

**Annual Report and Financial Statements**  
**for the**  
**Year ended 31<sup>st</sup> October 2020**

**REPORT of the TRUSTEES**  
for the year ended 31<sup>st</sup> October 2020

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**REPORT of the TRUSTEES**  
for the year ended 31<sup>st</sup> October 2020

The Trustees (who are also Directors of the Company for the purposes of company law) present their report together with the financial statements for the year ended 31<sup>st</sup> October 2020.

**REFERENCE and ADMINSTRATIVE INFORMATION**

<b>Charity Name:</b>	The Coastal Forces Heritage Trust
<b>Charity number:</b>	1044933 (England and Wales)
<b>Company number:</b>	2983847 (England and Wales)
<b>Registered office and Principal address:</b>	The National Museum of the Royal Navy HM Naval Base (PP66) Portsmouth, Hampshire PO1 3NH
<b>Website address:</b>	<a href="http://www.coastal-forces.org.uk">http://www.coastal-forces.org.uk</a>

**Trustees:**

Vice Admiral Sir Paul Haddacks KCB Chairman

Commander Rodney Agar RN  
Chief Petty Officer Aurora Allan RN  
Commander Robert Bosshardt RN  
Commander Andrew Gordon-Lennox RN  
Commander Rupert Head RN  
Antony Hichens Esq  
Captain Christopher Morrison RN  
Captain Trevor Robotham RN  
Alan Watson Esq

Director & Secretary Captain S J J Hail RN (Appointed 6 April 2016)

**STRUCTURE, GOVERNANCE and MANAGEMENT**

The Charity's governing document is its Memorandum and Articles of Association incorporated 27<sup>th</sup> October 1994 as amended by Special Resolution adopted 5<sup>th</sup> May 1995.

It is governed by its Board of Trustees. Trustees are appointed by the Board in a general meeting.

The management of the charity is vested in its board of trustees headed by the Chairman which meets regularly as necessary and is assisted by professional help in the fields of project development and administration. When deemed necessary Trustees are recruited after being identified by the Board as having the skills, contacts and other attributes which will help the charity in the furtherance of its objectives and activities.

The office is located in the National Museum of the Royal Navy, within the Portsmouth Naval Base.

## **REPORT of the TRUSTEES**

for the year ended 31<sup>st</sup> October 2020

### **OBJECT and ACTIVITIES**

The Charity's objectives are as stated in its Governing Document, being the advancement of the education of the public in the history of Coastal Forces by the restoration, preservation and permanent display, for public benefit, of Coastal Forces craft together with relevant artefacts, records and memorabilia relating to such craft.

In furtherance of this the Trust supports Coastal Forces Veterans and historic craft.

### **STATEMENT of PUBLIC BENEFIT**

The Museum will fulfil three significant and relevant functions: firstly, to commemorate the memory of those brave citizen sailors of the Royal Naval Volunteer Reserve (RNVR) and "Hostilities Only" ratings who rallied in great numbers to the defence of their Nation in WW II; secondly to inform and educate young people about what previous generations achieved and: thirdly to provide a conduit for local employment and investment within a challenging part of Hampshire. The Museum will commemorate the past whilst being relevant to the present and future.

The Trustees have had regard for the Charity Commission's public benefit guidance. In summary the museum will benefit the Public as follows:

- The advancement of education, by promoting knowledge about the contribution of Coastal Forces to Allied success in two world wars
- The advancement of heritage, by preserving artefacts and information about the contribution of Coastal Forces to Allied success in two world wars, and working towards the creation of a Coastal Forces Museum
- The promotion of the efficiency of the armed forces of the Crown by researching the history of Coastal Forces of the Royal Navy, by publishing materials about Coastal Forces and providing a means which enables serving and former members of the Royal Navy to mix together.

Until the museum is open (currently scheduled for Autumn 2021) the full impact of any public benefit cannot be realised, however the future public benefit will include groups of people of all ages and ethnic origin. It is anticipated that the initial visitor footfall will be around 30000 per annum which is expected to increase as the reputation of the museum becomes established.

### **ACHIEVEMENTS**

#### **Affiliations**

The period under report has continued to be one of consolidation for the Trust. The Trust has continued to maintain a professional relationship between our principal partners for the Exhibition – namely the National Museum of the Royal Navy (NMRN) and the Portsmouth Naval Base Property Trust (PNBPT). A number of formal Working Group meetings have taken place throughout the reporting period.

The Old Mine Storage Building located at Priddy's Hard, Gosport, will be the permanent home for the Coastal Forces Exhibition. The restoration of the building being part of a major development of the Priddy's Hard Armament Depot site, under the direction of the PNBPT. The actual Coastal Forces Exhibition itself will be developed by the NMRN in partnership with the CFHT.

