

PN INDEPENDENT EXAMINATIONS

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Havant
Hants
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The Commodore
Royal Naval Air Station
Yeovilton

11 May 22

THE CENTRAL AMENITIES FUND - EXAMINATION AND ACCOUNTS FOR THE YEAR ENDING 30 APR 22

1. The annual examination of the Central Amenities Fund (CAF) for the year that ended on 30 Apr 22 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. Stocks had been mustered but cash had not been independently counted. However, there had been a surprise count of cash early in the New Year.

Property

4. The bulk of the value of the fund (80%) was 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 - £31K. If sold 98% of the sale price would have to be returned to the RNRMC.
- ☐ Narrowboat - £32.5K.

Yeovilton Motor Centre (see Note 14 to the Accounts)

5. The Garage had lost £5.9K in the year, although at the midyear point this loss was £6.4K, meaning that there had been a small profit in

the second half of the year. (If depreciation is ignored this profit was £2.7K.) The turning point came in Nov 21, when equipment rental costs ceased.

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

6. The bar had made a £3.8K profit. Taken as a whole the Centre had made a gain of £3.4K. This was because the Centre had received £5.3K in hall hire charges, which effectively covered most of the overheads.

7. A local decision was made that room hire charges should go to the Centre, and therefore the CAF, rather than to the Crown. This was because the CAF administers the bar areas and maintains the internal structure of the centre.

8. As the system is new the procedures are rudimentary but will have to be improved. Most importantly, as room hire is now part of its business, charges are subject to VAT. This means that a VAT invoice proforma should be produced which should include:

- ☐ The CAF's VAT registration number.
- ☐ Serial number.
- ☐ Net amount charged plus rate of VAT (20%) and then gross amount.
- ☐ If over £250, addressed to the customer by name and address.

Narrowboat

9. Narrowboat Warnford VC had made a £14K profit (but then less £5.3K depreciation), which was significantly better than in pre-Covid years which often returned around £6K. This was largely a result of the temporary lower rates of VAT, which were not passed on to the customer. As VAT has returned to its normal 20%, such exceptional profits will not continue and therefore future forecasts should be based on pre-Covid profits.

Other Income

10. There were varying results from the main income streams.

- ☐ The holiday home had made a profit of £8K but this would be less if depreciation of £2.9K was taken into account.
- ☐ Gym user pass income had increased to £8.2K and was approaching pre-Covid levels of around £10K.
- ☐ Income from caravan parking, raised £4.2K. (In recent years parking charges had been brought into the CAF as an income stream.)
- ☐ Family Room hires raised £1.4K, compared to £2K in the previous Covid year!

- Despite holding £227K on deposit, interest rates have been poor, although they recently increased to more than just pennies.
- The income from the barber's rent was largely offset by the amount paid to DIO.

Expenditure

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

- Sports spending was £6.4K compared to £9.7K in the previous year. Costs included £1.5K for insurance for civilian gym users and the £3.6K cost of the LesMills subscription.
- The amount paid out in grants was zero. Pre-Covid this would have been around £12K.

Financial Situation

12. With an increase of £24.9K, the accounts look much healthier than those seen at the start of the year (page 2 of the accounts). However, the figures were very deceptive primarily because exceptional income came into the fund:

- A £30K Gosling grant for garage equipment increased the value of property, and therefore the fund, by £30K without changing the bank balance.
- A £5K Gosling general grant was part used to buy the garage equipment, increasing the value of property by £2.5K.
- The Short Term Family Accommodation fund was closed and its balance of £4K was gifted to the CAF.
- A reduction in the value of the holiday home led to a reduction of the liability to the Nuffield Trust and hence a non cash income of £1.5K.

13. If these non-cash items are put to one side, there was actually an operating loss of £15.6K. However, if the £13.6K non-cash cost of depreciation is also extracted, the cash loss was just £2K.

14. Overall, the fund has lost £8.5K in the last six months. It had been expected that the CAF would lose about £13K so this was a relatively good result. The CAF will always do less well in the second half of the year as the narrowboat is out of operation Nov to Feb and the Holiday Home, whilst available, is only occasionally booked.

Summary

15. The finances of the CAF remained precarious and the loss of Excess Income is sorely felt, not least because this CAF does not have the reserves of investments seen elsewhere. Nevertheless, there are some grounds to be optimistic as the garage has moved into a profit. However, this is still only treading water as the CAF will be unlikely to be able to meet its prime function of supporting the welfare of junior ratings.

