

From: D O Arnold-Forster\*



MINISTRY OF DEFENCE

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PARLIAMENTARY UNDER-SECRETARY OF STATE  
FOR THE ARMED FORCES

D/US of S(AF)DGT 13/2/6

13 December 1983

Per Mertes:

To note  
particularly paragraph  
11 of the report

Dear Tim,

Lord Trefgarne has asked me to send you a copy of the  
1983 Annual Report of the South Atlantic Fund, which  
the Prime Minister may find of interest.

13/2

Yours Sincerely

D O Arnold-Forster

mb

Private Secretary

Tim Flesher Esq



**SOUTH ATLANTIC  
FUND**

**ANNUAL REPORT 1983**



**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 3, Archway Block South, Ministry of Defence,  
Whitehall, London SW1A 2BE

**PATRON**

His Royal Highness The Prince of Wales KG, KT, GCB

**TRUSTEES**

Admiral Sir Peter Herbert KCB, OBE  
General Sir George Cooper KCB, MC, ADC Gen  
Vice Admiral Sir Simon Cassels KCB, CBE  
Air Chief Marshal Sir Thomas Kennedy KCB, AFC, ADC  
Mr E Broadbent CB, CMG  
Rear Admiral K D E Wilcockson CBE  
Major General J N S Arthur  
Air Vice Marshal L W F Wheeler

Secretary

Captain A H Lambourne Royal Navy (until 3 August 1983)  
Colonel J C M Ansell (from 4 August 1983)

Custodian Trustee

The United Services Trustee

Auditors

Ernst and Whinney

Investment Adviser

Mullens & Co

## THE SOUTH ATLANTIC FUND

### The Reason for Constituting the Fund

1. During the Falklands Campaign, the public quite spontaneously started sending money to the Ministry of Defence for the benefit of those who suffered as a result of the conflict and for the welfare of those who continued to work in the arduous conditions of the South Atlantic.
2. Some of the letters accompanying donations specified to which of the Service Benevolent Funds the gift should be directed but the majority contained no such instruction. It soon became clear that a collecting agency was required to handle the flood of donations and properly to administer this money until such a time as the needs of the bereaved families and the injured were known. The Secretary of State for Defence announced the setting up of the South Atlantic Fund in the House of Commons in mid-May 1982 and the Fund was formally constituted on 15 July 1982 with Charitable status.

### The Trust Deed

3. a. The Trust Deed of the South Atlantic Fund specifies its object as being: "to hold those unallocated (Note 1) 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 purpose 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 dependants or any of them in so far as such needs have arisen or may hereafter arise by virtue of the operations and work (Note 2) 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".
- b. The Trust Deed requires the Fund to be wound up within five years at which time the residual money left in the Fund must be transferred to the three Service Benevolent Funds; King George's Fund for Sailors, The Army Benevolent Fund and the Royal Air Force Benevolent Fund, for the long term care of those cases which have arisen or may yet occur as a consequence of the conflict.

Note 1: Unallocated Funds are those upon which no special purpose has been expressly imposed by the donor.

Note 2: Operations and work include operations during the conflict and thereafter work relating to the administration of the Islands.

## Donations

4. Donations large and small have been, and still are being received from individuals, companies, institutions, associations, societies, clubs and fund raising groups. Donations from individuals have varied from children's precious pennies to gifts of many thousands of pounds. Whenever it has been possible each donation has been acknowledged but the Trustees would like to take this opportunity to thank the very many anonymous donors and all those who contributed to group efforts for their generous support. On the 31 October 1983 the total of donations stood at £14,993,688.
5. Whilst the work of the Fund was getting under way, donations were placed on deposit. Subsequently a major proportion of the capital was invested thus increasing the Fund's assets while retaining sufficient liquidity to meet its needs. Investment has complied with the Trustees Investment Act 1961 and has increased to date the value of the Fund by more than £1 million.

### The Assessment of Need

6. The task was considerable: there were more than 130 widows many of whom needed urgent help; there were the next of kin of more than 120 single servicemen who had been killed and there were over 700 wounded casualties many of whom were likely to need some form of assistance early in their rehabilitation. Furthermore it was evident that the donors were anxious that their gifts should be distributed as quickly and as generously as possible. The Trustees and the Ministry of Defence therefore saw the urgent need to create adequate machinery to deal with the Fund. A small full-time staff was set up to administer the receipt of the donations and to act as a Secretariat for the Trustees. In addition to this Secretariat an assessment group was established in Aldershot. The task of this group, which is made up of military officers, is to work in conjunction with medical officers, the welfare organisations, DHSS staff and naval and military welfare officers to assess the needs of those who have suffered and to make initial recommendations. These recommendations are passed to the Working Committee of the South Atlantic Fund.
7. The Working Committee of the Fund is made up of Staff Officers from the three Services and senior representatives of the Service Benevolent Funds as well as representatives from the Merchant Navy and Royal Fleet Auxiliary. A legal officer from the assessment group always attends and a senior Service doctor is present when considered necessary. The recommendations of the Working Committee are passed to the Trustees for their consideration and approval.
8. The Trustees believe that they have thereby been able to identify needs more quickly than would have been the case had individuals been left to make their own claims on the Fund and that no immediate needs have been overlooked. The involvement of representatives from the Service Benevolent Funds in the assessment process has also provided a measure of continuity for the time when they take over responsibility for any further assistance which may be necessary in the years ahead.