The Trust has two further affiliations, with the Medusa Trust and with the Royal Navy's Coastal Forces Squadron. The former reflects the Trust's close relationship with one of the few remaining seagoing coastal craft of World War II. The latter builds a tangible bridge between historic Coastal Forces and the modern Royal Navy.

## **REPORT of the TRUSTEES**

for the year ended 31<sup>st</sup> October 2020

### **Coastal Forces Exhibition**

Much of the work in taking forward the exhibition has taken place behind the scenes throughout the reporting period. The refurbishment of P building was completed in the summer of 2020.

The actual design of the museum structure and its content made useful progress throughout the period. This was undertaken by both Studio MB and the NMRN. By the end of the reporting period the design of all the static displays and their content had been completed. Inevitably COVID 19 has impacted upon this work.

Currently it is planned that the Museum should open to the General Public in the Autumn of 2021.

### **Other Historic Craft**

The Trust continues to support HDML 1387 (HMS Medusa) and to provide general advice to the PNBPT on the operation and maintenance of its historic fleet of Coastal Forces Craft.

### **Other Activities**

Additional activity has been severely curtailed by the effects of the national lockdown.

### **LIBOR Fund Bid**

The LIBOR Fund bid was successful in 2017 and the Trust received £925K for the development and establishment of the CFHT Museum; within the year under review, the sum of £400,000 of these funds were disbursed towards the Museum Project.

### **The Veterans**

The Coastal Forces Veterans Association (CFVA) National Organisation was disbanded several years ago, however some of the Branches continue to meet and provide a source of mutual support and comradeship.

### **The Newsletter**

This bi-annual publication continues to attract wide approbation and is greatly appreciated by both young and old readership. It is an excellent conduit for the Trust to keep in touch with supporters and, from time to time, raise support for specific projects. The circulation of the newsletter numbers 950 which to date 31 October 2020 has raised circa £3,000 from supporters.

### **The Website**

The website continues to be maintained and updated.

### **Risk Management**

The Trustees are conscious of the advice contained in The Charity Commission Document (CC26) Page 10 Paragraph 33.3. The CFHT falls under the category of a Smaller Charity where the annual income is below the statutory audit threshold. Notwithstanding this, in the interests of maintaining a policy of "good practice", ongoing development of the Risk Management Plan will be undertaken routinely.



**REPORT of the TRUSTEES**  
for the year ended 31<sup>st</sup> October 2020

**FINANCIAL REVIEW**

The result for the financial year shows a deficit for the year of £214,069. Adjusted deficit for the year (excluding Donations from Reserved funds) is £356, broadly in line with Trustee expectations.

Total Reserved Funds stands at £298,980

Direct costs have decreased slightly in the year totalling £6,298 compared with £6,461 in the previous year. Indirect Costs/ Overheads have similarly reduced in the year, from the prior year total of £20,521 to £19,126, as a result of the on-going COVID pandemic circumstances. Donations made by the Trust decreased to £213,713 versus the previous year's figure of £316,500, again, in line with Trustee expectations and scheduled payments against the museum project progress stages, which have been adversely affected by the COVID pandemic.

As a consequence bank deposits stand at a total of £361,567 in comparison with prior year total of £574,907

**Reserves Policy**

The Trustees have examined the Charity's requirements for reserves in light of the risks to the organisation and consider that reserves should be held which would be sufficient to meet its working capital requirements for at least six months. However, reserves may exceed this level if no immediate opportunity to use the funds to achieve the charity's objective is available. At 31<sup>st</sup> October 2020 the Unrestricted Funds held were approximately equal to 75% of the charity's annual expenditure; this figure excludes the funds designated as reserved for the Museum Project.

**Investment Policy**

Most of the charity's funds are expected to be spent in the short term so no funds are available for long term investment. Having considered the few options available, the trustees have decided to retain its funds in cash, with any element in excess of three month's expected expenditure being held on short term deposit at slightly more favourable rates than are available on the charity's current account with Barclays bank and The Shawbrook Bank.

This report, which has been prepared in accordance with the provisions of the Companies Act 2006 relating to small companies, was approved by the trustees on **23rd June 2021** and signed on their behalf by:

Mr Alan Watson OBE  
Acting Chairman



Captain Simon Haill RN  
Secretary



**BALANCE SHEET**  
as at 31<sup>st</sup> October 2020

**Balance Sheet**

	Note	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
<b>Current Assets</b>					
Debtors	4			£0	£0
Cash at Bank	5	£62,586	£298,980	£361,567	£574,907
		£62,586	£298,980	£361,567	£574,907
<b>Current Liabilities</b>					
Creditors (falling due within one year)	6	£707	£0	£707	£114
		£707	£0	£707	£114
<b>Net Current Assets</b>		£61,879	£298,980	£360,859	£574,793
<b>Net Assets</b>		£61,879	£298,980	£360,859	£574,793
<b>Funds of the Charity</b>					
Retained Surplus B/F		£57,498	£517,430	£574,929	£890,822
Profit and Loss Current Year		(£356)	(£213,713)	(£214,069)	(£315,893)
		£57,142	£303,717	£360,859	£574,929
<b>Total Funds</b>		<b>£57,142</b>	<b>£303,717</b>	<b>£360,859</b>	<b>£574,929</b>

