

THE CENTRAL AMENITIES FUND

HMS HERON

ANNUAL REPORT AND FINANCIAL STATEMENTS

For Period

1 May 2020 to 30 April 2021

Registered Charity No. 1129715

Trustees' Annual Report and Comments

Central Amenities Fund HMS HERON

Charity Registered No:	1129715
Covering the Accounting Year:	1 May 2020 to 30 April 2021
Address:	RNAS Yeovilton Ilchester Somerset BA22 8HT
Governing Document:	Constitution
Objects:	Promotion of the Military Efficiency and Operational Effectiveness of the Armed Forces by the provision of leisure activities and domestic facilities to Service personnel and their families serving in the Royal Naval Air Station Yeovilton. In addition, it provides central fund banking facilities for a variety of Service and Approved funds.
Trustee:	Commodore N H C Tindal Royal Navy (until 7 Jul 2020) Commodore N R Griffin MBE Royal Navy (from 8 July 2020)
Trustee selection method:	Appointed as such by the Naval Secretary.
Bankers	Barclays Bank King George Street Yeovil
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 meet its objectives in the past year and the community centre, narrow boat, motor home and garage facilities were well used by the Service personnel and their families.
Financial Review	<p>The fund has had a bad year, having lost £81K in value. It was worth £164K of which £138K was represented by property and stock. It had bank and deposit holdings of £277K but of this figure £237K was held for other funds and creditors. This means that the fund has just £40K of its own money in the bank and clearly cannot continue to sustain losses at the rate seen last year. However, there are signs that losses this year will be reduced as:</p> <ul style="list-style-type: none">• The reduction to one CAF Manager will lead to some salary savings.• Tall Trees bar will reopen.• Narrowboat and holiday home bookings have restarted.

Financial Reserves Policy: The Trustee has considered the level of reserves that is required, appropriate to the charity's needs. This is set at £100K, although it is currently less than that figure. It is held within the Charity Deposit Account. It seeks to provide three months CAF running costs and to be able to replace the narrowboat. 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.

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 building up the free reserves it will provide sufficient resources in the event of adverse conditions. Independent examination of the accounts twice yearly will mitigate the risk of any mismanagement by the committee.

Public Benefit Statement 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 facilities and social activities. 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 their capability to undertake the roles demanded of them including the defence of the United Kingdom and its interests.

I confirm that 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.

Declaration:

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

Signature *Signed on Original*

Name Commodore N R Griffin MBE Royal Navy

Appointment Commanding Officer and sole Managing Trustee

Date 4 June 2021

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

I report on the accounts of the Charity for the year ended 30 April 2021 which are set out in pages 1 to 10 and accompanying notes.

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

4 June 2021

HMS HERON CENTRAL AMENITIES FUND

Registered Charity No 1129715

BALANCE SHEET

30-Apr-21

Fixed Assets	Notes		30-Apr-20
Property	7	£ 129,088.00	£ 140,548.00
Current Assets			
Stocks	8	£ 9,093.01	£ 11,972.80
Debtors & Prepayments	9/9A	£ 15,592.03	£ 16,752.76
Charities Deposit Account		£ 247,289.60	£ 271,966.55
Bank Accounts		£ 30,025.67	£ 79,785.21
Cash & Floats		£ 2,431.11	£ 3,871.89
		<u>£ 304,431.42</u>	<u>£ 384,349.21</u>
Current Liabilities			
Trade Creditors	10	£ 22,868.89	£ 14,829.40
Tall Trees Creditors	10A	£ 1,079.08	£ 160.00
Central Bank for:			
Service Funds	11	£ 105,371.47	£ 98,420.58
Dispersing Funds	11A	£ 45,519.55	£ 41,893.20
Dormant Funds	11B	£ 247.32	£ 247.32
Approved Funds	11C	£ 61,601.02	£ 88,714.54
		<u>£ 236,687.33</u>	<u>£ 244,265.04</u>
Net Current Assets		£ 67,744.09	£ 140,084.17
Long Term Liability			
Nuffield Trust (Holiday Home)	10B	£ 32,872.00	£ 35,672.00
Total Net Assets		<u><u>£ 163,960.09</u></u>	<u><u>£ 244,960.17</u></u>

