

THE CENTRAL AMENITIES FUND

HMS DRAKE

ANNUAL REPORT AND FINANCIAL STATEMENTS

For Period

1 January 2022 to 31 December 2022

Registered Charity No. 1129024

Trustees' Annual Report and Comments

Central Amenities Fund HMS DRAKE

Charity Registered No:	1129024
Covering the Accounting Year:	1 January 2022 to 31 December 2022
Address:	HMS DRAKE Devonport Plymouth PL2 2BG
Governing Document:	Constitution
Object:	Promotion of the Military Efficiency and Operational Effectiveness of the Armed Forces by the provision of amenities to Service personnel serving in the Naval Base Devonport.
Trustee:	Commodore P Coulson ADC RN (until 13 July 2022) Brigadier M J Tanner OBE ADC RM (from 14 July 2022)
Trustee Selection Method:	Appointed as such by the Naval Secretary.
Bankers:	Lloyds Banking Group Royal Parade Plymouth
Independent Examiner:	P A Nicholls MBE MAAT 5 Nursery Road Havant Hants PO9 3BG
Activities and Achievements:	To have resources available for expenditure on improvements to the quality of life and the engenderment of esprit de corps. The fund continued to support sporting and leisure activities and acted as a central bank for a variety of funds.
Financial Review:	The fund had lost £19.1K on its operating activities. The main cause for this was the high level of spending on grants and the disappointing amount received in gainshare. As the investments had lost £174.7K in market value, this had led to an overall loss of £193.9K. The fund was worth ££2.1M, of which £1.75M was held in investments. Although liabilities to other funds and creditors totalled £164.3K, they were easily covered by the amounts in the deposit accounts which added up to £493.9K.

Investment Selection Policy:	Investments are spread over 50 - 60 bonds and equities and are actively managed by Rathbones.
Financial Reserves Policy:	The Trustee has considered the level of reserves to retain, appropriate to the charity's needs. These are set at £1.5M to £2M and are held in investments. These provide the income stream to cover salary and other overhead costs. The Trustee aims to ensure that the charity will be able to fulfil its charitable objectives even if there is a temporary shortfall in income and unexpected expenditure. The Trustee will endeavour not to set aside funds unnecessarily.
Grant Policy:	Grants are paid for capital projects to enhance amenities and grants are paid to individuals and groups to support sporting activities.
Risk Assessment:	The Trustee reviews the major risks to which the charity is exposed, and systems have been established to manage those risks and believes that by maintaining the free reserves stated it would provide sufficient resources in the event of adverse conditions.
Public Benefit Statement:	<p>This fund provides public benefit by assisting Service personnel to more effectively perform their roles within the Armed Forces of the Crown. It does this by providing and supporting leisure and sporting amenities. This assistance enables Service personnel to face the challenges and danger associated with military service by developing and maintaining teamwork, spirit and attitude, and morale. As a result, the fund promotes the efficiency of the Armed Forces of the Crown by enhancing the Royal Navy's and Royal Marines' capability to undertake the roles demanded of it including the defence of the United Kingdom and its interests.</p> <p>I confirm that I have paid due regard to the Charity Commission of England and Wales's guidance on public benefit when deciding what activities the charity should undertake.</p>

Declaration:

I declare, in my capacity of Charity Trustee, that I have approved the above report.

Signature *Signed on Original*

Name Brigadier M J Tanner OBE ADC Royal Marines

Appointment Naval Base Commander and sole Managing Trustee

Date 10 February 2023

Independent Examiner's Report to the Trustee of the Central Amenities Fund HMS Drake

I report on the accounts of the Charity for the year ended 31 December 2022

Respective responsibilities of trustees and examiner

The charity's trustee is responsible for the preparation of the accounts. The charity's trustee considers that an audit is not required for this year under section 144(2) of the Charities Act 2011 (The Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustee for any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in any material respect:

- The accounting records were not kept in accordance with section 130 of the Charities Act; or
- The accounts did not accord with the accounting records; or
- The accounts did not comply with the applicable requirements concerning the form and content of the accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than in any requirement that the accounts give a "true and fair" view which is not a matter considered as part of an independent examination.