The trustees (who are also the directors of the company for the purposes of company law) confirm that for the year ended 31<sup>st</sup> October 2020:-

- The company was entitled to exemption from audit under section 477 of the Companies Act 2006 ("the Act"), and
- Members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Act.

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts were approved by the Trustees on **23<sup>rd</sup> June 2021** and signed on their behalf by:-



Mr Alan Watson OBE  
Acting Chairman



Captain Simon Haill RN  
Secretary

**STATEMENT of FINANCIAL ACTIVITIES**  
for the year ended 31<sup>st</sup> October 2020

**Profit and Loss**

	<i>Note</i>	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
<b>Incoming Resources</b>					
Income from Generated Funds					
Voluntary Income	7	£23,627	£0	£23,627	£20,433
Investment Income		£1,256		£1,256	£4,320
Income from Charitable Activities	8	£185		£185	£0
Other Income		£0		£0	£2,201
		£25,067	£0	£25,067	£27,454
<b>Resources Expended</b>					
Costs of Generating Voluntary Income	9	£6,298		£6,298	£1,784
Fundraising Trading Costs	10	£0	£0	£0	£0
Cost of Charitable Activities	11	£713	£213,000	£213,713	£321,265
Governance Costs	12	£19,126		£19,126	£20,417
		£26,137	£213,000	£239,137	£343,466
<b>Reconciliation of Funds</b>					
Net Income / (Expenditure)		(£1,070)	(£213,000)	(£214,070)	(£316,012)
Transfers between Funds					£0
Net Movement in Funds		(£1,070)	(£213,000)	(£214,070)	(£316,012)
Total Funds Brought Forward		£57,498	£517,430	£574,929	£890,305
<b>Total Funds Carried Forward</b>		<b>£56,429</b>	<b>£304,430</b>	<b>£360,859</b>	<b>£574,793</b>

The Statement of Financial Activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities.

The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 10 to 12 form an integral part of these financial statements for the benefit of the Trustees.



**STATEMENT of FINANCIAL ACTIVITIES for the information of trustees only**  
for the year ended 31<sup>st</sup> October 2020

**Basis of Preparation**

1.1. Basis of accounting

These accounts have been prepared on the basis of historic cost in accordance with:-

- 1.1.1. Accounting and Reporting by Charities – Statement of Recommended Practice (SORP 2005 – Second Edition May 2008), and Financial and Reporting Standard for Smaller Entities (FRSSE) (Effective April 2008),
- 1.1.2. The Companies Act 2006.

2. Accounting Policies

2.1. Form of Financial Statements

2.1.1. Unrestricted Funds

Funds that may be used at the discretion of the trustees in furtherance of the objects of the charity.

2.1.2. Restricted Funds

Funds that may only be used for specific purposes. Restrictions arise when specified by the donor or when funds are raised for specific purposes.

2.2. Incoming Resources

- 2.2.1. Incoming Resources are recognised and included in the Statement of Financial Activities (SOFA) when the Charity becomes entitled to the resources, the trustees are virtually certain they will receive the incoming resources and the monetary value can be measured with sufficient reliability.
- 2.2.2. Where incoming resources have related expenditure (as with fundraising) the incoming resources and related expenditure are reported gross in the SOFA.
- 2.2.3. Bank interest is recognised when it is credited to the account.

2.3. Expenditure and Liabilities

- 2.3.1. Expenditure is accounted for on an accruals basis.
- 2.3.2. Liabilities are recognised as soon as there is a legal or constructive obligation to pay out resources.
- 2.3.3. Governance costs include an apportionment of consultants' fees and office overheads that reflect the relevant amount of time spent on such activities. Trustees with specific responsibilities in this field are all volunteers.

2.4. Assets

Tangible fixed assets are capitalised if they cost more than £1,000 and can be used for more than one year. They are valued at cost or, if gifted, at their value on receipt. The charity does not have any capitalised fixed assets.

2.5. Taxation

The charity is not liable to income or capital gains tax on its charitable activities. Irrecoverable VAT is included in the asset cost or expense to which it relates.

3. Transactions with trustees and related parties

No remuneration or expenses were paid or reimbursed to trustees or related parties.