## Purposes for which money has been disbursed

9. Very early in the life of the Fund the Trustees authorised payments totalling almost £2 million to the widows and next of kin servicemen. The purpose of these payments was to ease any hardship suffered by the beneficiaries over the early months of their bereavement. Interim payments totalling £1.5 million were made to certain of the injured and the three major Service Benevolent Funds each received sums of money to meet any urgent needs which were brought to their attention.

10. This gave the assessment group time to give detailed consideration to cases of individual need. As a result of their work and the decisions made by the Trustees sums including the following have been paid in respect of hardship:

£5,467,249	—	to widows and dependant children.
£4,829,826	—	to the seriously injured.
£1,034,635	—	to the less seriously injured.
£320,828	—	to the parents or next of kin of single servicemen killed in the conflict.

Service Benevolent Funds have spent further sums from their allocation to provide things such as; assistance in moving house, the adaption of houses for disabled men, the purchase of specially adapted cars or wheelchairs, educational trusts for children and travel costs for injured servicemen and their families.

## The Future of the Fund

11. The Trust Deed requires that the Fund is wound up by 1987 at the latest (unless there are special reasons to the contrary). As a result of decisions made by the Trustees nearly £13 million has already been distributed from the Fund to meet all needs that have so far become apparent. However the Trustees are very much aware that there could be other needs arising both over the next few years and long after the Term of the Fund has expired. They have, for the time being kept a reserve at their disposal and will review when and at what rate they will pass the residual money to the Service Benevolent Funds.

## Other Charities

12. The Trustees of the Fund have received advice and assistance from many other charitable organisations. A list of charities through whom payments have been made is attached to this Report and the Trustees are most grateful to all of them for their co-operation.

## Accounts

13. The attached statement is the audited balance sheet of receipts and expenditure since money started to come into the Ministry of Defence in May 1982.

## SOUTH ATLANTIC FUND GRANTS MADE TO CHARITIES

Grants have been made to meet the needs of individuals through the following Charities:

Army Central Fund  
Army Air Corps Fund  
Army Catering Corps Association No 2 Benevolent Fund  
Airborne Forces Security Fund  
Army Officers Widows Fund  
Chinese Dependants  
Fleet Air Arm Relief Fund  
Fleet Amenities Fund  
Gurkha Welfare Trust Fund  
Gurkha Dependants Fund  
HMS Tamar Welfare Amenities Fund  
Irish Guards Benevolent Fund  
Missions to Seamen  
Navy, Army and Air Force Institutes  
Naval Air Relief Fund  
The Royal Air Force Central Fund  
The Royal Air Force Dependants Fund  
Royal Army Medical Corps General Relief Fund  
Royal Army Service Corps/Royal Corps of Transport Benevolent Fund  
Royal Army Ordnance Corps Aid Society  
Regimental Association of The Queen's Own Highlanders  
Royal Marines Tercentenary Fund  
Royal Navy and Royal Marines Dependants Fund  
Royal Artillery Charitable Fund  
Royal Engineers Association  
Royal Marines 1939 War Fund  
Royal Signals Association & Benevolent Fund  
22 Special Air Service Trust Fund  
Scots Guards Charitable Fund  
Royal Electrical & Mechanical Engineers Fund  
Single Soldiers Dependants Fund  
Soldiers Widows Fund  
The United Services Trustee (including Royal Fleet Auxiliary and Merchant Navy Dependants)  
Welsh Guards Comforts Fund  
St Saviours Church, Portsmouth

Grants have also been made to the principal Service Charities to enable them to react immediately to any case of need which comes to their notice:

King George's Fund for Sailors  
Army Benevolent Fund  
The Royal Air Force Benevolent Fund

Approximately £1,000,000 was donated to the Fund expressly to provide for the welfare of those continuing to defend the Falkland Islands. Grants have been made to the following:

Army Central Fund  
The Royal Air Force Central Fund  
Fleet Amenities Fund  
Commandant General Royal Marines Fund

### SOUTH ATLANTIC FUND

Receipts and expenditure since opening the fund  
on 27th May 1982 until 31st October 1983

Receipts		
Donations	14,993,688.54	
Interest & Dividends	1,123,146.42	
Profit on sale of investments	<u>119,456.71</u>	
		<u>16,236,291.67</u>
Expenditure		
Grants	12,792,695.35	
Administration expenses	<u>25,119.26</u>	
		<u>12,817,814.61</u>
Balance in hand		<u>3,418,477.06</u>
Represented by:		
Investments at cost	2,594,038.87	
Monies on deposit	650,000.00	
Cash in hand	32,503.44	
Creditors (due from sale of investments)	<u>141,934.75</u>	
		<u>£3,418,477.06</u>

**SOUTH ATLANTIC FUND**  
**Period 1st November 1982 - 31st October 1983**

**RECEIPTS AND EXPENDITURE**

Receipts		
B/F 1st November 1982	10,266,440.17	
Donations net	1,535,584.72	
Interest & Dividends	894,904.07	
Profit on investments	119,456.71	
	<hr/>	<hr/>
		12,816,385.67
Expenditure		
Grants	9,385,916.35	
Administration expenses	11,992.26	
	<hr/>	<hr/>
		9,397,908.61
Balance C/F		3,418,477.06
Represented by:		
Investments at book value	2,594,038.87	
Monies on deposit	650,000.00	
Cash in hand	32,503.44	
Creditors (due from sale of investments)	141,934.75	
	<hr/>	<hr/>
	£3,418,477.06	