

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st AUGUST 2022**

PORTSMOUTH NAVAL GLIDING CENTRE

(A COMPANY LIMITED BY GUARANTEE)

**CHARITY REGISTRATION No: 1148381
COMPANY No: 08111423**

PORTSMOUTH NAVAL GLIDING CENTRE

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PORTSMOUTH NAVAL GLIDING CENTRE

TRUSTEES REPORT FOR THE YEAR ENDED 31st AUGUST 2022

CHARITY NUMBER:	1148381
START OF FINANCIAL YEAR:	1 September 2021
END OF FINANCIAL YEAR:	31 August 2022
TRUSTEES	<p>The governing body is the Board of Trustees. The Board has powers to co-opt and elects the Chairman and Vice Chairman.</p> <p>Board members:</p> <p>Captain D Durston Royal Navy (Chairman) Mr T World (Company Secretary) Mr C McCulloch (Finance) (until 9 February 2022) Mr J Stewart (Finance) (from 10 February 2022) Commodore M W Westwood Royal Navy Commander B Wainwright Royal Navy (Chairman – RNGSA)</p>
LEGAL STATUS:	Company Limited by Guarantee Registered Charity
GOVERNING INSTRUMENT:	Memorandum and Articles of Association Incorporated 19 June 2012
REGISTERED OFFICE:	Field View Peach Grove Palestine Andover Hampshire SP11 7EP
PRIMARY BANKERS:	Barclays Bank Leicester LE87 2BB
INDEPENDENT EXAMINER:	Peter Nicholls, MBE, MAAT PN Independent Examinations, 5 Nursery Road, Havant, Hampshire, PO9 3BG

PORTSMOUTH NAVAL GLIDING CENTRE (A Company limited by guarantee)

TRUSTEES REPORT FOR THE YEAR ENDED 31 AUGUST 2022

Trustees' Responsibilities:

The Charities Act 2011 and Companies Act 2006 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 trust and of the surplus of the trust for that period. In preparing those financial statements the trustees are required to:

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Prepare financial statements on the going concern basis unless it is inappropriate to presume that the trust will continue in existence.

The Trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the trust. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members have not required the charitable company to obtain an audit of its accounts for the year in accordance with section 476 of the Companies Act 2006 - however in accordance with section 144(2) of the Charities Act 2011 the accounts have been examined by an independent examiner whose report appears on page 6.

Objects:

The objects for which the charity is established are restricted to: the promotion of the efficiency of His Majesty's Armed Forces for the benefit of the public by fostering esprit de corps and raising morale of members of the Naval Service and the auxiliaries, in particular (but not by way of limitation) through promoting, encouraging participation in and providing or assisting in the provision of services, facilities and equipment for gliding and soaring; and to help young people towards responsible adulthood by encouraging valuable personal attributes and high standards of conduct in particular (but not by way of limitation) through gliding and soaring and related activities based on the customs of the Royal Navy.

Activities and achievements:

The Portsmouth Naval Gliding Centre (PNGC) was established as a Company Limited by Guarantee on 1 Sep 2012. The PNGC continued to meet its first objective by providing gliding and soaring experience for Service personnel and potential officer candidates. It meets its second primary objective by providing gliding opportunities for cadets, students and scout groups.

Financial Review:

PNGC has had a successful year in its new home at Middle Wallop despite some teething problems. Increased flying income led to the value of the fund increasing by £14.4K to £362.2K. The aircraft and other property assets totalled £386.6K but this was reduced by the £75K liability to grant making authorities. However, for practical purposes the current assets included the bank account which held £51.7K, with a further £14.4K of debts expected shortly, and these easily covered liabilities of £15.9K.

Investment Policy:

No investments are held.

Financial Reserves Policy:

It is the policy of the trustees to maintain a level of income sufficient to meet the anticipated demands on its resources and to maintain a level of free reserves to ensure that the charity will be able to fulfil its charitable objectives even if there is a temporary shortfall in income or unexpected expenditure. The Board does not consider that it has sufficient reserves but hopes to increase the bank balance as normal flying operations have resumed.

Risk Assessment:

The major risks to which the Charity is exposed, as identified by the trustees, have been reviewed and systems established to mitigate those risks.

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 gliding and soaring recreational 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 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.

The trustees confirm that they 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.

Signed on behalf of the Trustees

Signed on Original

T World

15 November 2022

INDEPENDENT EXAMINER'S REPORT ON THE ACCOUNTS

Report to the Trustees of the Portsmouth Naval Gliding Centre on the accounts for the year ended 31 August 2022 set out on pages 7 to 10

My work has been undertaken so that I might state to the charity's trustees those matters which I am required to state to them as an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees for my examination work, for this report, or for the opinions I have formed.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider 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 Charities Act;
- follow the procedures laid down in the General Directions given by the Charity Commissioners under section 145(5)(b) of the Charities Act and:
- state whether particular matters have come to my attention

Basis of independent examiner's statement

My examination was carried out in accordance with the general Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the organisation 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 the trustees concerning 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 matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 130 of the Charities Act or section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act.have not been met; or
- (2) the accounts do not accord with such records; or
- (3) the accounts fail to comply with the requirements under Section 396 of the Companies Act 2006, or are not consistent with the Charities SORP; or
- (4) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed on Original