Approved on 4 June 2021

Signed on Original

Commodore N R Griffin Royal Navy MBE
Sole Managing Trustee

HMS HERON CENTRAL AMENITIES FUND

STATEMENT OF FINANCIAL ACTIVITIES

		2020-21	2019-20
Income	Notes		
Donations & Grants		£ 26,019.43	£ 114,875.96
Charitable Activities		£ 98,349.39	£ 142,641.59
Other Trading Activities		£ 3,770.18	£ 13,487.84
Investment Income		£ 97.72	£ 2,121.57
Total Income	3	<u>£ 128,236.72</u>	<u>£ 273,126.96</u>
Expenditure			
Charitable Activities		£ 209,236.80	£ 305,424.04
Other		£ -	£ -
Total Expenditure	4	<u>£ 209,236.80</u>	<u>£ 305,424.04</u>
Net income (expenditure)		£ (81,000.08)	£ (32,297.08)
Less Previous Year Excess Income Correction		£ -	£ (8,255.00)
Net movement in funds		<u>£ (81,000.08)</u>	<u>£ (40,552.08)</u>
Total Funds brought forward 1 May 20		£ 244,960.17	£ 285,512.25
Net Movement of Funds		£ (81,000.08)	£ 2,532.29
Total Funds carried forward 30 Apr 21		<u>£ 163,960.09</u>	<u>£ 244,960.17</u>

HMS HERON CENTRAL AMENITIES FUND

Notes to the Accounts dated 30 April 2021

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 2019 and the provisions of the Charities Act 2011. 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 and her assistant. These costs are not apportioned as their 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 £250. They are valued at cost or a reasonable value on receipt. The CAF does not have a policy of revaluation. Depreciation is 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

There are none

Note 3 - Income

	<u>Year to April 2021</u>	<u>Previous Year</u>
<i>Voluntary Income</i>		
Donations & Grants	£ 416.70	£ 827.98
Furlough CAF Grant	£ 2,477.43	£ 936.48
Tall Trees Grants	£ 23,125.30	£ 95,500.00
Closed Funds	£ -	£ 429.31
Gainshare/Excess Income	£ -	£ 17,182.19
	<u>£ 26,019.43</u>	<u>£ 114,875.96</u>
<i>Charitable Activities</i>		
Tall Trees (see Note 15)	£ 22,743.69	£ 70,137.87
Garage (See Note 14)	£ 44,531.21	£ 28,076.41
Narrowboat	£ 12,182.15	£ 22,285.36
Holiday Home	£ 7,022.64	£ 8,023.06
Holiday Home - Reduce NT Liability	£ 2,800.00	£ 2,744.00
Caravan Parking	£ 4,640.00	£ 3,772.69
JR Xmas Lunch	£ -	£ 2,210.88
Sports Income	£ 947.20	£ -
Family Rooms	£ 2,038.70	£ 1,874.48
Selecta Royalties	£ -	£ 291.30
Barber's Rent	£ 1,443.80	£ 2,676.05
Misc Income	£ -	£ 549.49
	<u>£ 98,349.39</u>	<u>£ 142,641.59</u>
<i>Fund Raising</i>		
Recreational Passes	£ 3,452.18	£ 9,903.00
Sub Fund Contributions	£ 318.00	£ 476.00
Excess Income Admin	£ -	£ 3,108.84
	<u>£ 3,770.18</u>	<u>£ 13,487.84</u>
<i>Investment Income</i>		
Interest	£ 97.72	£ 2,121.57
Total Income	<u><u>£ 128,236.72</u></u>	<u><u>£ 273,126.96</u></u>