I have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed on Original

P A Nicholls MBE MAAT
5 Nursery Road
Havant
Hants PO9 3BG

10 February 2023

HMS DRAKE CENTRAL AMENITIES FUND

BALANCE SHEET

31-Dec-22

Fixed Assets	Note		31-Dec-21
Property	7	£ 25,000.00	£ 28,198.32
Investments	2	£ 1,747,973.54	£ 1,928,921.93
Total Fixed Assets		£ 1,772,973.54	£ 1,957,120.25
Current Assets			
Debtors & Prepayments	8	£ 8,491.80	£ 6,457.85
Deposit Accounts		£ 493,875.57	£ 469,340.27
Bank Accounts		£ 5,001.00	£ 5,001.00
Cash		£ 3,566.39	£ 4,215.47
		£ 510,934.76	£ 485,014.59
Current Liabilities			
Creditors	9	£ 28,974.67	£ 30,846.51
Approved Funds	10	£ 67,407.54	£ 18,127.49
Service Funds	11	£ 67,178.47	£ 78,947.26
Nuffield Trust	12	£ 700.00	£ 700.00
		£ 164,260.68	£ 128,621.26
Net Current Assets		£ 346,674.08	£ 356,393.33
Total Net Assets		£ 2,119,647.62	£ 2,313,513.58

Approved on 10 February 2023

Signed on Original

Brigadier M J Tanner OBE ADC Royal Marines
Sole Managing Trustee

HMS DRAKE CENTRAL AMENITIES FUND

STATEMENT OF FINANCIAL ACTIVITIES

		<u>2022</u>	<u>2021</u>
Income	Note		
Donations & Grants		£ 13,708.15	£ 3,000.00
Charitable Activities		£ 15,994.32	£ 15,879.14
Activities for generating funds		£ 11,941.93	£ 7,565.02
Investment Income		£ 57,634.96	£ 52,968.34
Total Incoming Resources	3	<u>£ 99,279.36</u>	<u>£ 79,412.50</u>
Expenditure			
Raising Funds		£ 8,415.60	£ 8,648.79
Charitable Activities		£ 109,996.93	£ 80,435.47
Total Resources Expended	4	<u>£ 118,412.53</u>	<u>£ 89,084.26</u>
Net incoming/(outgoing) resources		£ (19,133.17)	£ (9,671.76)
Plus (less) Investments revalued		<u>£ (174,732.79)</u>	<u>£ 199,395.08</u>
Net movement in funds		<u>£ (193,865.96)</u>	<u>£ 189,723.32</u>
Total Funds brought forward 1 Jan 22		£ 2,313,513.58	£ 2,123,790.26
Net Movement of Funds		£ (193,865.96)	£ 189,723.32
Total Funds carried forward 31 Dec 22		<u>£ 2,119,647.62</u>	<u>£ 2,313,513.58</u>

HMS DRAKE CENTRAL AMENITIES FUND

Notes to the Accounts dated 31 Dec 2022

Note 1 - Accounting policies

a. The financial statements are prepared under the historic cost convention (as modified by the revaluation of fixed asset investments) and in accordance with applicable accounting standards: Charities Statement of Recommended Practice effective 2019 and the provisions of the Charities Acts. Significant policies adopted are:

Incoming resources

- a. Donations are included in the Statement of Financial Activities (SOFA) when the CAF becomes entitled to the donation or grant and it is reasonably certain that it will be received.
- b. Incoming resources from fund raising are reported gross in the SOFA
- c. Intangible income is not included in the accounts.
- d. The CAF receives no unpaid volunteer help.
- e. Investment income is included in the accounts when receivable.

Expenditure and liabilities

- a. Liabilities are recognised as soon as there is a legal or constructive obligation committing the CAF to the expenditure.
- b. Administration costs are incurred by the CAF Manager. These costs are not apportioned as his tasks are wide ranging in support of leisure and amenities and include the maintenance of the Central Bank facility for other funds.