Peter Nicholls, MBE, MAAT
PN Independent Examinations,
5 Nursery Road,
HAVANT,
Hampshire, PO9 3BG

Dated: 15 November 2022

PORTSMOUTH NAVAL GLIDING CENTRE LTD

BALANCE SHEET

31-Aug-22

31-Aug-21

ASSETS

Fixed Assets

	Note			
Property - Aircraft	7	£ 328,117.30	£ 328,117.30	
Property - Equipment	7	£ 58,503.34	£ 5,000.00	
		£ 386,620.64		£ 333,117.30

Current Assets

Stocks	8	£ 400.00	£ 400.00	
Miscellaneous Debtors	9	£ 14,400.00	£ 36,970.00	
Current Accounts		£ 51,681.18	£ 60,851.45	
		£ 66,481.18	£ 98,221.45	

LIABILITIES

Miscellaneous Creditors	10	£ 15,885.81	£ 33,530.53	
		£ 15,885.81	£ 33,530.53	
Net Current Assets		£ 50,595.37		£ 64,690.92
Net Assets		£ 437,216.01		£ 397,808.22
<u>Less Provisions</u>				
Liabilities to Grant Authorities		£ 75,000.00		£ 50,000.00
Net Assets		<u>£ 362,216.01</u>		<u>£ 347,808.22</u>

For year ended 31 August 2022 the company was entitled to exemption under section 477(2) of the Companies Act 2006.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibility for:

- (i) Ensuring the company keeps accounting records which comply with Section 386; and
- (ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its profit and loss for the financial year in accordance with Section 393, and which otherwise comply with the requirements of the Companies Act relating to the accounts, so far as applicable to the company.

Approved by the Trustees on 15 November 2022 and signed on their behalf by:

Signed on Original

Tony World
Director and Trustee

STATEMENT OF FINANCIAL ACTIVITIES
For the twelve months to 31 August 2022

	Note		<i>Previous Year</i>
Income from			
Voluntary Income		£ -	£ 41,272.57
Charitable Activities		£ 66,248.18	£ 48,496.91
Other Income		£ 300.00	£ 700.00
Total Income	3	<u>£ 66,548.18</u>	<u>£ 90,469.48</u>
Expenditure			
Charitable Activities		£ 52,140.39	£ 43,454.24
Total Expenditure	4	<u>£ 52,140.39</u>	<u>£ 43,454.24</u>
Net Income		£ 14,407.79	£ 47,015.24
Net Movement in Funds		£ 14,407.79	£ 47,015.24
Total Funds Brought Forward		£ 347,808.22	£ 300,792.98
Total Funds Carried Forward		<u>£ 362,216.01</u>	<u>£ 347,808.22</u>

Movement on all reserves and all recognised gains and losses are shown above

Notes to the Accounts dated 31 August 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 SORP 2019, UK Accounting Standards and the Charities Acts.

b. Company Status

The company is a charity limited by guarantee. The Trustees are named on page 3.
In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

c. Incoming resources

- i. Donations are included in the Statement of Financial Activities (SOFA) when the PNGC becomes entitled to the donation or grant and it is reasonably certain that it will be received.
- ii. Incoming resources from fund raising are reported gross in the SOFA
- iii. Intangible income is not included in the accounts.

d. Expenditure and liabilities

Liabilities are recognised as soon as there is a legal or constructive obligation committing the PNGC to the expenditure.

e. Assets

- i. Tangible fixed assets are capitalised if they can be used for more than one year and cost at least £100. They are valued at cost or a reasonable value on receipt.
- ii. Aircraft depreciation is actioned by annual valuation of assets.
- iii. Equipment Depreciation is at 20% straight line per annum.

Note 2 - Investments None are held

Note 3 - Income

		Previous Year
<u>Voluntary Income</u>		
RNRMC Grant	£ -	£ 25,000.00
RNGSA Grants	£ -	£ 6,300.00
Sports Lottery Grant	£ -	£ 5,000.00
Sports Equipment Grants	£ -	£ 4,972.57
	£ -	£ 41,272.57
<u>Charitable Activities</u>		
Flying Fees/Subscriptions	£ 59,742.20	£ 41,093.00
Introductory Flights	£ 3,455.98	£ 879.56
Hire of Equipment	£ 3,050.00	£ 6,279.80
Misc Income	£ -	£ 244.55
	£ 66,248.18	£ 48,496.91
<u>Other</u>		
Gain on Sale	£ 300.00	£ 700.00
Total Income	£ 66,548.18	£ 90,469.48