4. Debtors

	Unrestricted Funds	Restricted Funds	<b>Total 2020</b>	Total 2019
Gift Aid receivable	£0		<b>£0</b>	£0
Prepayments	£0		<b>£0</b>	£0

5. Cash at Bank

	Unrestricted Funds	Restricted Funds	<b>Total 2020</b>	Total 2019
Bank Deposit account	£18,716	£298,290	<b>£572,518</b>	£572,518
Bank Current account	£2,389		<b>£2,389</b>	£2,389
	£21,105	£553,802	<b>£574,907</b>	£574,907

6. Creditors (falling due within one year)

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
Trade Creditors	£707		£707	£114
	£707		£707	£114

7. Voluntary Income

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
Donations	£21,721	£0	£21,721	£33,616
Gift Aid	£1,906		£1,906	£3,052
Legacies	£0		£0	£7,407
	£23,627	£0	£23,627	£44,075

8. Income from Charitable Activities to generate funds

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
Sale of merchandise	£185		£185	£201

9. Apportioned Costs of generating voluntary income (See also Note 10 through 12)

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
Newsletter production costs	£4,548		£4,548	£2,331
Project consultancy	£0		£0	£3,397
Archive consultancy	-		-	-
Bookkeeping	£0		£0	£712
Office rent and insurance	£0		£0	£0
Stationery, postage, etc	£0		£0	£166
Website	£0		£0	£8
Fundraising costs	£1,750		£1,750	£1,784
Other operating costs	£0		£0	£17
	£6,298		£6,298	£8,415

10. Apportioned Fundraising trading costs

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
Newsletter production costs	£0		£0	£211
DVD film production costs	-		-	-
DVD interview costs	-		-	-
Bookkeeping	£0		£0	£201
Office rent and insurance	-		-	-
Stationery, postage, etc	£0		£0	£246
Website	£0		£0	£10
Other operating costs	£0		£0	£5
	£0		£0	£673

## 11. Apportioned Cost of Charitable Activities

	Unrestricted Funds	Restricted Funds	<b>Total 2020</b>	Total 2019
Project consultancy	£11,236	£1,526	<b>£12,762</b>	£12,169
Archive consultancy	-	-	-	-
Bookkeeping	£920	-	<b>£920</b>	£1,187
Office rent and insurance	£175	-	<b>£175</b>	£0
Stationery, postage, etc	£22	-	<b>£22</b>	£166
Website	£176	-	<b>£176</b>	£11
Other operating costs	£2,072	-	<b>£2,072</b>	£2,115
Charitable Donations and Grants	£713	£213,000	<b>£213,713</b>	£316,604
	<b>£15,314</b>	<b>£214,526</b>	<b>£229,840</b>	<b>£332,252</b>

## 12. Apportioned Governance Costs

	Unrestricted Funds	Restricted Funds	<b>Total 2020</b>	Total 2019
Project consultancy	£1,594	-	<b>£1,594</b>	£1,698
Archive consultancy	-	-	-	-
Bookkeeping	£276	-	<b>£276</b>	£356
Office rent and insurance	£175	-	<b>£175</b>	£0
Stationery, postage, etc	£22	-	<b>£22</b>	£160
Website	£59	-	<b>£59</b>	£4
Other operating costs	£160	-	<b>£160</b>	£171
	<b>£2,286</b>	-	<b>£2,286</b>	<b>£3,190</b>



16<sup>th</sup> August 2021

**The Coastal Forces Heritage Trust**

Dear Sir

We have undertaken a review of the books and records of The Coastal Forces Heritage Trust, a registered charity, for the year ended October 31<sup>st</sup>, 2020.

During this review we assessed and reviewed approximately 40% of the transactions and reconciled such to the data within their financial system; additionally, we examined and reconciled bank statements for all accounts held in the name of The Coastal Forces Heritage Trust.

The year in review showed donations from external and unrelated charitable organisations; the Trust confirmed that the source of these funds had been verified, formal receipts issued and, that the funds were recorded as either Reserved or Unreserved funds, subject to the terms of the original donation. We examined records pertaining to the donations from Adrian Swire Trust and the Bernard Sunley Charitable Foundation, finding that the correct actions had been performed in each instance.

The Trust demonstrated diligent and transparent financial management process and practices, with internal oversight, together with clear and demonstrable involvement of the Trustees, not only the Chairman. Further, the Trust Board of Trustees continues to improve internal processes in line with Charity Commission guidelines and regulations.

It is our view that the financial statements represent a true and fair representation of the Charity. There are no recommendations arising.

No liability or legal responsibility is accepted for the state of the financial statements as our assessment relates to an examination of best practice only and is not an audit. Therefore, we make no comment on the content of the statements.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'S. Thompson', with a long, sweeping horizontal line extending to the right.

S Thompson