Assets

- a. Tangible fixed assets are capitalised if they can be used for more than one year and cost at least £50. They are valued at cost or a reasonable value on receipt. The CAF does not have a policy of revaluation. Depreciation is annual, straight line and over the estimated life of the item.
- b. Investments on a recognised stock exchange are valued at market value at the date of the Balance Sheet or at best estimate of market value.
- c. Stocks are valued at the lower of cost or market value.

Note 2 - Investments

Market value at beginning of year	£ 1,928,921.93
Loss on Revaluation at year end	£ (174,732.79)
Management Fees & other charges	£ (6,215.60)
Market value at end of year	<u>£ 1,747,973.54</u>

Note 3 - Income

	<u>2022</u>	<u>2021</u>
<i>Voluntary Income</i>		
Bar Gainshare	£ 8,682.15	£ -
Mess Contributions	<u>£ 5,026.00</u>	<u>£ 3,000.00</u>
	£ 13,708.15	£ 3,000.00
<i>Charitable Activities</i>		
Caravan Hire	£ 4,438.89	£ 10,667.96
Yacht	£ 10,258.44	£ 5,184.51
Pool Table/Juke Box	<u>£ 1,296.99</u>	<u>£ 26.67</u>
	£ 15,994.32	£ 15,879.14
<i>Activities for Generating Funds</i>		
Health & Leisure Suite	£ 11,941.93	£ 7,565.02
<i>Investments</i>		
Dividends	£ 54,713.06	£ 51,031.99
Deposit Interest	<u>£ 2,921.90</u>	<u>£ 1,936.35</u>
	£ 57,634.96	£ 52,968.34
Total Income	<u><u>£ 99,279.36</u></u>	<u><u>£ 79,412.50</u></u>

Note 4 - Expenditure

	<u>2022</u>	<u>2021</u>
<i>Fund Raising</i>		
Rathbone Fees	£ 8,415.60	£ 8,648.79
<i>Charitable Activities</i>		
Operating Costs		
Sports Fund	£ 17,313.95	£ 8,857.26
Grants	£ 25,829.58 4A	£ 9,778.63
Insurance	£ 343.90	£ 414.91
TV	£ 7,494.00	£ 7,808.98
Caravan	£ 6,440.94	£ 10,513.44
Caravan Depreciation	£ 3,000.00	£ 3,000.00
Yacht	£ 12,536.93	£ 3,555.80
Pool Table/Juke Box	£ 1,280.86	£ 582.00
Repairs & Renewals	£ 376.95	£ -
Governance		
Examination and Accounts	£ 1,120.00	£ 1,100.00
Support		
Salaries	£ 30,085.92	£ 29,217.23
Pensions	£ 3,072.17	£ 3,340.76
Office Costs	£ 804.74	£ 832.79
Bank Charges	£ 98.67	£ 153.67
Misc Expenses	£ -	£ 930.00
Minor Depreciation	<u>£ 198.32</u>	<u>£ 350.00</u>
	£ 109,996.93	£ 80,435.47
Total Expenditure	<u><u>£ 118,412.53</u></u>	<u><u>£ 89,084.26</u></u>

Note 4A - Major Grants (above £1000)

Junior Ratings Monthly Grant	£ 3,500.00
WO&SR Mess - Christmas	£ 1,500.00
JR - Christmas	£ 1,400.00
China Fleet Club Corporate Membership	£ 2,346.00
FOST	£ 1,020.00
Wyvern Maternity Suite	£ 1,000.00
Wyvern Sound System	£ 4,577.58
47 Cdo - Ex White Dagger - Skiing	£ 1,000.00
47 Cdo Logs Co - Karting	<u>£ 1,000.00</u>
	<u><u>£ 17,343.58</u></u>

Note 5 - Paid Employees 2022

			Previous Year
a.	Wages/Salaries:	£ 30,086	£ 29,217
	Employers National Insurance:	Nil	Nil
	Pension	£ 3,072	£ 3,341
b.	There is one full time employee who manages and administers the fund.		
c.	The fund is a member of a defined contribution pension scheme which had an estimated valuation on 30 Sep 21 that withdrawal costs would be £8468. This in the event that the fund withdraws from the scheme or there are no active members in the scheme then any remaining deficit will fall due and be payable by the fund.		

