

Annual Report and Financial Statements
For the
Year Ended 31st October 2022



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 31st October 2022.

REFERENCE and ADMINSTRATIVE INFORMATION

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

Trustees:

Rear Admiral Rex Cox (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

William Dreyer Esq

Director & Secretary Captain S J J Haill RN



STRUCTURE, GOVERNANCE and MANAGEMENT

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

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 also supports Coastal Forces Veterans and historic craft.

STATEMENT of PUBLIC BENEFIT

The Coastal Forces Museum opened to members of the public on 6th October 2021. This Museum fulfils 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 commemorates 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 benefits 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.
- A permanent Museum to facilitate the above.

The Museum opened to members of the General Public on 6 October 2021. It has already made a favourable impact upon people and the visitor feedback has been most positive. The future public benefit will include groups of people of all ages and ethnic origin.



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, is 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 and maintained 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.

Coastal Forces Exhibition

The museum is open for public access as part of the wider NMRN ticketing process; footfall is cyclical through the year, subject to many external factors such as weather, the wider economy and, access restrictions due to ongoing building works through the Priddy's Hard estate.

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.

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.

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; the finals sums were expended during the period under review and no Reserved Funding remains.

The Newsletter

The publication of the Newsletter has now ceased due to cost implications; it is intended to commence publication of articles through the website in the coming period.

The Website

The website continues to be maintained and updated, and the CFHT intends to increase the scope of the details in the coming periods.

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. In the interests of maintaining a policy of "good practice", ongoing management of the Risk Management Plan is routinely undertaken.



FINANCIAL REVIEW

The result for the financial year shows a surplus for the year of £194,943 Vs prior year deficit of £211,724. Adjusted surplus for the year (excluding donations and grant awards) is £283,048 Vs prior year £50,276, in line with Trustee expectations.

Total Reserved Funds stands at £0; total Designated Funds stands at £300,000

Direct costs have decreased in the year, totalling £808 Vs prior year £5,430, attributable to the cessation in newsletter direct mailings. Indirect Costs/ Overheads have risen slightly to £21,625 Vs prior year £18,882; this change has arisen as a result of increased activity following the COVID pandemic, and the effects of inflation. Donations and grants made by the Trust decreased to £88,105 Vs prior year £262,000 in line with Trustee expectations and the completion of payments due towards the museum project.

The Trust received a donation of £300,000 from the closure of the Navy Club intended for the creation of a permanent artistic memorial for Coastal Forces. The donation was made free of any Restrictions, and the Trustees have deemed this sum as Designated Funding.

Closing year bank deposits stand at a total of £343,317 Vs prior year £146,198.

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 31st October 2022 the Unrestricted Funds held were approximately equal to 150% of the charity's annual expenditure; this figure excludes the Designated Funding relating to the permanent memorial 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.

Going Concern

The Trust has sufficient funds to continue for a period of at least twelve months from when the financial statements are authorised for issue. However, as the majority of funds are considered to be designated, there is a requirement to seek other sources of income to ensure that the Trust can continue to operate beyond twelve months.



TRUSTEES RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards. The law applicable to charities in England and 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 financial 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 of the Charities SORP; make judgements and estimates that are reasonable and prudent; state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and to prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and enable them to ascertain to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations 2008, both as amended subsequently, and the provisions of the Constitution, Governing Document or 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. The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website.

This report, which has been prepared in accordance with the provisions of the Companies Act 2006 relating to small companies, together with the Charities Act 1993, was approved by the trustees on **5th July 2023** and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Rex Cox'.

Rear Admiral Rex Cox
Chairman



BALANCE SHEET
as at 31st October 2022

	<i>Note</i>	Unrestricted Funds	Restricted Funds *	Total 2022	Total 2021
Current Assets					
Debtors	4	£2,862.00		£2,862	£0
Cash at Bank	5	£40,455	£300,000	£340,455	£149,134
		£43,317	£300,000	£343,317	£149,134
Current Liabilities					
Creditors (falling due within one year)	6	£0	£0	£0	£0
		£0	£0	£0	£0
Net Current Assets		£43,317	£300,000	£343,317	£149,134
Net Assets		£43,317	£300,000	£343,317	£149,134
Funds of the Charity					
Retained Surplus B/F		£56,391	£92,743	£149,134	£360,855
Profit and Loss Current Year		-£13,074	£207,257	£194,183	-
		£43,317	£300,000	£343,317	£211,721
Total Funds		£43,317	£300,000	£343,317	£149,134

* Restricted Funds is the total of Reserved and Designated Funds

The trustees (who are also the directors of the company for the purposes of company law) confirm that for the year ended 31st October 2022

- 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 **5th July 2023** and signed on their behalf by:-

Rear Admiral Rex Cox
Chairman

Captain Simon Haill RN
Secretary



STATEMENT of FINANCIAL ACTIVITIES
for the year ended 31st October 2021

	<i>No te</i>	Unrestricted Funds	Restricted Funds *	Total 2022	Total 2021
Incoming Resources					
Income from Generated Funds					
Voluntary Income	7	£5,197	£300,000	£305,197	£74,529
Investment Income		£164	0	£164	£33
Income from Charitable Activities	8			£0	£26
Other Income		£119		£119	£0
		£5,480	£300,000	£305,480	£74,588
Resources Expended					
Costs of Generating Voluntary Income	9	£12,200		£17,200	£8,069
Fundraising Trading Costs	10	£805		£805	£275
Cost of Charitable Activities	11	£1,854	£87,008	£88,862	£275,080
Governance Costs	12	£5,000	£4,430	£4,430	£2,888
		£19,859	£91,438	£111,297	£286,312
Reconciliation of Funds					
Net Income / (Expenditure)		-£14,379	£208,562	£194,183	- £211,724
Transfers between Funds				£0	£0
Net Movement in Funds		-£14,379	£208,562	£194,183	- £211,724
Total Funds Brought Forward		£56,391	£92,743	£149,134	£360,858
Total Funds Carried Forward		£42,012	£301,305	£343,317	£149,134

** Restricted Funds is the total of Reserved and Designated Funds*

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.