Note 4 - Expenditure

	<u>Year to April 2021</u>	<u>Previous Year</u>
<i>Charitable Activities</i>		
Operating Costs		
Tall Trees (See Note 15)	£ 54,878.28	£ 162,757.43
Narrowboat	£ 13,263.02	£ 16,031.97
Narrowboat Depreciation	£ 5,516.00	£ 5,516.00
Holiday Home	£ 3,943.16	£ 6,607.94
Holiday Home - Depreciation	£ 2,882.83	£ 2,800.00
Garage (See Note 14)	£ 67,893.83	£ 37,079.40
Sports Expenditure	£ 9,688.36	£ 9,556.38
Civ Insurance - Gym	£ 1,646.40	£ 1,695.79
Insurance	£ 1,268.89	£ 1,126.08
Barber DIO	£ 267.36	£ 1,604.13
Vending Depreciation	£ 964.00	£ 964.00
JR Xmas Lunch	£ -	£ 2,065.48
Grants	£ 2,919.58	£ 12,473.52
TV Licences	£ 157.50	£ 309.00
Gifts	£ 585.00	£ 784.77
Governance Costs		
Independent Examination Fees	£ 2,030.00	£ 2,025.00
Support Costs		
Office Salaries	£ 34,693.96	£ 37,098.17
Pensions	£ 2,220.00	£ 1,980.00
Office Administration	£ 2,960.66	£ 2,086.62
Bank Charges	£ 870.42	£ 132.83
Fuel	£ 40.55	£ 207.20
Minor Depreciation	£ 547.00	£ 522.33
	<u>£ 209,236.80</u>	<u>£ 305,424.04</u>
Total Expenditure	<u><u>£ 209,236.80</u></u>	<u><u>£ 305,424.04</u></u>

Note 4A - Major Grants (above £1000)

Lynx Memorial - 847	£ 2,000.00
---------------------	------------

Note 5 - Paid Employees

a.	Wages/Salaries:	£ 100,109	<i>Previous Year (£77610)</i>
	Employers National Insurance:	£ 2,218	<i>Previous Year (£881)</i>
b.	There were 10 employees		
	None earned more than £50,000 pa		

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 Wardroom HMS Heron and the WO, SR & SNCO Mess HMS Heron.
- d. The Sole Managing Trustee is also the trustee of the charitable Service funds that use the CAF as their Central Bank (Note 11).

Note 7 - Fixed Assets - Fixtures, Fittings and Equipment

	Narrowboat	Garage	Birds Quarry	Tall Trees	Vending	Other	Holiday Home	Total
Value at 1 May 20	£ 43,570	£ 19,183	£ 38,000	£ 540	£ 1,686	£ 1,169	£ 36,400	£ 140,548
Additions	£ -	£ -	£ -	£ -	£ -	£ -	£ 163	£ 163
Less Depreciation	£ (5,516)	£ (1,716)	£ -	£ (120)	£ (964)	£ (424)	£ (2,883)	£ (11,623)
Value at 30 Apr 21	£ 38,054	£ 17,467	£ 38,000	£ 420	£ 722	£ 745	£ 33,680	£ 129,088

Note 8 - Stocks

Garage	£ 6,906.00
Tall Trees Bar Stock	£ 2,187.01
	<u>£ 9,093.01</u>

Note 9 - Miscellaneous Debtors (Payable in less than one year)

HMRC Furlough Grants	£ 2,087.57
JR Mess Sky (AWF)	£ 2,105.68
	<u>£ 4,193.25</u>

Note 9A- Prepayments

Insurance - CAF	£ 819.55
Insurance - Sub Funds	£ 4,342.83
Insurance - Holiday Home	£ 160.00
Insurance - Narrowboat	£ 484.00
Narrowboat Mooring Fees	£ 2,941.00
Narrowboat Licence	£ 457.40
Cornish Charm Site Fees	£ 2,194.00
	<u>£ 11,398.78</u>

Note 10 - Creditors (payable in less than one year)

Unidentified Bank Credits	£ 10,294.69
Prebooked Narrowboat	£ 4,476.21
Prebooked Cornish Charm	£ 1,452.41
Cornish Charm Cleaning	£ 65.00
Garage	£ 1,389.78
Berry's Coaches	£ 7.87
PNIE Examination	£ 900.00
HMRC - VAT	£ 2,101.05
HMRC - PAYE	£ 2,181.88
	<u>£ 22,868.89</u>

Note 10A - Tall Trees Creditors

TT - Bar Stocktake	£ 100.00
TT - Ice Machine	£ 709.08
TT - PRS (Estimated)	£ 100.00
PNIE Examination	£ 170.00
	<u>£ 1,079.08</u>