16. The CAF was worth £189K of which £135K was represented by the net value of property assets and stock. Bank and deposit assets totalled £272K of which £197.3K belonged to other funds. The balance of £74.7K easily covered £33K of liabilities.

NB the £135K figures comes after deducting the NT liability.

P A Nicholls
PN Independent Examinations

Information:

CAF Manager

HMS HERON CENTRAL AMENITIES FUND

Registered Charity No 1129715

BALANCE SHEET

30-Apr-22

Fixed Assets	Notes		30-Apr-21
Property	7	£ 151,044.00	£ 129,088.00
Current Assets			
Stocks	8	£ 14,680.00	£ 9,093.01
Debtors & Prepayments	9/9A	£ 8,730.72	£ 15,592.03
Charities Deposit Account		£ 227,482.32	£ 247,289.60
Bank Accounts		£ 44,653.87	£ 30,025.67
Cash & Floats		£ 2,838.40	£ 2,431.11
		<u>£ 298,385.31</u>	<u>£ 304,431.42</u>
Current Liabilities			
Trade Creditors	10	£ 29,171.55	£ 22,868.89
Tall Trees Creditors	10A	£ 3,940.16	£ 1,079.08
Central Bank for:			
Service Funds	11	£ 102,867.36	£ 105,371.47
Dispersing Funds	11A	£ 37,954.75	£ 45,519.55
Dormant Funds	11B	£ 247.32	£ 247.32
Approved Funds	11C	£ 56,228.47	£ 61,601.02
		<u>£ 230,409.61</u>	<u>£ 236,687.33</u>
Net Current Assets		£ 67,975.70	£ 67,744.09
Long Term Liability			
Nuffield Trust (Holiday Home)	10B	£ 30,128.00	£ 32,872.00
Total Net Assets		<u><u>£ 188,891.70</u></u>	<u><u>£ 163,960.09</u></u>

Approved on 31 May 2022

Signed on Original

Commodore N R Griffin MBE Royal Navy
Sole Managing Trustee

HMS HERON CENTRAL AMENITIES FUND

STATEMENT OF FINANCIAL ACTIVITIES

		2021-22	2020-21
Income	Notes		
Donations & Grants		£ 41,999.79	£ 26,019.43
Charitable Activities		£ 238,874.41	£ 98,349.39
Other Trading Activities		£ 9,472.00	£ 3,770.18
Investment Income		£ 284.78	£ 97.72
Total Income	3	<u>£ 290,630.98</u>	<u>£ 128,236.72</u>
Expenditure			
Charitable Activities		£ 265,699.37	£ 209,233.80
Other		£ -	£ -
Total Expenditure	4	<u>£ 265,699.37</u>	<u>£ 209,233.80</u>
Net income (expenditure)		£ 24,931.61	£ (80,997.08)
Less Previous Year Excess Income Correction		£ -	£ (8,255.00)
Net movement in funds		<u>£ 24,931.61</u>	<u>£ (89,252.08)</u>
Total Funds brought forward 1 May 21		£ 163,960.09	£ 244,960.17
Net Movement of Funds		£ 24,931.61	£ 2,532.29
Total Funds carried forward 30 Apr 22		<u>£ 188,891.70</u>	<u>£ 155,708.09</u>

HMS HERON CENTRAL AMENITIES FUND

Notes to the Accounts dated 30 April 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 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 2022</u>	<u>Previous Year</u>
<i>Voluntary Income</i>		
Gosling Garage Grants	£ 32,500.00	£ -
Gosling General Grant	£ 2,500.00	£ -
STFAC Closing Down Grant	£ 3,971.60	£ -
Crealy Donations	£ 3,028.19	£ 416.70
Furlough CAF Grant	£ -	£ 2,477.43
Tall Trees Grants	£ -	£ 23,125.30
	<u>£ 41,999.79</u>	<u>£ 26,019.43</u>
<i>Charitable Activities</i>		
Tall Trees (see Note 15)	£ 71,550.68	£ 22,743.69
Garage (See Note 14)	£ 108,068.34	£ 44,531.21
Narrowboat	£ 30,598.77	£ 12,182.15
Holiday Home	£ 17,044.06	£ 7,022.64
Holiday Home - Reduce NT Liability	£ 2,744.00	£ 2,800.00
Caravan Parking	£ 4,520.69	£ 4,640.00
Sports Income/LeMills	£ 216.46	£ 947.20
Family Rooms	£ 1,439.76	£ 2,038.70
Barber's Rent	£ 2,691.65	£ 1,443.80
	<u>£ 238,874.41</u>	<u>£ 98,349.39</u>
<i>Fund Raising</i>		
Recreational Passes	£ 8,230.00	£ 3,452.18
Sub Fund Contributions	£ 1,242.00	£ 318.00
	<u>£ 9,472.00</u>	<u>£ 3,770.18</u>
<i>Investment Income</i>		
Interest	£ 284.78	£ 97.72
Total Income	<u><u>£ 290,630.98</u></u>	<u><u>£ 128,236.72</u></u>