Note 4 - Expenditure

		Previous Year
<u>Charitable Activities</u>		
Airfield Expenses	£ 3,824.45	£ 1,963.04
Landing Fees	£ 743.40	£ -
BGA /LAA	£ 2,266.00	£ 1,270.41
Bursaries	£ -	£ 333.70
Clubhouse & General Expenses	£ 57.03	£ 2,315.52
AvGas	£ 6,490.41	£ -
Glider Mainenance	£ 2,613.50	£ 9,309.11
Tug Maintenance & Repair	£ 3,647.16	£ 598.59
Motor Glider Maint & Repair & Fuel	£ 6,007.37	£ 4,773.12
Ground Equipment Expenses	£ 3,443.45	£ 11,028.62
Propane	£ 1,356.83	£ 3,384.65
Equipment Hire	£ 2,072.10	£ 1,087.50
Travel/Retrieve	£ 259.70	£ 500.00
Radio Licences & Repairs	£ 60.00	£ 130.00
Parachutes	£ 720.00	£ 662.00
Log Books	£ 162.74	£ -
Insurance	£ 5,000.00	£ -
Victuals	£ 231.41	£ 1,446.88
Equipment Depreciation	£ 3,196.66	£ 54.70
Miscellaneous	£ 218.94	£ -
<u>Governance Costs</u>		
Account Examination	£ 500.00	£ 500.00
<u>Support Costs</u>		
Office Expenses	£ 2,117.80	£ 940.20
Rent	£ 7,048.74	£ 3,078.20
Bank & Card Charges	£ 102.70	£ 78.00
Total Expenditure	£ 52,140.39	£ 43,454.24

Note 5 - Paid Employees - None

Note 6 - Trustees and Other Related Parties

- a. No expenses or emoluments have been paid to the trustees
- b. There are no amounts due to or from the trustees.

Note 7 - Tangible Fixed Assets - Property Account

	Aircraft	Equipment
Valuation as at 1 Sep 21	£ 328,117.30	£ 5,000.00
Additions	£ -	£ 56,700.00
Depreciation	£ -	£ (3,196.66)
Valuation at 31 Aug 22	<u>£ 328,117.30</u>	<u>£ 58,503.34</u>

Note 8 - Stocks

Propane	£ 400.00
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Note 9 - Debtors

Course Fees	<u>£ 14,400.00</u>
	<u>£ 14,400.00</u>

Note 10 - Creditors - amounts falling due within one year

Glidex/Members' Accounts	£ 4,943.11
Insurance (estimate)	£ 10,000.00
Trial Flights	£ 442.70
Account Examination	£ 500.00
	<u>£ 15,885.81</u>

Note 11 - Endowment or Restricted Income Funds

There are no restricted or designated funds.

Note 12 - Movements in Funds

<u>At 1 Sep 21</u>	Incoming	Outgoing	Change in Nuffield Liability	<u>At 31 Aug 22</u>
£347,808.22	£ 91,548.18 *	£ (52,140.39)	£ (25,000.00)	£362,216.01

* includes grant funded property asset - £25K

Note 13 - Other information

- a. The fund does not have any material commitments not provided for in the accounts.
- b. The fund has not given any guarantees to any third party that could be called on at the year end.

PN INDEPENDENT EXAMINATIONS

5 Nursery Road
Havant
Hants
PO9 3BG

☎ 07801 064450

The Board of Trustees,
Portsmouth Naval Gliding Centre Ltd

27 Oct 22

PORTSMOUTH NAVAL GLIDING CENTRE -ANNUAL ACCOUNTS - 31 AUG 22

1. The examination of the accounts of the Portsmouth Naval Gliding Centre Ltd (PNGC) for the year ending 31 Aug 22 has been completed satisfactorily.
2. The accounts were accurate and well presented using Xero accounting software. The new Finance Manager had quickly grasped the requirements of accounting for the PNGC's activities.
3. The property register consisted of:
 - ☐ Aircraft which did not depreciate.
 - ☐ The clubhouse and hangar, the latter held but not yet erected, which have been added to the register to join the additions of the flail cutter and generator in the previous year. Depreciation costs were £3.2K. The other items in the property register had depreciated to zero book values.
4. The accounts continued to show liabilities of £25K each to the Nuffield Trust and Sports Lottery as being then potential repayment of their 72% interest should the Duo Discuss glider be sold. (However, were this situation to arise PNGC will argue that the Duo Discuss has retained its value but only because PNGC has a constant programme of repair by replacement so that the aircraft has, in effect, largely been replaced at PNGC's expense.) There was a further liability of £25K as the hangar was grant funded by the RNRMC. However, this liability will reduce each year in line with depreciation.
5. The flying accounts, using the Glidex system, indicated that the members were in credit by £4.9K.

6. Unlike insurance in other areas, premiums in gliding are actioned in arrears. This meant that the one uncertainty in the accounts was the amount owed for insurance for this year and the one before. This has been estimated as £10K but could be significantly different when the bill arrives.

7. Increased flying led to income from its activities increasing by £19.6K to £66.2K. On the other hand, expenditure only increased by £8.6K to £52.1K.

Summary

8. PNGC has had a successful year in its new home despite some teething problems. Increased flying income led to the value of the fund increasing by £14.4K to £362.2K. The aircraft and other property assets totalled £386.6K but this was reduced by the £75K liability to grant making authorities. However, for practical purposes the current assets included the bank account which held £51.7K, with a further £14.4K of debts expected shortly, and these easily covered liabilities of £15.9K.