Note 10B - Long Term Creditor

RNRMC (Nuffield Trust) - Interest in Holiday Home	£ 32,872.00
---	-------------

Note 11 - Service Funds held by CAF as Central Bank

815 NAS Officers' Fund	£ 4,116.22
815 NAS Welfare Fund	£ 4,995.11
815 NAS SR Fund	£ 443.50
825 NAS Welfare Fund	£ 2,653.90
825 NAS Officers Fund	£ 2,807.97
825 NAS Wings Parade	£ 859.17
845 NAS Welfare Fund	£ 1,979.96
845 NAS Officers Fund	£ 5,271.29
846 NAS Officers Fund	£ 2,688.13
846 NAS SR Fund	£ 22.34
846 NAS Welfare Fund	£ 5,435.62
846 NAS Wings Parade	£ 159.10
847 NAS Officers Fund	£ 2,748.62
847 NAS Welfare Fund	£ 2,206.00
Junglie Cocktail Party	£ 3,846.77
AED Officers Fund	£ 3,940.28
Black Cats Display Team	£ 971.09
CHF Families Day	£ 1,567.88
CHF Officers Fund	£ 2,485.95
CHF Sports Fund	£ 805.00
CHF Welfare Fund	£ 2,446.22
Exercise Rotary Cluster	£ 1,417.95
846 Dinner	£ 5.81
HMS Heron Field Gun	£ 3,620.99
Heron Sailing Club	£ 849.76
Yeovilton Gliding Club	£ 3,525.46
Yeovilton Golf Society	£ 5,984.30
Sporting Gun Club	£ 1,765.86
Station Families Day	£ 16,353.16
Volunteer Band	£ 1,252.25
Sports Personality Awards	£ 2,578.25
FAA Grass Roots	£ 3,948.83
Heron Grass Roots	£ 2,021.46
NAC Sub Aqua Club	£ 706.71
RN Motor Cycle Club	£ 829.67
RN Model Aircraft Association	£ 4,289.29
Short Term Family Accommodation	£ 3,771.60
	<u>£ 105,371.47</u>

Note 11A - Dispersing Funds held by CAF as Central Bank

Air Engineering & SE NVQ Rewards	£ 35,210.06
RNSAC - GNVQ AWARDS	£ 1,235.80
Charity Grants	£ 5,205.75
JR Accommodation Keys	£ 207.34
Key Fobs	£ 3,660.60
	<u>£ 45,519.55</u>

Note 11B - Dormant Funds held by CAF as Central Bank

LWMF Families Day	£ 247.32
	<u>£ 247.32</u>

Note 11C - Approved Funds Using the CAF as Central Bank

RNR Air Branch - Officers	£ 8,901.46
RNR Air Branch - Warrant Officers	£ 11,250.10
Coarse Angling Club	£ 1,416.70
Dog Passes	£ 1,960.69
Donald Gosling JR Grant	£ 5,000.00
Flight Safety	£ 434.05
JR Committee	£ 1,286.88
Lynx Memorial	£ 5,500.00
RN Commando Dinner	£ 480.00
Korean Hospitality	£ 1,009.60
Guernsey Golf	£ 129.20
Childrens Swimming Club	£ 5,177.78
Puxton & Crealy Tickets	£ 365.00
Yeovilteenies PTA	£ 736.31
REME at DE&S	£ 726.93
RM Aircrewmen Dinner Fund	£ 334.36
RN Netball	£ 250.00
RNRM Welfare Contingency Fund	£ 10,433.40
RNRM Wyndam	£ 969.74
Sanctuary	£ 212.26
Sanctuary Building Improvements	£ 1,007.99
UPO	£ 93.35
Velo Alps	£ 366.08
Chaplaincy Outreach	£ 1,114.05
TT Little Acorns	£ 1,096.27
TT Reserve (Closed Groups)	£ 210.97
TT Youth Club	£ 763.59
TT Youth Forum	£ 223.00
TT Great Oaks	£ 151.26
	<u>£ 61,601.02</u>

Note 12- Endowment or Restricted Income Funds

None held

Note 13 - Other Information

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

Declarations

- a. The Trustee has not changed the year end date nor the length of the CAF's financial year
- b. The CAF has no designated funds.
- c. All the CAF's operations are continuing operations and no operations were discontinued during the year.
- d. The CAF has no intangible assets (other than office and community centre space provided by the Ministry of Defence)
- e. There were no interfund loans outstanding at the balance sheet date.
- f. None of the CAF's functional assets have been revalued during the year and the CAF does not have a policy of revaluation of these assets.
- g. The CAF has no material fixed assets which have not been capitalised and included in the Balance Sheet.