Note 4 - Expenditure

<i>Charitable Activities</i>		
Operating Costs		
Tall Trees (See Note 15)	£ 67,485.36	£ 54,878.28
Narrowboat	£ 16,441.43	£ 13,263.02
Narrowboat Depreciation	£ 5,516.00	£ 5,516.00
Holiday Home	£ 8,925.19	£ 3,943.16
Holiday Home - Depreciation	£ 2,935.99	£ 2,885.83
Garage (See Note 14)	£ 113,990.61	£ 67,893.83
Sports Expenditure	£ 1,252.14	£ 9,688.36
Civ Insurance - Gym	£ 1,541.76	£ 1,646.40
Les Mills Subscription	£ 3,600.00	£ -
Insurance	£ 819.55	£ 1,268.89
Barber DIO	£ 2,281.85	£ 267.36
Vending Depreciation	£ 597.00	£ 964.00
Grants	£ -	£ 2,919.58
TV Licences	£ 318.00	£ 157.50
Gifts	£ 145.83	£ 585.00
Governance Costs		
Independent Examination Fees	£ 2,155.00	£ 2,030.00
Support Costs		
Office Salaries	£ 31,996.91	£ 34,693.96
Pensions	£ 1,836.00	£ 2,220.00
Office Administration	£ 2,393.79	£ 2,960.66
Bank Charges	£ 27.21	£ 870.42
Fuel	£ 50.00	£ 40.55
Minor Depreciation	£ 1,389.75	£ 541.00
	<u>£ 265,699.37</u>	<u>£ 209,233.80</u>
Total Expenditure	<u><u>£ 265,699.37</u></u>	<u><u>£ 209,233.80</u></u>

Note 5 - Paid Employees

- a. Wages/Salaries: £ 114,462 *Previous Year (£100,109)*
Employers National Insurance: £ 4,788 *Previous Year (£2218)*
Pensions £ 6,015
- b. There were 8 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 21	£ 38,054	£17,467	£ 38,000	£ 420	£ 722	£ 745	£33,680	£129,088
Additions	£ -	£32,999	£ -	£ 1,671	£ -	£ -	£ 256	£ 34,926
Less Depreciation	£ (5,516)	£ (3,132)	£ -	£ (365)	£ (597)	£(424)	£ (2,936)	£ (12,970)
Value at 30 Apr 22	£ 32,538	£47,334	£ 38,000	£ 1,726	£ 125	£ 321	£31,000	£151,044

Note 8 - Stocks

Garage	£ 10,696.00
Tall Trees Bar Stock	£ 3,984.00
	<u>£ 14,680.00</u>

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

Interest - Apr 22	£ 88.00
Garage Invoices	£ 529.05
Tall Trees Bar Sales in Hand	£ 1,005.67
	<u>£ 1,622.72</u>

Note 9A- Prepayments

Insurance- Garage	£ 577.00
Insurance - Narrowboat	£ 486.00
Narrowboat Mooring Fees	£ 3,157.00
Narrowboat Licence	£ 695.00
Cornish Charm Site Fees	£ 2,193.00
	<u>£ 7,108.00</u>

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

Unidentified Bank Credits	£ 3,573.63
Prebooked Narrowboat	£ 7,953.00
Narrowboat Turnaround	£ 250.00
Prebooked Cornish Charm	£ 2,022.92
PNIE Examination	£ 910.00
Garage	£ 4,952.21
Berry's Coaches	£ 65.47
HMRC - VAT	£ 7,012.89
HMRC - PAYE	£ 2,431.43
	<u>£ 29,171.55</u>

Note 10A - Tall Trees Creditors

Bar Stocktake	£ 110.00
Bar Purchases	£ 2,155.16
PRS (Estimated)	£ 1,500.00
PNIE Examination	£ 175.00
	<u>£ 3,940.16</u>