NOTES to the STATEMENT of FINANCIAL ACTIVITIES

1. Basis of accounting

1.1. These accounts have been prepared on the historic cost basis in accordance with:

- Accounting and Reporting by Charities – Statement of Recommended Practice (SORP Second Edition October 2019)
- Financial and Reporting Standard for Smaller Entities (FRSSE) (Effective January 2015),
- The Companies Act 2006.

2. Accounting Policies

2.1. Form of Financial Statements

2.1.1. Unrestricted Funds are funds that may be used at the discretion of the trustees in furtherance of the objects of the charity.

2.1.2. Restricted Funds are funds that may only be used for specific purposes. Restrictions arise when specified by the donor or when funds are raised for specific purposes, or when Designated as such by Trustees.

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.

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	Total 2022	Total 2021
Gift Aid receivable	£2,862	£0	£2,862	£0
Prepayments	£0	£0	£2,862	£0

5. Cash at Bank

	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
Bank Deposit account	£38,064	£300,000	£338,064	£141,767
Bank Current account	£2,391		£2,391	£7,367
	£40,455	£300,000	£340,455	£149,134

6. Creditors (falling due within one year)

	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
Trade Creditors	£0	£0	£0	£0
	£0	£0	£0	£0

7. Voluntary Income

	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
Donations	£4,417	£300,000	£304,417	£72,003
Gift Aid	£1,063		£1,063	£2,276
Legacies			£0	£250
	£5,480	£300,000	£305,480	£74,529

8. Income from Charitable Activities to generate funds

	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
Sale of merchandise	£119		£119	£26



9. Apportioned Costs of generating voluntary income

	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
Newsletter production costs			£0	£5,430
Project consultancy			£0	£2,137
Archive consultancy			£0	£0
Bookkeeping			£0	£280
Office rent and insurance			£0	£0
Stationery, postage, etc			£0	£24
Website			£0	£198
Fundraising costs			£0	£0
Other operating costs			£0	£0
	£0	£0	£0	£8,069

10. Apportioned Costs of fundraising trading

	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
Newsletter production costs			£0	£0
DVD film production costs			£0	0
DVD interview costs			£0	0
Bookkeeping			£0	£0
Office rent and insurance			£0	205
Stationery, postage, etc			£0	£24
Website			£0	£46
Other operating costs	£805		£805	£0
	£805	£0	£805	£275

11. Apportioned Costs of Charitable Activities

	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
Project consultancy	£1,554		£1,554	£11,488
Archive consultancy			£0	£0
Bookkeeping	£300		£300	£423
Office rent and insurance			£0	£205
Stationery, postage, etc			£0	£24
Website			£0	£53
Other operating costs			£0	£887
Charitable Donations and Grants		£87,008	£87,008	£262,000
	£1,854	£87,008	£88,862	£275,080

**12. Apportioned Governance Costs**

	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
Project consultancy	£4,000	£4,030	£4,030	£2,340
Archive consultancy			£0	0
Bookkeeping	£1,000	£400	£400	£277
Office rent and insurance			£0	£206
Stationery, postage, etc			£0	£24
Website			£0	£0
Other operating costs			£0	£142
	£0	£4,430	£4,430	£2,989

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BN16 3QD



7th June 2023

Independent Examination

The Coastal Forces Heritage Trust – Charity number 1044933

Dear Sir

We have undertaken a review of the books and records of The Coastal Forces Heritage Trust, a registered charity, for the Period Ending 31st October 2022; this review has been performed in accordance with the requirements of the Charities Act 2011 and is made to the Trustees of the Charity.

During this review we assessed and reviewed approximately 65% of the transactions and reconciled such to the data within the financial system and records.

The year in review showed donations from external and unrelated charitable organisations; The Coastal Forces Heritage Trust has confirmed that the source of these funds had been verified, formal receipts issued and, that the funds were recorded as either Unrestricted or Designated, subject to the terms of the original donation. It is noted that within the period under review, Unrestricted Funds totalling £5480 were received; additionally, £300,000 was received free from any restrictions from the sale of the Navy Club and has been deemed as Designated Funding from the Trustees.

We can confirm that no material matters have been identified in connection with the examination of such records. Further, it is our opinion that The Coastal Forces Heritage Trust has 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 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 black ink, appearing to read "Kerrie Adams", with a stylized flourish at the end.

Kerrie Adams AATQB



Kerrie Adams is licensed and regulated by AAT to provide services in accordance with licence number 1006390 details of which are displayed at the address shown. AAT is recognised by HM Treasury to supervise compliance with the Money Laundering Regulations and Old Manor Bookkeeping Services is supervised by AAT in this respect.