Note 14 - Yeovilton Motor Centre Trading Account for Year to 30 Apr 21

			<i>Previous Year</i>
Total Sales	£ 44,531.21		£ 28,076.41
Cost of Sales	£ (32,509.44)		£ (13,824.70)
Gross Profit	£ 12,021.77		£ 14,251.71
Less:			
Wages	£ 44,316.30	£ 13,000.00	
Additonal MOT Labour	£ 287.00	£ 10,620.00	
Furlough Grant	£ (13,252.84)	£ (3,628.54)	
Insurance	£ 2,317.93	£ 1,512.24	
Garage depreciation	£ 1,716.00	£ 1,751.00	
	£ (35,384.39)		£ (23,254.70)
Net loss	<u>£ (23,362.62)</u>		<u>£ (9,002.99)</u>
 <i>Gross Profit/Sales</i>	 27%	 51%	
<i>Net loss/Sales</i>	-52%	-32%	

Note 15 - Tall Trees - 12 months to 30 Apr 21 (includes bar trading - Note 15A)

		Previous Year	
Income			
Grants	£ 23,125.30	£ 95,500.00	
Bar Sales	£ 21,136.67	£ 66,497.26	
Gaming Machines	£ 24.00	£ 673.29	
Pool Table	£ -	£ 125.00	
Juke Box	£ 111.83	£ 452.84	
Miscellaneous	£ 1,471.19	£ 2,389.48	
	<u>£ 45,868.99</u>		<u>£ 165,637.87</u>
Expenditure			
Bar Expenses	£ 25,505.63	£ 58,617.49	
Play Park	£ 23,154.48	£ 95,500.00	
Play Park Inspection	£ -	£ 468.95	
Events	£ 1,251.74	£ 1,511.39	
Repairs & Renewals	£ 436.44	£ 1,329.97	
Covid items	£ 244.82	£ -	
Insurance	£ 2,111.87	£ 1,804.59	
Cleaning	£ -	£ 180.00	
TV	£ -	£ 1,067.07	
Performing Rights/PPL/MPLC	£ 163.00	£ 285.76	
SDC Licences	£ 360.00	£ 90.00	
Office and Miscellaneous	£ 1,650.30	£ 1,902.21	
	<u>£ 54,878.28</u>		<u>£ 162,757.43</u>
Less Examination	£ 330.00	£ 330.00	
Less Depreciation	£ 120.00	£ 63.33	
Net Gain or (Loss)	<u>£ (9,459.29)</u>		<u>£ 2,487.11</u>

Note 15A - Tall Trees Bar Trading Account - 12 months to 30 Apr 21

			Previous Year	
Total Sales	£ 21,136.67		£ 66,497.26	
Cost of Sales	<u>£(11,630.68)</u>		<u>£ (31,438.10)</u>	
Gross profit	£ 9,505.99		£ 35,059.16	
Less: Bar Trading Costs				
Wages & Employers NI	£ 23,317.21 } 52.6%	£ 26,341.62	37.3%	
Furlough Grants	£(12,192.67) }	£ (1,508.92)		
Stock Muster	£ 200.00	£ 395.00		
Pipecleaning	£ 362.45 1.7%	£ 717.77	1.1%	
Wastage/Out of Date	£ 1,880.33 8.9%	£ 529.73	0.8%	
Free Drinks	£ 60.44	£ 99.30		
Bar Sundries	£ 247.19	£ 604.89		
	<u>£(13,874.95)</u>			<u>£ (27,179.39)</u>
Net Bar Trading Profit or (Loss)	<u>£ (4,368.96)</u>			<u>£ 7,879.77</u>
Gross Profit/Sales	45%		53%	
Gross Profit/Cost of Sales	82%		112%	
(or average mark up)				
Net Profit or Loss /Sales	-21%		12%	