Note 6 - Trustees and Other Related Parties

- a. No expenses or emoluments have been paid to the Sole Managing Trustee
- b. There are no amounts due to or from the Sole Managing Trustee
- c. The Sole Managing Trustee is also the Sole Managing Trustee of the Service Police Mess HMS Drake and the WO, SR & SNCO Mess HMS Drake. These funds pay contributions to the CAF. The Sole Managing Trustee is also the trustee of the charitable funds that use the CAF as their Central Bank (Note 9).

Note 7 - Fixed Assets - Fixtures, Fittings and Equipment

Caravan

Total value at 1 Jan 22	£ 27,000.00
Less Depreciation	£ (3,000.00)
Value at 31 Dec 22	<u>£ 24,000.00</u>

Pictures - CF Building

Total value at 1 Jan 22	£ 100.00
Less Depreciation	£ (100.00)
Value at 31 Dec 22	<u>£ -</u>

Office Computer PC

Total value at 1 Jan 22	£ 98.32
Less Depreciation	£ (98.32)
Value at 31 Dec 22	<u>£ -</u>

Yacht - Ocean Dragon

Total value at 1 Jan 22	£ 1,000.00
Value at 31 Dec 22	<u>£ 1,000.00</u> Residual Value

Note 8 - Debtors and Prepayments

HMRC VAT Refund	£ 1,397.33
Accrued Deposit Interest	£ 524.00
Caravan Ground Rent 23 Prepaid	£ 6,208.47
Yacht Insurance Prepaid	£ 362.00
	<u>£ 8,491.80</u>

Note 9 - Creditors (payable in less than one year)

PNIE - Accounts Examination	£ 1,120.00
Wyvern Sound System	£ 9,171.93
JR Christmas Grant Grant	£ 1,400.00
Rathbones Management Fee	£ 2,200.00
RN FPS	£ 205.01
Holding Fund - RNRMC	£ 1,118.57
Holding Fund - Other Donors	£ 13,759.16
	<u>£ 28,974.67</u>

Note 10 - Approved Funds

47 Cdo Boxing Fund	£ 261.89
47 Cdo HQ Fund	£ 6,772.31
47 Cdo Prize Fund	£ 1,877.71
47 Cdo Sports	£ 1,271.00
CC&S Derriford	£ 1,500.00
Chaplaincy	£ 1,811.99
COVID19 Hardship Fund	£ 2,835.79
Field Gun	£ 56.36
SURFLOT Sports Grassroots	£ 2,724.88
Drake Sports Grassroots	£ 287.53
FOST Social	£ 2,043.68
FOST Charity	£ 1,956.50
HMS Argyll/Iron Duke	£ 4,477.43
HMS Westminster	£ 728.48
Junior Ratings' Fund	£ 4,781.86
Joint Hospital Group (SW)	£ 5.00
PSGWIS	£ 25,089.52
QARNNS	£ 255.00
RN Aid Fund	£ 340.54
RNR Engineering	£ 421.66
RN Engineering Challenge	£ 5,946.90
RN Logs Open Golf	£ 56.20
WR Golf Association	£ 86.50
SMQ November Ceremonies	£ 1,157.50
SW ARO Grant	£ 633.58
Southern Diving Group	£ 7.87
Wyvern Sports Lounge	£ 19.86
	<u>£ 67,407.54</u>

Note 11 - Service Funds (using CAF as their bank)

47 Cdo General Purpose Fund	£ 2,997.76
47 Cdo Gig Club	£ 608.73
South West Armed Forces Sea Angling Club	£ 1,732.01
Devonport Services Golf	£ 1,154.00
Drake Car Club	£ 2,703.86
Hasler Company	£ 3,903.00
Museum Manager's Fund	£ 12,972.74
RN Health Centre - Purple Fund	£ 1,271.06
NSFPS (W) Fund	£ 29,439.55
Volunteer Band	£ 6,500.07
Western Region Sports Fund	£ 3,895.69
	<u>£ 67,178.47</u>