Note 10B - Long Term Creditor

RNRMC (Nuffield Trust) - Interest in Holiday Home	£ 30,128.00
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Note 11 - Service Funds held by CAF as Central Bank

815 NAS Officers' Fund	£ 4,737.69
815 NAS Welfare Fund	£ 5,132.78
815 NAS SR Fund	£ 70.81
825 NAS Welfare Fund	£ 1,773.40
825 NAS Officers Fund	£ 1,026.73
825 NAS Wings Parade	£ 1,476.13
845 NAS Welfare Fund	£ 853.46
845 NAS Officers Fund	£ 3,644.40
846 NAS Officers Fund	£ 1,154.97
846 NAS SR Fund	£ 183.88
846 NAS Welfare Fund	£ 3,049.07
846 NAS Wings Parade	£ 159.10
847 NAS Officers Fund	£ 1,174.94
847 NAS Welfare Fund	£ 372.94
Junglie Cocktail Party	£ 2,288.91
AED Officers Fund	£ 2,890.28
Black Cats Display Team	£ 9,336.43
CHF Families Day	£ 1,567.88
CHF Officers Fund	£ 1,767.12
CHF Sports Fund	£ 705.00
CHF Welfare Fund	£ 2,154.28
Exercise Rotary Cluster	£ 1,937.95
846 Dinner	£ 5.81
HMS Heron Field Gun	£ 9,324.99
Heron Gliding Club	£ 3,525.46
Heron Sailing Club	£ 849.76
Yeovilton Gaming Club	£ 457.17
Yeovilton Golf Society	£ 3,845.90
Sporting Gun Club	£ 1,818.66
Station Families Day	£ 16,353.16
Volunteer Band	£ 4,498.54
FAA Grass Roots	£ 7,367.53
Heron Grass Roots	£ 1,199.97
NAC Sub Aqua Club	£ 1,040.82
RN Motor Cycle Club	£ 919.67
RN Model Aircraft Association	£ 3,886.77
Plumbers Union	£ 315.00
	<u>£ 102,867.36</u>

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

Air Engineering & SE NVQ Rewards	£ 33,104.98
RNSAC - GNVQ AWARDS	£ 1,235.80
Charity Grants	£ 21.57
JR Accommodation Keys	£ 146.67
Key Fobs	£ 3,445.73
	<u>£ 37,954.75</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	£ 9,292.79
RNR Air Branch - Warrant Officers	£ 11,820.09
Boxing	£ 2,578.25
Breaking the Silence	£ 1,273.68
Cinema	£ 277.15
Coarse Angling Club	£ 2,537.79
Covid Food	£ 550.68
Dog Passes	£ 2,537.76
Exercise White Dagger	£ 4,615.00
Flight Safety	£ 375.05
HOD's Go Karting	£ 104.00
JR Committee	£ 1,478.69
Narrowboat Deposits	£ 1,000.00
Korean Hospitality	£ 1,009.60
Guernsey Golf	£ 74.01
Childrens Swimming Club	£ 2,092.70
Puxton & Crealy Tickets	£ 353.75
Yeovilteenies PTA	£ 906.61
REME at DE&S	£ 726.93
RM Aircrewmen Dinner Fund	£ 334.36
RN Commando Dinner	£ 480.00
RN Netball	£ 284.77
RNRM Welfare Contingency Fund	£ 3,256.65
RNRM Wyndam	£ 4,882.81
Sanctuary Coffee	£ 85.01
Sanctuary Bacon Rolls	£ 177.53
Sanctuary Building Improvements	£ 507.99
UPO	£ 0.84
Chaplaincy Outreach	£ 506.72
TT Little Acorns	£ 930.66
TT Reserve (Closed Groups)	£ 38.75
TT Youth Club	£ 763.59
TT Youth Forum	£ 223.00
TT Great Oaks	£ 151.26
	<u>£ 56,228.47</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 22

			Previous Year
Total Sales	£ 108,068.34		£ 44,531.21
Cost of Sales	£ (45,861.75)		£ (32,509.44)
Gross Profit	£ 62,206.59		£ 12,021.77
Less:			
Wages	£ 63,849.57	£ 44,316.30	
Additional MOT Labour	£ -	£ 287.00	
Furlough Grant	£ (640.00)	£ (13,252.84)	
Insurance	£ 1,787.29	£ 2,317.93	
Garage depreciation	£ 3,132.00	£ 1,716.00	
	£ (68,128.86)		£ (35,384.39)
Net profit or (loss)	<u>£ (5,922.27)</u>		<u>£ (23,362.62)</u>
Gross Profit/Sales	58%		27%
Net Profit or (loss)/Sales	-5%		-52%