PN INDEPENDENT EXAMINATIONS

5 Nursery Road
Havant
Hants
PO9 3BG
07801 064450

The Commodore
Royal Naval Air Station
Yeovilton

19 May 21

THE CENTRAL AMENITIES FUND – EXAMINATION AND ACCOUNTS FOR THE YEAR ENDING 30 APR 21

1. The annual examination of the Central Amenities Fund (CAF) for the year that ended on 30 Apr 21 has been completed satisfactorily. There is a separate report on the other Service funds which use the CAF as a bank. Two copies of the accounts are enclosed, one for the pack and the other to be returned to the CAF Manager after approval.
2. A draft Trustee's Annual Report (TAR) is also enclosed. Once approved by the Commodore, and any changes inserted, a PDF version of the annual accounts and the TAR must be uploaded to the Charity Commission website. The on-line Annual Return should also be completed at the same time.

Accounts and Musters

3. The accounts were well presented with a comprehensive set of supporting documents. Cash had been counted and stocks mustered.

Property

4. The bulk of the value of the fund is represented by its property (Note 7 in the accounts shows the book values). The main items were:
 - Birds Quarry - £38K. It is understood that this cannot be sold to raise funds.
 - Holiday Home - £38K. If sold 98% of the sale price would have to be returned to the RNRMC.
 - Narrowboat - £38K.

Excess Income (EI)

5. There was no EI income in the year. The background to this was noted in PNIE's previous report¹. As the Covid-19 lockdown comes to an end and ESS business returns to normal, it is strongly recommended that management pressurises DIO, perhaps via FLO, for this source of income from ESS to be reinstated. EI would have been worth £43K in 20/21 (Year 2 of the scheme) and £47.8K in the coming year (Year 3).

Yeovilton Motor Centre (see Note 14 to the Accounts)

¹1. PNIE report dated 13 Nov 20

6. Sales had increased by 60% to £44.5K, which led to a gross profit of £12K. However, overheads greatly exceeded this figure leading to a net loss of £23.4K compared to a £9K loss in the previous year. Wage costs, even after furlough grant offsets, totalled £31K.

Tall Trees Community Centre (see Note 15 in the accounts)

7. The bar lost £4.4K compared to a £7.8K profit in 19/20. When added to other running costs, the Centre made a £9.4K loss compared to an overall profit in 19/20 of £2.5K. One factor was out of date stock worth £1.9K that had to be written off.

Other Income

8. Most sources of profit were much reduced during this Covid-19 affected year and some had become loss makers.

- The narrow boat had made a loss of £1K compared to a profit of £6.2K in 19/20. These figures ignore the annual depreciation costs of £5.5K.
- The holiday home had increased profits to £3.1K (£1.4K in 19/20) but this would be much reduced if depreciation of £2.9K was taken into account
- Gym user pass income had fallen by nearly two thirds to £3.4K. (The insurance premium for civilian use of the gym was £1.6K.)
- Income from caravan parking had risen by a quarter to £4.6K.
- Family Room hires had increased a little to £2K.
- Despite holding £247K on deposit, interest had fallen from £2.1K to an insignificant £98.
- The income from the barber's rent was up slightly to £1.2K.

Expenditure

9. The costs of non-trading activities had reduced or remained steady:

- Sports spending £9.6K matched the previous year.
- The amount paid out in grants had fallen from £12.5K to just £2.9K. The major grant was £2K paid to the Lynx memorial project.
- Salary costs fell from £37.1K to £34.7K.

Financial Situation

10. The fund has had a bad year, having lost £81K in value. It was worth £164K of which £138K was represented by property and stock. It might be more useful to look at its bank and deposit holdings of £277K. This might look impressive at first sight but of this figure £237K was held for other funds and creditors. This means that the fund has just £40K of its own money in the bank and clearly cannot continue to sustain losses at the rate seen last year or it will not last until Oct 21.

11. On the other hand, there are signs that losses this year will be reduced as:

- The reduction to one CAF Manager will lead to some salary savings.
- Tall Trees bar will reopen.
- Narrow boat and holiday home bookings are coming in.

12. It is recommended that a financial plan be drawn up for the coming year starting with the figures for 2019 as that year also lost 1.5 months business to Covid-19.

Summary

13. The finances of the CAF are in poor shape and insolvency is a danger. The fund will require month by month monitoring by management.

P A Nicholls
PN Independent Examinations

Information:

CAF Manager