falkland Islands, no grants have been made in connection with those who continue to serve in the South Atlantic since October 1983. Although legally entitled to make grants to relieve the needs of those who suffered in post surrender work relating to the administration of the Islands, the Trustees decided that monies should only be paid where there was a clear Argentinian operational action resulting in the casualty.
4. In the absence of special reasons the Trust Deed stipulated that the Fund was to be wound up within five years, residual assets being transferred for the long term care of cases to the three main Service Benevolent Funds, (King George's Fund for Sailors, Army Benevolent Fund and Royal Air Force Benevolent Fund).

The Assessment of Need

5. 255 men lost their lives in the conflict. More than half were married. Over 800 were wounded, the great majority being in their twenties. New cases, particularly associated with deafness and psychological damage, still arise. Similarly, with previous cases, a wound or resultant disability may worsen or not respond to treatment as expected. It is therefore anticipated that long term calls upon the fund may slowly rise as disability of the wounded increases and new charitable needs of ageing beneficiaries become clear. If these are attributable in origin to the Conflict grants will be paid.
6. The basis for assessment and reassessment is twofold, that is medical evidence of wounds and their aftermath, together with the charitable relief of need. In this context the Trustees are bound by the requirements of Charity Law. A team of legal, medical and Ministry of Defence personnel officers working in conjunction with welfare organisations consider the needs of those who have suffered and recommend to the Trustees the size of grants to be paid. The involvement of representatives of the Service Benevolent Funds in this assessment process provides a measure of continuity for the future when they will take on the residual long term work of the fund.

7. Those eligible under the terms of the Trust Deed, including existing Beneficiaries, have a lifelong eligibility to seek assessment or reassessment for a grant, both from the Fund and under any successor arrangements. Any individuals who believe themselves eligible for assistance, or whose circumstances have worsened since last receiving, or being considered for SAF aid, may apply for help under the terms of the Trust Deed. This should preferably be through the appropriate Service authority or Ex-service Association (see Annex). Alternatively applications can be made direct to the Secretary of the South Atlantic Fund whose address is given at the front of this report.

The Future of the Fund

8. As was explained in paragraph 4, the Deed of Trust required that in the absence of special reasons, the fund be closed by July 1987, and residual assets transferred to Service Benevolent Funds. In 1986 the Trustees sought and obtained confirmation from these Funds that, on eventual transfer of assets, they would maintain SAF monies in separate accounts, and were confident that they could meet all due claims from our beneficiaries in perpetuity. This was a very welcome assurance.
9. However, in November 1986 the Trustees decided that for a number of reasons it would be premature to wind up the fund by July 1987. They therefore agreed to extend its life until July 1988; this decision will be reconsidered at the end of 1987. The Trustees also studied a number of possible options whereby grants might be paid for wider purposes but after lengthy discussions decided not to pursue them. Some of these options would have been outside the requirements of Charity Law, while others would have been of greater benefit to only a limited number of beneficiaries.
10. Thus, the scope of the fund remains unchanged, as do the two existing bases for making grants, that is medical evidence and the relief of charitable need.

Donations

11. The Trustees would like to thank all those who have contributed to the Fund. To 31 October 1986 £15,168,652 in donations have been received from all sections of the community both at home and abroad. The fund remains open.

Grants

12. To 31 October 1986, a total of £13,816,618 has been distributed so far in grants. In the three years ended 31 October 1986 £1,023,923 has been paid to beneficiaries as a result of both assessment of new and reassessment of earlier cases. As stressed in para 7 the Trustees invite all who have received grants to seek reassessment when needs arise.

Accounts

13. Details of Receipts and Expenditure are given at the end of this report. It will be seen that the overwhelmingly large proportion of grant making was completed by the end of October 1984 and that in the subsequent two years the balance in hand has risen from £3,021,540 to £3,498,012. This reflects the Trustees' policy in aiming for high capital growth rather than high income stocks at a time when basic grants had been paid.

SOUTH ATLANTIC FUND
Receipts and expenditure since opening the fund
on 27 May 1982 to 31 October 1986

	£
RECEIPTS	
Donations	15,168,652
Interest and Dividends	1,837,006
Profit on sale of Investments	370,141
	17,375,799
EXPENDITURE	
Grants to Beneficiaries and Charities	13,816,618
Administrative expenses	61,169
	13,877,787
BALANCE IN HAND	3,498,012
REPRESENTED BY:	
Investments at cost	3,267,203
Cash at bank on deposit	127,000
Cash held by United Services Trustee	2,792
Amounts receivable from sale of Investments	101,017
	£3,498,012