Note 15 - Tall Trees - 12 months to 30 Apr 22 (includes bar trading - Note 15A)

Previous Year

Income			
Grants	£ 800.00	£ 23,125.30	
Bar Sales	£ 63,898.63	£ 21,136.67	
Gaming Machines	£ 282.70	£ 24.00	
Pool Table	£ 350.00	£ -	
Juke Box	£ 199.60	£ 111.83	
Room Hire	£ 5,308.00	£ -	
Miscellaneous	£ 711.75	£ 1,471.19	
	<u>£ 71,550.68</u>	<u>£ 45,868.99</u>	
Expenditure			
Bar Expenses	£ 60,119.00	£ 25,505.63	
Play Park	£ -	£ 23,154.48	
Events	£ 2,124.36	£ 1,251.74	
Grant Funded Events	£ 572.42	£ -	
Repairs & Renewals	£ 321.64	£ 436.44	
Covid items	£ -	£ 244.82	
Insurance	£ 1,302.49	£ 2,111.87	
Performing Rights/PPL/MPLC	£ 1,400.00	£ 163.00	
TV Licence	£ 159.00	£ -	
SDC Licence	£ -	£ 360.00	
Office and Miscellaneous	£ 1,486.45	£ 1,650.30	
	<u>£ 67,485.36</u>	<u>£ 54,878.28</u>	
Less Examination	£ 345.00	£ 330.00	
Less Depreciation	£ 284.90	£ 120.00	
Net Gain	<u>£ 3,435.42</u>	<u>£ (9,459.29)</u>	

Note 15A - Tall Trees Bar Trading Account - 12 months to 30 Apr 22

Previous Year

Total Sales	£ 63,898.63	£ 21,136.67
Cost of Sales	£ (30,960.66)	£ (11,630.68)
Gross profit	£ 32,937.97	£ 9,505.99
Less: Bar Trading Costs		
Wages & Employers NI	£ 27,582.90 } 41.6%	£ 23,317.21 52.6%
Furlough Grants	£ (1,021.02) }	£ (12,192.67)
Stock Muster	£ 410.00	£ 200.00
Pipecleaning	£ 881.47 1.4%	£ 362.45 1.7%
Wastage/Out of Date	£ 485.71 0.8%	£ 1,880.33 8.9%
Free Drinks	£ 213.35	£ 60.44
Bar Sundries	£ 605.93	£ 247.19
	<u>£ (29,158.34)</u>	<u>£ (13,874.95)</u>
Net Bar Trading Profit	<u>£ 3,779.63</u>	<u>£ (4,368.96)</u>
Gross Profit/Sales	52%	45%
Gross Profit/Cost of Sales	106%	82%
(or average mark up)		
Net Profit/Sales	6%	-21%

THE CENTRAL AMENITIES FUND

HMS HERON

ANNUAL REPORT AND FINANCIAL STATEMENTS

For Period

1 May 2021 to 30 April 2022

Registered Charity No. 1129715

Trustees' Annual Report and Comments

Central Amenities Fund HMS HERON

Charity Registered No:	1129715
Covering the Accounting Year:	1 May 2021 to 30 April 2022
Address:	RNAS Yeovilton Ilchester Somerset BA22 8HT
Governing Document:	Constitution
Object:	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 R Griffin MBE Royal Navy
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 struggled to meet some of its objectives in the past year although the community centre, narrow boat, motor home and garage facilities were well used by the Service personnel and their families.
Financial Review:	The finances of the CAF remained precarious and the loss of Excess Income is sorely felt, not least because this CAF does not have the reserves of investments seen elsewhere. Nevertheless, there are some grounds to be optimistic as the garage has moved into a profit. However, this is still only treading water as the CAF will be unlikely to be able to meet its prime function of supporting the welfare of junior ratings. The CAF was worth £189K of which £135K was represented by the net value of property assets and stock. Bank and deposit assets totalled £272K of which £197.3K belonged to other funds. The balance of £74.7K easily covered £33K of liabilities.

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 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.

Declaration:

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

Signed on Original

Signature

Name Commodore N R Griffin MBE Royal Navy

Appointment Commanding Officer and sole Managing Trustee

Date 31 May 2022

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 2022 which are set out in pages 1 to 9 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. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a licenced member of the Association of Accounting Technicians.

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

31 May 2022