Note 12 - Nuffield Trust

The Trust's Interest in yacht.	<u>£ 700.00</u>
--------------------------------	-----------------

Note 13 - Endowment or Restricted Income Funds - None held**Note 14 - Other Information**

- The CAF does not have any material commitments not provided for in the accounts
- The CAF has not given any guarantees to any third party that could be called on at the year end.
- The CAF has not granted any loans.
- The CAF did not make any ex gratia payments during the year.

Declarations

- The Trustee has not changed the year end date nor the length of the CAF's financial year.
- The CAF does not have any designated funds.
- All the CAF's operations are continuing operations and there were no operations discontinued or acquired during the year.
- The CAF has no intangible assets (other than office space provided by MOD).
- The CAF has no material fixed assets which have not been capitalised and included in the Balance Sheet.

PN INDEPENDENT EXAMINATIONS

5 Nursery
Road
Havant
Hants
PO9 3BG
☎ 07801
064450

The Naval Base Commander
HM Naval Base
Devonport

19 Jan 23

THE CENTRAL AMENITIES FUND - HMS DRAKE - EXAMINATION AND ACCOUNTS FOR THE YEAR ENDING 31 DEC 22

1. The examination of the CAF for the year ending 31 Dec 22 has been completed satisfactorily. The accounts are enclosed for signature by NBC as the sole Managing Trustee.
2. Draft copies of the Trustee's Annual Report (TAR) are also provided for approval and signature by NBC. Once approved, the PDF versions of both the TAR and accounts provided by PNIE should be uploaded onto the Charity Commission website at the same time as the on-line annual return is completed.
3. The accounts were well presented. Cash had been independently counted and there had been surprise counts of cash.

Investments

4. The investments had lost £174.7K (9%) in market value which largely cancelled out the gains made last year. Of course, these losses will be realised only if the investments are sold. The investments were worth £1.748M.

Income

5. Income streams from CAF funded activities have improved but not fully recovered to the pre-Covid 2019 levels.
 - There was no gainshare income from the JR bar in Qtr 1 but a total of £8.7K in Qtrs 2 & 3. It is not known if there will be any gainshare for Qtr 4. Although there was no gainshare in the previous year, this year's figures compare unfavourably with 2019's £34.8K. One reason is reported to be that the bar selling prices have not increased over the Covid period but there had

been significant increases in stock purchase costs as the brewers had put up their prices.

- Gym user pass income for the Health & Leisure Suite was £11.9K (£7.6K in 2021 and £18.3K in 2019).
- The yacht made a loss of £2.3K compared to profits of £1.6K in 2021 and £2.7K in 2019.
- The pool table and juke box broke even, compared to a small loss in 2021.
- The caravan was not seen as a profit generator but lost £2K (if depreciation is ignored).

6. Dividend income of £54.7K (3%) was the CAF's major income stream (55%). It was £51K in the previous year. Interest from the five deposit accounts had improved to £2.9K from £1.9K in the previous year.

Expenses

7. The major expenses were:

- Grant expenditure was £25.8K compared to £9.8K in 2021 and £12.5K in 2019.
- Sports costs were £17.3K compared to £8.9K in 2021 and £13.1K in 2019.
- TV cost were slightly reduced at £7.5K.

Summary

8. The fund had lost £19.1K on its operating activities. The main cause for this was the high level of spending on grants and the disappointing amount received in gainshare. As the investments had lost £174.7K in market value, this had led to an overall loss of £193.9K.

9. The fund was worth £2.1M, of which £1.75M was held in investments. Although liabilities to other funds and creditors totalled £164.3K, they were easily covered by the amounts in the deposit accounts which added up to £493.9K.

P A Nicholls
PN Independent Examinations

Information:

CAF Manager