SOUTH ATLANTIC FUND
Receipts and Payments Accounts

	Year ended 31 October 1986	Year ended 31 October 1985	Year ended 31 October 1984	Year ended 31 October 1983	Year ended 31 October 1982
Balance in hand at start of year	3,298,455	3,021,540	3,418,621	10,266,440	1,535,585
RECEIPTS					
Donations	20,065	48,185	106,570	1,535,585	894,904
Interest and Dividends	246,812	258,614	208,434	119,457	144
Profit on realisation of Investments	89,167	70,532	90,986	—	—
Further donation brought to account in 1983	—	—	—	—	—
	356,044	377,331	405,990	2,550,090	3,993
PAYMENTS					
Administrative expenses	7,808	9,516	3,727	8,000	9,385,916
Fee to the United Services Trustee	5,000	5,000	5,000	—	—
Other grants to charities and beneficiaries	143,679	85,900	794,344	803,071	9,397,909
	156,487	100,416	803,071	£3,021,540	£3,418,621
Balance in hand at end of year - 31 October	£3,498,012	£3,298,455	£3,021,540	2,763,980	2,594,039
REPRESENTED BY ASSETS					
Investment at cost (and market value for 1986 £4,372,066 and for 1985 £3,661,408)	3,267,203	2,982,608	2,763,980	126	650,000
Cash at Bank - deposit account	127,000	66,816	56,000	—	32,521
Bank deposit at seven days notice	—	—	—	17,019	141,935
Cash held by the United Services Trustee	2,792	12,586	184,541	—	—
Amounts receivable for sale of Investments	101,017	236,445	—	—	—
	£3,498,012	£3,298,455	£3,021,540	£3,418,621	£3,418,621

**EXTRACTS FROM THE DEED OF TRUST OF
THE SOUTH ATLANTIC FUND**

Dated 15 July 1982

WHEREAS:-

(A) Appeals have been made for contributions to a fund to be called the South Atlantic Fund for the purpose of facilitating the provision of charitable payments to meet needs arising out of engagement of the Armed Forces and civilian personnel attached to or accompanying the Armed Forces (hereinafter called "associated personnel") in operations relating to the recent dispute over the Falkland Islands or hereafter in work relating to the due administration of the Falkland Islands.

(B) Funds have been received by way of contribution to the South Atlantic Fund and further contributions are anticipated and if and in so far as no special purposes have been expressly imposed on any such contribution by the donor the same falls due to be held upon the trusts hereinafter set forth concerning the funds hereinafter called "the unallocated funds" for the primary purpose of distribution as between The King George's Fund for Sailors the Army Benevolent Fund and the Royal Air Force Benevolent Fund (hereinafter called "the service benevolent funds") and for such other charitable purposes as are herein set forth.

NOW THIS DEED WITNESSETH as follows:-

1. THE Charity hereby established shall be known as the "South Atlantic Fund".
2. THE Custodian Trustee of the Charity shall be the United Services Trustee.
3. THE object of the Charity shall be to hold those unallocated funds which have been or may be received by or on behalf of the Secretary of State upon trust to apply the same by payment to the service benevolent funds or to such other charity or charities the purposes whereof are in the opinion of the Trustees appropriate to enable them to relieve the needs of members of the Armed Forces associated personnel and their respective dependants or any of them in so far as such needs have arisen or may hereafter arise by virtue of the operations and work referred to in the recitals to this deed in such shares if more than one and subject to such conditions and in such manner generally as the Trustees shall think fit.
4. THE trustees of the Charity shall be the persons for the time being holding the offices of Vice Chief of Defence Staff (Personnel and Logistics) and of the Chief of Naval Personnel and Second Sea Lord and of the Adjutant General and of the Air Member for Personnel and of the Second Permanent Under Secretary of State in the Ministry of Defence (hereinafter referred to as "ex officio trustees") and such other persons not exceeding four in number (hereinafter referred to as "nominated trustees") as may be appointed by the ex officio trustees.

5. UPON the abolition or alteration of the description of any office by virtue of which the holder is an ex officio trustee under this deed the Secretary of State for Defence may designate in writing some other office within the Ministry of Defence in the place thereof.

Paragraphs 6-12 refer to administrative aspects of the Fund, duties of Trustees and the keeping of accounts.

13. IN the absence of special reason to the contrary the Charity shall be wound up within five years of the date of this deed by distribution of the balance of the unallocated funds not therefore applied under Clause 3 hereof amongst the service benevolent funds in such shares as the Trustees shall think fit.

14. NOTHING herein contained shall permit any part of the South Atlantic Fund to be used for any purpose not exclusively charitable at law.

**LIST OF ADDRESSEES FOR APPLICATIONS
ON THE SOUTH ATLANTIC FUND
BY DEPENDANTS AND EX-SERVICEMEN**

ROYAL NAVY

The Commander-in-Chief
Naval Home Command
HM Naval Base
Portsmouth
PO1 3LR

ROYAL MARINES

Headquarters Commando Forces
Hamoaze House
Mountwise
Plymouth
PL1 4LZ

or

Headquarters Training Reserve and Special Forces
Royal Marines Eastney
Southsea
Hants
PO4 9PX

ARMY

Relevant Regimental or Corps Headquarters

ROYAL AIR FORCE

The Director General Personal Services (RAF)
Room 306
Astral House
Theobalds Road
London
WC1X 8RU

ROYAL FLEET AUXILIARY AND RNSTS

DGST(N)
Room 620
Empress State Building
Lillie Road
London
SW6 1TR

MERCHANT NAVY

King George's Fund for Sailors
1 Chesham Street
London
SW1X 8NP

